



Durham Charter School

Durham Charter School Board Virtual Meeting

Published on May 15, 2026 at 5:54 PM EDT

Amended on May 21, 2026 at 6:27 PM EDT

Date and Time

Thursday May 21, 2026 at 5:00 PM EDT

Location

Durham Charter School Board Virtual Meeting link:

<https://durhamcharterschool.zoom.us/j/9199565599?omn=88216323768>

Our Mission: To Build a World-Class, K-12 School in Durham that Empowers Students to Thrive in College, Career, and Life.

Agenda

	Purpose	Presenter	Time
I. Opening Items			5:00 PM
A. Call the Meeting to Order			
B. Record Attendance			1 m
C. Pledge of Allegiance			1 m
D. Approve Minutes	Approve Minutes		1 m

	Purpose	Presenter	Time
E. Approval of Agenda			1 m
F. Privilege of the Floor			1 m
II. Executive Director Report			5:05 PM
A. Presentation of Report	Discuss	Alex Quigley	10 m
1. End of Year Calendar			
III. Old Business			5:15 PM
A. Phase II Project Update	FYI	Patrick Cummings	10 m
IV. New Business			
V. Academic Excellence			5:25 PM
A. Committee Report	FYI	Mark Bailey	5 m
B. New Hires	FYI	Mark Bailey	5 m
C. Dr.Bobby Hill (Closed Session)	Discuss	Alex Quigley	5 m
VI. Governance and CEO Evaluation			5:40 PM
A. Committee Report	Discuss	Cary Cain	5 m
B. Board Annual and Board Retreat	Discuss	Cary Cain	5 m
- September 12th, 19th or the 26th			
VII. Finance & Operations			5:50 PM
A. Committee Report	FYI	Preston Edwards	5 m
B. Borrower Resolution	Discuss	Alex Quigley	5 m
C. Comprehensive Financial Policies	FYI	Liz Morey	5 m
D. Approve FY27 Final Budget (Condensed)	FYI	Alex Quigley	5 m

	Purpose	Presenter	Time
E. Durham Charter School April Reconciled Budget	FYI	Preston Edwards	5 m
F. Financing Overview	FYI	Alex Quigley	5 m
VIII. Closed Session pursuant to (G.S.) 143-318.11(5) (6) for Real Estate & Personnel Matters			6:20 PM
A. Enter Closed Session	Discuss		10 m
B. Adjourn Closed Session	Vote		1 m
IX. Amend Agenda			6:31 PM
A. Vote	Vote	Liz Morey	1 m
X. Board Votes			6:32 PM
A. CEO 25-26 Mid-Year Evaluation/3 Year Employment Contract	Vote	Liz Morey	1 m
B. Comprehensive Financial Policies	Vote	Liz Morey	1 m
C. Approve FY27 Final Budget - Condensed	Vote	Liz Morey	5 m
D. Durham Charter School April Reconciled Budget	Vote	Liz Morey	1 m
E. 26-27 New Hire - Ashley Dockery	Vote	Liz Morey	1 m
F. Financing Overview	Vote	Liz Morey	1 m
G. Borrower Resolution	Vote	Liz Morey	1 m
H. May Committee Minutes	Approve Minutes	Liz Morey	1 m
I. May Board Meeting Minutes	Vote	Liz Morey	2 m
J. Approval of Tuition Reimbursement		Liz Morey	1 m
XI. Closing Items			6:47 PM
A. Adjourn Meeting	Vote		

Coversheet

Presentation of Report

Section:	II. Executive Director Report
Item:	A. Presentation of Report
Purpose:	Discuss
Submitted by:	
Related Material:	EOY Calendar_DCS .pdf ED_BOD_Report_5_21_26.pdf

End of Year Calendar
 Events, ES, MS, HS, Records

May				
Monday	Tuesday	Wednesday	Thursday	Friday
4	<i>DT Exams</i> 5	<i>DT Exams</i> 6 9th Grade Arts Field Trip 3:30 Staff Meeting HS	<i>DT Exams</i> 7 HS Due: Updated Grades	<i>DT Exams</i> 8 <i>Study Hall Grade Pull</i> Early Release Day
	Baseball @ TMSA			
<i>DT Exams</i> 11 DESSA EOY Student Ratings Study Hall	<i>Last Day of Classes for DTCC</i> 12 DESSA EOY Student Ratings Study Hall	DESSA EOY Student Ratings 13 Early Release Day Grade 3-12 EOG/EOC testing training	DESSA EOY Student Ratings 14 Study Hall Spring Arts Showcase	Last day of Majors HS 15 Study Hall DESSA EOY Student Ratings 1-2:50 Outdoor Block Party (Seniors Only) Mandatory Senior Day ES K-4 Spring Arts Showcase
Finals Review Week- 18 1st Block Review (Majors) 8th Field Trip ES Field Day	Senior Finals 1st & 2nd 19 Finals Review Week- 2nd Block Review (Majors) MS Field Day	Mandatory Senior Day 20 HS Field Day (9AM - 2PM) Pep Rally Staff/Student Basketball Game <u>10:00am (K-2 cheering)</u> HS Final Awards Ceremony 5th Field Trip	Senior Finals 3rd & 4th 21 8th Grade H.S. Visit and Tour (9AM - 10:30AM) Finals Review Week- 3rd Block Review (Majors)	Extended Morning Advisory 22 Due: DESSA Teacher Ratings Due: Final Senior Grades Finals Review Week- 4th Block Review (Majors) <i>Last day for all 11s/12s who only have DTCC classes</i> READING EOG SILENT SCHOOL MODE
NO SCHOOL 25	Non-EOC Finals 26 READING Makeups & 1:1s SILENT SCHOOL MODE	Non-EOC Finals 27 MATH EOG SILENT SCHOOL MODE	Non-EOC Finals 28 MATH Makeups SILENT SCHOOL MODE	Non-EOC Finals 29 SCIENCE EOG SILENT SCHOOL MODE

June				
Monday	Tuesday	Wednesday	Thursday	Friday
<p>English II / Math I EOCs 1</p> <p>Read to Achieve Test</p> <p>SCIENCE Makeups</p> <p>Retesting</p> <p>Mandatory Senior Day (baccalaureate/graduation practice)</p> <p>SILENT SCHOOL MODE</p>	<p>Math III / Biology EOCs 2</p> <p>Retesting</p> <p>6-7 Awards 2:00pm</p> <p>Mandatory Senior Day (baccalaureate/graduation practice)</p> <p>SILENT SCHOOL MODE</p> <p>Athletic Banquet 4-8</p>	<p>Biology EOCs 3</p> <p>Make-ups</p> <p>EOC Retests</p> <p>Retesting</p> <p>4th Awards 2pm</p> <p>Mandatory Senior Day (baccalaureate/graduation practice)</p> <p>SILENT SCHOOL MODE</p>	<p>Mandatory Senior Day (baccalaureate/graduation practice) 1-2:30PM</p> <p>Baccalaureate 4-5:30</p> <p>EOC Retests</p> <p>Retesting</p> <p>1-3 Awards 1:30pm</p> <p>Rising 6, and New to DCS 6-8 Orientation 5-6:30pm</p> <p>Student Final Grades Due</p> <p>Retention List Due</p> <p>Graduate List Due</p> <p>SILENT SCHOOL MODE</p>	<p>Graduation Practice 1-2PM 5</p> <p>HS Grades Close</p> <p>EOC Retests (MEH)</p> <p>Class Parties</p> <p>Class Parties</p> <p>Student FINAL grades, Retention Lists, and Graduate List are due!</p>
<p>Senior Trip 8</p> <p>Hold for Retesting</p> <p>K Moving Up 9am</p> <p>5th 1pm</p> <p>8th 4pm</p> <p>Final Master Schedule, Course Information, and Teacher Information are due!</p>	<p>Senior Trip 9</p> <p>Hold for Retesting English 2</p>	<p>Senior Trip 10</p> <p>All Staff Closeout Luncheon and TOY</p>	<p>11</p>	<p>12</p>
<p>15</p> <p>Finalized Homeroom Rosters</p>	<p>16</p>	<p>17</p>	<p>18</p>	<p>19</p>

Finalized Student Schedules/Class Lists				

Executive Director Report

Reporting Period: April 2026 - May 2026

Submitted By: Alex Quigley, Executive Director

Submission Date: Friday, May 15, 2026

Board Meeting Date: Thursday, May 21,

1. Executive Summary

Test prep continues in earnest as we drive toward the end of the year. In the high school, the selection of the principal has been met with a positive response and Mr. Hegmann has jumped into the role immediately and exhibits strong potential.

In addition to the academic work, we're beginning the wrapping up of the school year with performances and final events. We held our Spring Arts Showcase this week (picture below). Field Days and Pep Rallies will occur the week of May 18th, culminating with our EOGs beginning on Friday the 22nd. I've attached the End of Year Calendar to the board packet for you to visualize all the happenings.

Most significantly, Class of 2026 graduation will take place on June 6th at 10:30 AM. We hope that many of you can be in attendance to celebrate the first ever high school graduation of Durham Charter School. One of our Seniors was highlighted with an article in EdNC. Please read it here:

[Katori Reeves Article](#)

2. Academic Program

Assessment and Achievement

Math									
	24-25 EOG/EOC Scores	IA #1	IA #2 (HS MOCK)	IA #3	Mock	Fall EOCs	EOG/EOC Initial	EOG/EOC after retest	
3	80	21	32.3	69.7	69				
4	72	80.1	55.7	64.2	79				
5	84	91.1	67.5	81.8	83				
6	76	54	62.1	60	69				
7	45	78.6	59.8	57	57				
8	52	54.7	39.4	12	35				
Math 1	50	21.3	23.5	0	19		87.1		
Math 3	82	81	94	37	52		90.5		
Reading									
		IA #1	IA #2	IA #3	Mock	Fall EOCs	EOG/EOC Initial	EOG/EOC after retest	
3	51	8	12.8	27.2	26.6				

4	52	20.6	33.3	30.8	52			
5	47	13.1	25.5	30.2	31.5			
6	61	44	50.5	50	51			
7	52	58.3	54.3	50.5	48			
8	59	22	22.2	42.4	28.9			
English 2	58	100	100	48.9	53	91.7		
Science								
		IA #1	IA #2	IA #3	Mock	Fall EOCs	EOG/EOC Initial	EOG/EOC after retest
5	89	67	59.6	62	75			
8	87	79.2	72.2	68.4	76.5			
Biology	48			33	65			

Instructional Priorities

- K-2 is currently engaged in MCLASS testing
- All tested courses 3-12 are focused on Test Prep strategies in the final weeks of the year.

Special Programs

- All staff are hired for the DL program. 30 students have been offered seats from our DL specific lottery. At this time, only 1 family has rejected their seat (student speaks neither English nor Spanish and parent worried the class would be too much). We will be purchasing Benchmark Adelante as the core SLA curriculum.

High School Specifics

- High School principal has been hired and is currently engaged in onboarding plan

3. Enrollment 2026-2027

Grade Band	New Enrollee Target	Enrollment Complete	% Progress to Goal (if counting In-Progress)
K-5	224	214	98%
6-8	68	65	95%
9-12	47	53	100%
Total	337	338	97%

Movement This Month

1. We continue to receive applications that are placed immediately on the waitlist.
2. We currently have a total of **1330** applications. This is an increase of 120 over last month.



3. Our focus now shifts to **enrollment**. We utilized “In-Progress” combined with Complete because the majority of the “In-Progress” apps are just missing an immunization record or some other minor document. Generally, we find these students do convert to attending, though we are not planning for 97% of enrolled students to show up and will be accepting additional students off the waitlist.

4. Culture and Student Services

Attendance

Grade Band	MTD ADA	YTD ADA	Chronic Absenteeism
K-5	95%	95%	TBD
6-8	93%	95%	TBD
9-12	90%	94%	TBD

Discipline

Overall discipline data shows 152 student removals year-to-date, with 25 occurring in May. The largest concentration of discipline incidents continues to be in the Middle School (Grades 4–8), which accounts for 100 removals YTD, 22 ISS incidents, and 33 OSS incidents.

The Elementary School (K–3) experienced a noticeable increase in removals during May, recording 13 removals for the month despite relatively low suspension numbers overall. The High School had fewer total removals (18 YTD), but a comparatively higher number of out-of-school suspensions (21 YTD), including 4 in May. Generally, we expect an uptick in suspensions as we near the end of the school year.

Across all schools:

- In-School Suspensions (ISS): 30 YTD, 4 in May
- Out-of-School Suspensions (OSS): 57 YTD, 9 in May

5. Staffing and Human Capital - 26-27

Current Status

Total positions: 124

Filled: 121

Open: 4

Pending starts: 15

New hires: 15 (all approved by Board to date)

New roles: 5

New hires requiring visa: 9 (7 in priority/hard-to-hire roles)

New hire visa percentage: $9/15 = 60\%$

Professional Development

Mandatory All Staff (3rd-12th grade) EOG/EOC Test Training on Wednesday, May 13, 2026

Evaluation Cycle

We've completed all the 360 evaluations of school leaders as well as all teacher evaluations.

6. Operations and Facilities

Transportation, Food Service, Technology

Transportation

1 additional driver was hired. 1 driver was released.

Coordinator is working with ED on 'Transportation NORs' and bus route modifications for 26-27. Changes include shifting stops to a safer intersection.

Facilities and Capital Projects

We will provide detailed updates in the board meeting on this topic.

We convened our Elementary School Interior Design Committee to continue to provide input on the interior design and finishes of the school. We reviewed furniture proposals for 'Teacher Package' and k-2 classroom seating proposed by Meteor Education. Four committee members visited Raleigh Oak Charter School (Mussman and Hubrich project). Springer Studios are scheduled to visit to advise on graphics and interior design for Elementary and existing buildings. Hubrich is scheduling gym floor repainting per warranty.

Regularly scheduled maintenance and security checks were performed on existing buildings and structures.

The Facilities Team met with the Graduation Team to coordinate the delivery and setup of graduation.

Safety, Security, Emergency Preparedness

The Threat Assessment Committee continues to meet monthly. The April meeting topics included additional Tornado Drill feedback. The committee scheduled the next Lock Down Drill which was held on 4/28/26. Communication was sent to parents before and after utilizing the prescribed communication norms. The Committee discussed Safety Protocol for EOY Events (Graduation, Field Day) and scheduled the May fire drill. The May meeting topics included Lock Down feedback, additional Field Day protocols, Banquets/ Sternos, and the June Fire Drill date.

Cottages were rekeyed to allow 'Master Key' Access. A master was produced for Black 'Metal Doors'.

Compliance Items

Regularly scheduled maintenance and security checks were performed on existing buildings and structures.

Monthly fire drills occur as scheduled.

Testing and Accountability items are all up to date with NCDPI and Regional Area Coordinator.

7. Finance

Budget Summary

Category	Budget YTD	Actual YTD	Variance	Percent Used
Revenue	\$17,582,446	\$15,326,577	\$1,599, 775	76%
Salaries and Benefits	\$11,795,283	\$8,242,000	\$2,868,300	77%
Operations and Instructional Programming	\$3,910,942	\$5,679,097	-\$1,768, 155)	145%
Debt Service	\$1,702,500	\$1,442,090	\$260, 492	85%
Total Expenditures	\$17,408,725	\$16,363,429	\$1,210,572	94%

Cash and Liquidity

Cash on hand: \$7,884,741

Months of operating cash: 149

DSCR (trailing twelve months): 1.17

Projected DSCR: 0.13 (if CapEx included), 1.27 net CapEx

Bond Covenant Compliance

We are currently performing on all of our covenants (Academic, Enrollment) with the exception of the DSCR - see above.

Material Variances

Extensive capital investment are responsible for the financial overages.



Coversheet

Committee Report

Section: V. Academic Excellence
Item: A. Committee Report
Purpose: FYI
Submitted by:
Related Material: 2026_05_19_academic_excellence_minutes.pdf

DRAFT



Durham Charter School

Minutes

Academic Excellence

Date and Time

Tuesday May 19, 2026 at 8:30 AM

Location

Academic Excellence Virtual Committee Meeting

<https://durhamcharterschool.zoom.us/my/gaxiolabrown>

Our Mission: To Build a World-Class K-12 School in Durham That Empowers Students to Thrive in College, Career, and Life.

Committee Members Present

A. Quigley (remote), L. Morey (remote), M. Bailey (remote)

Committee Members Absent

G. Wicker

Guests Present

A. Gutierrez (remote), B. Brown (remote), M. Altemose (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

M. Bailey called a meeting of the Academic Excellence Committee of Durham Charter School to order on Tuesday May 19, 2026 at 8:30 AM.

II. Academic Excellence

A. Academic Data

Discussed academic data

III. Other Business

A. New Hires

Discussed new hires

B. High School Principal Update

Discussed high school principal update

C. Teacher Working Conditions Survey

Discussed teacher working condition survey. Committee chair suggests we have focus groups to cover each campus and obtain data.

D. High School Principal Transition Plan

Discuss high school transition plan

E. Athletic Leadership by Design - Dr.Bobby Hill

This was not discussed. Will add to June's committee meeting.

IV. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:00 AM.

Respectfully Submitted,
M. Bailey

Documents used during the meeting

- May_AcEx_Dr.Altemose.pdf
- 25-26)TWC Results (1).pdf

- HS Principal Transition Plan.pdf

Coversheet

New Hires

Section: V. Academic Excellence
Item: B. New Hires
Purpose: FYI
Submitted by:
Related Material: May 21_26-27_NewHireDocumentforAcEx_BoardComm.pdf

New Hire Name	Position	Reason for vacancy	If replacing, who are they replacing	Current Role	Degree/School/ Licensure	Visa?	Status	Recruitment Strategy	Presented Before the Board
Ashlee Dockery	Durham Tec/HS Testing Coordinator	Replacement	Oldham	Sr. Academic Advisor, NCCU	Liberty Univ, Ph.D in Leadership and Student Affairs	No	N/A	Indeed	May 21, 2026

Coversheet

Dr.Bobby Hill (Closed Session)

Section: V. Academic Excellence
Item: C. Dr.Bobby Hill (Closed Session)
Purpose: Discuss
Submitted by:
Related Material: Dr.Bobby Hill

Notice

The following file is attached to this PDF. You will need to open this packet in an application that supports attachments to pdf files, e.g. [Adobe Reader](#):

Dr.Bobby Hill

Coversheet

Committee Report

Section: VI. Governance and CEO Evaluation
Item: A. Committee Report
Purpose: Discuss
Submitted by:
Related Material: 2026_05_06_governance_and_ceo_evaluation_minutes.pdf

DRAFT



Durham Charter School

Minutes

Governance and CEO Evaluation

Date and Time

Wednesday May 6, 2026 at 8:00 AM

Location

Durham Charter School Virtual Committee Meeting

<https://durhamcharterschool.zoom.us/my/gaxiolabrown>

Our Mission: To Build a World-Class K-12 School in Durham That Empowers Students to Thrive in College, Career, and Life.

Committee Members Present

C. Cain (remote), E. Lembert (remote), L. Morey (remote)

Committee Members Absent

None

Guests Present

B. Brown (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

C. Cain called a meeting of the Governance and CEO Evaluation Committee of Durham Charter School to order on Wednesday May 6, 2026 at 8:02 AM.

II. Governance and CEO Evaluation

A. CEO Evaluation

Discussed CEO Mid-year evaluation. Recommending for board vote

B. Teacher Annual Evaluation

Discussed teacher annual survey. Cary to update evaluation.

C. Board Retreat

Discussed board retreat. Will move discussion to board meeting.

III. Other Business

A. May 21st Board Agenda

Discussed May 21st board agenda.

IV. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:20 AM.

Respectfully Submitted,
C. Cain

Documents used during the meeting

- Alex 25-26 Mid-Year Evaluation.PDF

Coversheet

Committee Report

Section: VII. Finance & Operations
Item: A. Committee Report
Purpose: FYI
Submitted by:
Related Material: 2026_05_18_finance__operations_minutes (1).pdf

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Durham Charter School

Minutes

Finance & Operations

Date and Time

Monday May 18, 2026 at 8:00 AM

Location

Finance & Operations Virtual Committee Meeting

<https://durhamcharterschool.zoom.us/my/gaxiolabrown>

Our Mission: To Build a World-Class K-12 School in Durham That Empowers Students to Thrive in College, Career, and Life.

Committee Members Present

A. Quigley (remote), L. Morey (remote), P. Edwards (remote)

Committee Members Absent

M. Lesesky, R. Ford

Guests Present

B. Brown, C. Draughon, P. Jasin

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

P. Edwards called a meeting of the Finance & Operations Committee of Durham Charter School to order on Monday May 18, 2026 at 8:03 AM.

II. Finance & Operations

A. Budget

Discussed budget

III. Other Business

A. Financing Update

Discussed finance update

B. Phase II construction and Phase II financing

Discuss phase II construction and phase II financing

C. Comprehensive Financial Policies

Discussed comprehensive financial policies

D. Alex's Contract

Discussed CEO contract

IV. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:45 AM.

Respectfully Submitted,
P. Edwards

Coversheet

Borrower Resolution

Section: VII. Finance & Operations

Item: B. Borrower Resolution

Purpose: Discuss

Submitted by:

Related Material:

Durham Charter School - Borrower Resolution (2026 Loan).docx

Redline - Durham Charter School - Borrower Resolution (2026 Loan)-4921-4426-9485-v2 and Durham Charter School - Borrower Resolution (2026 Loan)-4921-4426-9485-v.pdf

**RESOLUTION OF HEALTHY START EDUCATION, INC. D/B/A
DURHAM CHARTER SCHOOL
AUTHORIZATION OF PLAN OF FINANCE**

WHEREAS, Healthy Start Education, Inc. d/b/a Durham Charter School (the “**Borrower**”) is a nonprofit corporation organized and existing under the laws of the State of North Carolina, is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and is exempt from Federal taxation under Section 501(a) of the Code;

WHEREAS, the Borrower operates a charter school known as Durham Charter School (formerly known as Healthy Start Academy and as 32B-Healthy Start Academy) (the “**Charter School**”), pursuant to a Charter Agreement, effective July 1, 2021 through June 30, 2031, between the Borrower and the North Carolina State Board of Education (the “**Charter**”) and the North Carolina Charter School Act, N.C. Gen. Stat. §115C-218 *et seq.*, as may be amended from time to time, and has the requisite corporate power and authority to own and operate educational and administrative facilities and to carry on its business as presently being conducted;

WHEREAS, the Borrower currently owns certain real property and educational facilities located at 5510 Wake Forest Highway, Durham, North Carolina (also known as 4621 Kemp Road, Durham, NC 27703) (collectively, the “**Wake Forest Highway Property**”);

WHEREAS, the Borrower previously owned certain real property and educational facilities located at 807, 809 & 811 West Chapel Hill Street, 804 & 806 Jackson Street, 605, 607, 608, 609, 611 & 613 Arnette Avenue and 608 Shepherd Street, Durham, North Carolina 27701 (collectively, the “**West Chapel Hill Property**”);

WHEREAS, the Borrower and U.S. Bank Trust Company, National Association (the “**Master Trustee**”) previously entered into a Master Trust Indenture and Security Agreement dated as of June 1, 2024, as supplemented by a Supplemental Master Indenture No. 1 dated as of June 1, 2024 (as supplemented, the “**Master Indenture**”) pursuant to which the Borrower, among other things, pledged and granted a lien on the revenues of the Borrower described therein to evidence and secure indebtedness of the Borrower;

WHEREAS, the Borrower previously entered into a Deed of Trust and Security Agreement (With Assignment of Rents and Leases) dated as of June 1, 2024 (the “**Deed of Trust**”) in favor of a mortgage trustee, for the benefit of the Master Trustee, encumbering the real and personal property constituting the West Chapel Hill Property and the Wake Forest Highway Property to further secure the Borrower’s obligations under the Master Indenture;

WHEREAS, on May 30, 2025, the Borrower sold the West Chapel Hill Property to a third-party buyer, under the terms and conditions set forth in Section 13.02 of the Existing Deed of Trust and Section 6.24 of the Loan Agreement, dated as of June 28, 2024 (the “**2024 Loan Agreement**”), between the Borrower and Equitable Facilities Fund, Inc. (the “**Lender**”), and, in accordance therewith, recorded a Partial Release Deed relating to such sale in order to release the West Chapel Hill Property from the lien of the Deed of Trust, which was filed with the Durham County Register of Deeds on June 20, 2025 as Instrument Number 2025137709;

WHEREAS, the Borrower proposes to enter into a new Loan Agreement (the “**2026 Loan Agreement**”) with the Lender, pursuant to which the Lender will make one or more loans (collectively, the “**2026 Loan**”) to the Borrower to provide funds for the purposes of, among other things, (a) financing and/or refinancing (including through reimbursement) the costs of acquiring, constructing, improving and/or equipping of a new elementary school building to be located on the Wake Forest Highway Property (collectively, the “**New Facility**”), (b) funding any required reserves, and (c) paying all or a portion of the costs of issuance of the 2026 Loan (collectively, the “**Project**”);

WHEREAS, it is proposed that the Borrower will enter into one or more supplements to the Master Indenture (collectively, the “**2026 Supplemental Master Indentures**”), pursuant to which the Borrower will issue one or more promissory notes (collectively, the “**2026 Master Notes**”) to evidence and secure its obligations under the Loan Agreement;

WHEREAS, it is proposed that the Borrower will enter into an amendment to the Deed of Trust (the “**Deed of Trust Amendment**”) in favor of a mortgage trustee, for the benefit of the Master Trustee, in connection with the issuance of the 2026 Master Notes and the 2026 Loan Agreement and the construction of the New Facility;

WHEREAS, it is proposed that the Borrower will enter into a Disbursement Agreement (the “**Disbursement Agreement**”) with a disbursing agent and the Lender, in order to provide for the disbursement of the proceeds of the 2026 Loan;

WHEREAS, it is deemed to be in the best interest of the Borrower to undertake the Project and to borrow the proceeds of the 2026 Loan from the Lender; and

WHEREAS, there has been discussed at this meeting of the Borrower’s Board of Directors (the “**Board**”) the form and substance of the proposed 2026 Loan Agreement, 2026 Supplemental Master Indentures, 2026 Master Notes, Deed of Trust Amendment, and Disbursement Agreement (the foregoing documents being collectively referred to herein as the “**Borrower Documents**”);

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HEALTHY START EDUCATION, INC. D/B/A DURHAM CHARTER SCHOOL, AS FOLLOWS:

1. That the making of the 2026 Loan by the Lender, the borrowing of the proceeds of the 2026 Loan by the Borrower, the undertaking of the Project, and the financing and/or refinancing thereof, all as described herein, are hereby authorized and approved. The Executive Director of the Borrower and/or the Board Chairperson are hereby authorized, empowered and directed to execute any and all instruments and take any and all actions required to implement the Project. The 2026 Loan shall be in an aggregate principal amount not to exceed \$17,000,000 and the maximum, weighted average true interest cost for the 2026 Loan, without regard to any default rate that may apply, shall not exceed 5.25%. Principal and interest on the 2026 Loan shall be due and payable as set forth in the 2026 Loan Agreement. The Borrower shall have the right to prepay the 2026 Loan as set forth in the 2026 Loan Agreement. The Board hereby delegates to any of the officers of the Borrower and any of the members on the Board identified herein the authority to make the final determinations relating to the 2026 Loan, the Project, the Wake Forest Highway Property, the New Facility, and the Borrower Documents, all in conformity with the purposes and intent of this resolution.

2. That the Board Chairperson and/or the Executive Director of the Borrower, either acting individually (the “**Designated Officer**”), is hereby authorized, empowered and directed to negotiate, execute and deliver the Borrower Documents, in the name and on behalf of the Borrower and, thereupon cause the same to be attested by any other officer (Vice-Chairperson, Treasurer or Secretary) of the Board; that such Borrower Documents are to be in forms consistent with the purposes and intent of this resolution, as shall be approved by the Designated Officer, their execution and delivery thereof to constitute conclusive evidence of the Borrower’s approval of the Borrower Documents; and that from and after the execution and delivery of the Borrower Documents, the Designated Officer, the other officers or the Board, and such agents and employees designated by such officers of the Borrower or the Board, are hereby authorized, empowered and directed to do all such acts and things and to execute, attest, acknowledge and deliver the Borrower Documents as may be necessary to carry out and comply with the provisions of the Borrower Documents as executed, including but not limited to any and all other documents, agreements and instruments necessary or desirable in connection therewith and paying all costs and expenses associated with the same.

3. The New Facility is proposed to be constructed by Hubrich Contracting, Inc., Durham, North Carolina (the “**Contractor**”), and the Borrower and the Contractor have entered or will enter into AIA Document A141-2014 Standard Form of Agreement Between Owner and Design-Builder, together with all exhibits, supplements and amendments thereto (the “**Construction Contract**”). Mussman Architects, Greenville, South Carolina (the “**Architect**”), is proposed to serve as the Architect for the New Facility. The Construction Contract provides that the sum of the Cost of the Work and the Design-Builder’s Fee is guaranteed by the Contractor not to exceed \$12,433,719.52. The Borrower hereby confirms, approves and ratifies the execution and delivery of the Construction Contract and such amendments as shall be approved by the Designated Officer, their execution and delivery thereof to constitute conclusive evidence of the Borrower’s approval thereof.

4. That the Designated Officer is hereby appointed and authorized to execute and deliver all certificates and other closing documents (including, without limitation, any security documents, assignment documents, tax documents or title documents) that may be necessary in connection with the Project and the making and borrowing of the Loan, and any other closing agreements reasonably required in connection therewith, the execution and delivery thereof to constitute conclusive evidence of the Borrower’s approval, and all such actions and doings of said Designated Officer which are in conformity with the purposes and intent of this resolution hereby are in all respects ratified, approved and confirmed.

5. That all other acts and doings of the officers, agents and employees of the Borrower or of the Board, including but not limited to the negotiation, execution and delivery of other agreements, certificates and documents and approval of costs, fees and expenses associated with the 2026 Loan and the Project, which are in conformity with the purposes and intent of this resolution and in furtherance of the making and borrowing of the 2026 Loan and the financing and/or refinancing of the Project, shall be and the same hereby are in all respects ratified, approved and confirmed. Such agreements, certificates and documents shall include, but not be limited to, the agreement with or engagement of Specialized Public Finance, Inc. relating to advisory services and Kutak Rock LLP relating to legal services, and any other such agreements, certificates and documents as may be required for the Borrower to obtain the standard forms of title insurance policies required pursuant to the terms of the Borrower Documents.

6. That all prior acts and doings of the officers, agents and employees of the Borrower or of the Board which are in conformity with the purposes and intent of this resolution and in furtherance of the execution and performance of the documents described herein, the making and borrowing of the 2026 Loan and the financing and/or refinancing of the Project, shall be and the same hereby are in all respects ratified, approved and confirmed.

7. That if any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

8. That all bylaws, orders and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency, provided such repeal does not materially alter the nature, purpose and general governance or operation of the Borrower, and is legally permissible. This repealer shall not be construed as reviving any bylaw, order or resolution, or part thereof.

9. This resolution shall be in full force and effect upon its passage and approval, shall remain in full force and effect from this day forward, and may be relied upon by all parties interested in the Project, the 2026 Loan, the Wake Forest Highway Property, and the New Facility.

[Remainder of page intentionally left blank]

Adopted this 21st day of May, 2026.

**HEALTHY START EDUCATION, INC. d/b/a
DURHAM CHARTER SCHOOL**, a North
Carolina non-profit corporation

By: _____

Name: _____

Title: _____

Attest:

By: _____

Name: _____

Title: _____

RESOLUTION OF HEALTHY START EDUCATION, INC. D/B/A

DURHAM CHARTER SCHOOL

AUTHORIZATION OF PLAN OF FINANCE

WHEREAS, Healthy Start Education, Inc. d/b/a Durham Charter School (the “**Borrower**”) is a nonprofit corporation organized and existing under the laws of the State of North Carolina, is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and is exempt from Federal taxation under Section 501(a) of the Code;

WHEREAS, the Borrower operates a charter school known as Durham Charter School (formerly known as Healthy Start Academy and as 32B-Healthy Start Academy) (the “**Charter School**”), pursuant to a Charter Agreement, effective July 1, 2021 through June 30, 2031, between the Borrower and the North Carolina State Board of Education (the “**Charter**”) and the North Carolina Charter School Act, N.C. Gen. Stat. §115C-218 *et seq.*, as may be amended from time to time, and has the requisite corporate power and authority to own and operate educational and administrative facilities and to carry on its business as presently being conducted;

WHEREAS, the Borrower currently owns certain real property and educational facilities located at 5510 Wake Forest Highway, Durham, North Carolina (also known as 4621 Kemp Road, Durham, NC 27703) (collectively, the “**Wake Forest Highway Property**”);

WHEREAS, the Borrower previously owned certain real property and educational facilities located at 807, 809 & 811 West Chapel Hill Street, 804 & 806 Jackson Street, 605, 607, 608, 609, 611 & 613 Arnette Avenue and 608 Shepherd Street, Durham, North Carolina 27701 (collectively, the “**West Chapel Hill Property**”);

WHEREAS, the Borrower and U.S. Bank Trust Company, National Association (the “**Master Trustee**”) previously entered into a Master Trust Indenture and Security Agreement dated as of June 1, 2024, as supplemented by a Supplemental Master Indenture No. 1 dated as of June 1, 2024 (as supplemented, the “**Master Indenture**”) pursuant to which the Borrower, among other things, pledged and granted a lien on the revenues of the Borrower described therein to evidence and secure indebtedness of the Borrower;

WHEREAS, the Borrower previously entered into a Deed of Trust and Security Agreement (With Assignment of Rents and Leases) dated as of June 1, 2024 (the “**Deed of Trust**”) in favor of a mortgage trustee, for the benefit of the Master Trustee, encumbering the real and personal property constituting the West Chapel Hill Property and the Wake Forest Highway Property to further secure the Borrower’s obligations under the Master Indenture;

WHEREAS, on May 30, 2025, the Borrower sold the West Chapel Hill Property to a third-party buyer, under the terms and conditions set forth in Section 13.02 of the Existing Deed of Trust and Section 6.24 of the Loan Agreement, dated as of June 28, 2024 (the “**2024 Loan Agreement**”), between the Borrower and Equitable Facilities Fund, Inc. (the “**Lender**”), and, in accordance therewith, recorded a Partial Release Deed relating to such sale in order to release the West Chapel Hill Property from the lien of the Deed of Trust, which was filed with the Durham County Register of Deeds on June 20, 2025 as Instrument Number 2025137709;

WHEREAS, the Borrower proposes to enter into a new Loan Agreement (the “**2026 Loan Agreement**”) with the Lender, pursuant to which the Lender will make one or more loans (collectively, the “**2026 Loan**”) to the Borrower to provide funds for the purposes of, among other things, (a) financing and/or refinancing (including through reimbursement) the costs of acquiring, constructing, improving and/or equipping of a new elementary school building to be located on the Wake Forest Highway Property (collectively, the “**New Facility**”), (b) funding any required reserves, and (c) paying all or a portion of the costs of issuance of the 2026 Loan (collectively, the “**Project**”);

WHEREAS, it is proposed that the Borrower will enter into one or more supplements to the Master Indenture (collectively, the “**2026 Supplemental Master Indentures**”), pursuant to which the Borrower will issue one or more promissory notes (collectively, the “**2026 Master Notes**”) to evidence and secure its obligations under the Loan Agreement;

WHEREAS, it is proposed that the Borrower will enter into an amendment to the Deed of Trust (the “**Deed of Trust Amendment**”) in favor of a mortgage trustee, for the benefit of the Master Trustee, in connection with the issuance of the 2026 Master Notes and the 2026 Loan Agreement and the construction of the New Facility;

WHEREAS, it is proposed that the Borrower will enter into a Disbursement Agreement (the “**Disbursement Agreement**”) with a disbursing agent and the Lender, in order to provide for the disbursement of the proceeds of the 2026 Loan;

WHEREAS, it is deemed to be in the best interest of the Borrower to undertake the Project and to borrow the proceeds of the 2026 Loan from the Lender; and

WHEREAS, there has been discussed at this meeting of the Borrower’s Board of Directors (the “**Board**”) the form and substance of the proposed 2026 Loan Agreement, 2026 Supplemental Master Indentures, 2026 Master Notes, Deed of Trust Amendment, and Disbursement Agreement (the foregoing documents being collectively referred to herein as the “**Borrower Documents**”);

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HEALTHY START EDUCATION, INC. D/B/A DURHAM CHARTER SCHOOL, AS FOLLOWS:

1. That the making of the 2026 Loan by the Lender, the borrowing of the proceeds the 2026 Loan by the Borrower, the undertaking of the Project, and the financing and/or refinancing thereof, all as described herein, are hereby authorized and approved. The Executive Director of the Borrower and/or the Board Chairperson are hereby authorized, empowered and directed to execute any and all instruments and take any and all actions required to implement the Project. The 2026 Loan shall be in an aggregate principal amount not to exceed **\$17,000,000** and the maximum, weighted average true interest cost for the 2026 Loan, without regard to any default rate that may apply, shall not exceed **5.25%**. Principal and interest on the 2026 Loan shall be due and payable as set forth in the 2026 Loan Agreement. The Borrower shall have the right to prepay the 2026 Loan as set forth in the 2026 Loan Agreement. The Board hereby delegates to any of the officers of the Borrower and any of the members on the Board identified herein the authority to make the final determinations relating to the 2026 Loan, the Project, the

Wake Forest Highway Property, the New Facility, and the Borrower Documents, all in conformity with the purposes and intent of this resolution.

2. That the Board Chairperson and/or the Executive Director of the Borrower, either acting individually (the “**Designated Officer**”), is hereby authorized, empowered and directed to negotiate, execute and deliver the Borrower Documents, in the name and on behalf of the Borrower and, thereupon cause the same to be attested by any other officer (Vice-Chairperson, Treasurer or Secretary) of the Board; that such Borrower Documents are to be in forms consistent with the purposes and intent of this resolution, as shall be approved by the Designated Officer, their execution and delivery thereof to constitute conclusive evidence of the Borrower’s approval of the Borrower Documents; and that from and after the execution and delivery of the Borrower Documents, the Designated Officer, the other officers or the Board, and such agents and employees designated by such officers of the Borrower or the Board, are hereby authorized, empowered and directed to do all such acts and things and to execute, attest, acknowledge and deliver the Borrower Documents as may be necessary to carry out and comply with the provisions of the Borrower Documents as executed, including but not limited to any and all other documents, agreements and instruments necessary or desirable in connection therewith and paying all costs and expenses associated with the same.

3. The New Facility is proposed to be constructed by Hubrich Contracting, Inc., Durham, North Carolina (the “**Contractor**”), and the Borrower and the Contractor have entered or will enter into AIA Document A141-2014 Standard Form of Agreement Between Owner and Design-Builder, together with all exhibits, supplements and amendments thereto (the “**Construction Contract**”). Mussman Architects, Greenville, South Carolina (the “**Architect**”), is proposed to serve as the Architect for the New Facility. The guaranteed maximum price under the Construction Contract ~~provides that the sum of the Cost of the Work and the Design Builder’s Fee is guaranteed by the Contractor not to exceed \$12,433,719.52~~ shall not exceed \$12,500,000 (which, for the avoidance of doubt, does not include certain additional soft costs and financing costs). The Borrower hereby confirms, approves and ratifies the execution and delivery of the Construction Contract and such amendments as shall be approved by the Designated Officer, their execution and delivery thereof to constitute conclusive evidence of the Borrower’s approval thereof.

4. That the Designated Officer is hereby appointed and authorized to execute and deliver all certificates and other closing documents (including, without limitation, any security documents, assignment documents, tax documents or title documents) that may be necessary in connection with the Project and the making and borrowing of the Loan, and any other closing agreements reasonably required in connection therewith, the execution and delivery thereof to constitute conclusive evidence of the Borrower’s approval, and all such actions and doings of said Designated Officer which are in conformity with the purposes and intent of this resolution hereby are in all respects ratified, approved and confirmed.

5. That all other acts and doings of the officers, agents and employees of the Borrower or of the Board, including but not limited to the negotiation, execution and delivery of other agreements, certificates and documents and approval of costs, fees and expenses associated with the 2026 Loan and the Project, which are in conformity with the purposes and intent of this resolution and in furtherance of the making and borrowing of the 2026 Loan and the financing and/or refinancing of the Project, shall be and the same hereby are in all respects ratified, approved and confirmed. Such agreements, certificates and documents shall include, but not be limited to, the agreement with or engagement of Specialized Public Finance, Inc. relating to

advisory services and Kutak Rock LLP relating to legal services, and any other such agreements, certificates and documents as may be required for the Borrower to obtain the standard forms of title insurance policies required pursuant to the terms of the Borrower Documents.

6. That all prior acts and doings of the officers, agents and employees of the Borrower or of the Board which are in conformity with the purposes and intent of this resolution and in furtherance of the execution and performance of the documents described herein, the making and borrowing of the 2026 Loan and the financing and/or refinancing of the Project, shall be and the same hereby are in all respects ratified, approved and confirmed.

7. That if any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

8. That all bylaws, orders and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency, provided such repeal does not materially alter the nature, purpose and general governance or operation of the Borrower, and is legally permissible. This repealer shall not be construed as reviving any bylaw, order or resolution, or part thereof.

9. This resolution shall be in full force and effect upon its passage and approval, shall remain in full force and effect from this day forward, and may be relied upon by all parties interested in the Project, the 2026 Loan, the Wake Forest Highway Property, and the New Facility.

[Remainder of page intentionally left blank]

Adopted this 21st day of May, 2026.

**HEALTHY START EDUCATION, INC. d/b/a
DURHAM CHARTER SCHOOL**, a North
Carolina non-profit corporation

By: _____

Name: _____

Title: _____

Attest:

By: _____

Name: _____

Title: _____

Summary report:	
Litera Compare for Word 11.12.0.83 Document comparison done on 5/21/2026 2:02:01 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: nd://4921-4426-9485/2/Durham Charter School - Borrower Resolution (2026 Loan).docx	
Modified DMS: nd://4921-4426-9485/3/Durham Charter School - Borrower Resolution (2026 Loan).docx	
Changes:	
<u>Add</u>	2
Delete	1
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	3

Coversheet

Comprehensive Financial Policies

Section: VII. Finance & Operations
Item: C. Comprehensive Financial Policies
Purpose: FYI
Submitted by:
Related Material: Financial_Policies_DCS__1_.docx

Healthy Start Education Inc., DBA Durham Charter School

Board of Directors

COMPREHENSIVE FINANCIAL POLICIES

Policy Packet — Board Adoption

Adopted by the Board: _____

CONTENTS OF THIS PACKET

Policy 1 — Financial Management & Internal Controls (FIN-FM-01)

Policy 2 — Budget, Reporting & Fiscal Compliance (FIN-BR-02)

Policy 3 — Procurement & Contracts (FIN-PC-03)

Policy 4 — Investment Management (FIN-INV-04)

Prepared in accordance with N.C. Gen. Stat. §115C-218 et seq., NC Department of Public Instruction requirements, and Local Government Commission guidance.

POLICY 1: FINANCIAL MANAGEMENT & INTERNAL CONTROLS

Policy Number	FIN-FM-01
Governing Authority	N.C. Gen. Stat. §115C-218.15; §115C-218.20
Adopted	_____
Last Reviewed	_____
Next Review Due	_____
Review Cycle	Annual — prior to start of each fiscal year

I. Purpose

Healthy Start Education Inc, DBA Durham Charter School and its Board of Directors adopt this policy to define effective fiscal management practices governing the control, custody, and disposition of all School funds, including state, federal, and local funds. These policies are intended to comply with all applicable laws and to protect the public trust.

II. Legal Authority

- N.C. Gen. Stat. §115C-218.15 — Board duties and governance of charter schools
- N.C. Gen. Stat. §115C-218.20 — Charter school financial management and audit requirements
- Local Government Commission (LGC) guidance on public entity financial controls
- NC State Board of Education charter school compliance requirements

III. Scope

This policy applies to all Board members, officers, the Executive Director, all employees, and contractors acting on behalf of the School in any fiscal matter.

IV. Roles & Responsibilities

A. Board of Directors

- Ensures sound fiscal operations and approves the annual budget
- Approves all contracts and expenditures above thresholds established herein
- Designates official bank depositories and authorized signatories
- Appoints a School Finance Officer or Contract Financial Services Provider (CFSP) in accordance with state law
- Reviews monthly budget reports and quarterly financial summaries
- Reviews the banking relationship annually

B. Executive Director

- Prepares budgets for Board approval and monitors compliance with internal procedures
- Approves all invoices and forwards them to the Finance Officer or CFSP for payment
- Creates, maintains, and updates Internal Fiscal Procedures consistent with these policies and all applicable laws at least annually; provides updated procedures to the Board when changed
- Ensures contractors perform in accordance with contract terms and maintains procurement records
- May delegate day-to-day fiscal responsibilities to a Finance Manager but retains ultimate responsibility

C. School Finance Officer / CFSP

- Keeps accounts in accordance with GAAP, State Board of Education rules, and applicable oversight agency requirements
- Provides the pre-audit certificate required by law
- Processes all checks, drafts, and warrants; may invest idle cash; and records all deposited moneys
- Prepares financial condition statements as requested by the Board
- Performs monthly bank reconciliations for Board Treasurer review

V. Internal Controls & Separation of Duties

The School shall maintain documented internal controls designed to prevent loss of public funds due to fraud, employee error, misrepresentation, or unanticipated changes. Controls shall include at minimum:

- Separation of duties for financial authorization, custody, and recording functions
- Dual-signature requirements for disbursements above thresholds (see Section VI)
- Monthly reconciliation of all bank accounts, reviewed by the Board Treasurer
- Board approval required for expenditures above thresholds established herein
- Annual independent financial audit by a qualified NC CPA firm, approved by the Board
- Pre-employment criminal background checks and sex offender registry screening
- Annual review of insurance adequacy, Board approves Insurance provider

VI. Check Signing & Disbursement Authority

A. Authorized Signatories

Authorized signatories on all bank accounts shall include:

- External Signers: Board Chair; Board Vice-Chair; Board Treasurer

B. Dual Signature Thresholds

Transaction Amount	Required Authorization	Signature Requirement
Under \$20,000	Any single authorized signatory	External Signer
\$20,000 and above	Board-approved contract or express authorization	One External Signer
Contracts approved by Board	Board pre-approval on file	Any single authorized signatory

No ACH transfers are permitted unless the underlying contract or procurement has been approved as set forth in these policies.

VII. Banking & Depositories

The Board shall designate one or more official depositories in North Carolina from federally insured banks, savings and loan associations, or trust companies. No School funds shall be held at any non-designated institution.

- The School maintains an Operating Account for primary business transactions. Amounts in the Operating Account should not ordinarily exceed \$5,000,000.00.
- Cash not held in the Operating Account shall be deposited or directed in accordance with the Investment Management Policy (FIN-INV-04).
- The Board or a designated committee shall review the banking relationship annually.

VIII. Deposits & Cash Handling

All monies collected by any officer, employee, or agent of the School shall be deposited in accordance with this policy:

- All collections shall be deposited at least weekly and on the last business day of each month
- Cash received must be fully documented with written receipts signed and dated by the receiving staff member
- Deposits shall be made whenever cash receipts total \$250 or more
- A copy of the validated deposit slip shall be retained and returned to the School
- Cash transactions shall not be used except through the petty cash fund; checks shall not be made payable to "Cash"

IX. Credit Cards

Only the Executive Director and the Director of Operations and Facility Manager are authorized to use the School's credit card. All authorized users must:

- Use cards solely for School business expenditures; personal purchases are prohibited and may be grounds for disciplinary action up to termination
- Document each transaction with original or digital receipts
- Submit cards for reconciliation by the Executive Director or designee monthly

X. Invoices & Disbursements

- All invoices shall be inventoried to confirm goods or services have been received
- Invoices shall be reviewed and approved by the Executive Director prior to forwarding to the Finance Officer or CFSP for payment
- Approval documentation consists of the Executive Director's signature or initials on the invoice (electronic approval acceptable)
- All travel expenses must be approved by the Executive Director or designee in advance; reimbursement requests require written approval
- Employees shall be reimbursed for reasonable transportation, subsistence, and registration expenses incurred on official business with proper receipts; alcohol and unreasonable costs will not be reimbursed

XI. Payroll

All payroll shall be handled pursuant to Internal Fiscal Procedures consistent with applicable laws, including the Fair Labor Standards Act. Payroll advances require written approval of the Executive Director and the Board. All payroll obligations must be documented through written employment agreements.

XIII. Capital Assets & Inventory

A. Capital Asset Definition

A capital asset is tangible, has a useful life exceeding one year, and has a per-unit value of at least \$1,000.

B. Recordkeeping & Physical Inventory

- The Executive Director shall maintain accurate records of all capital assets
- A physical inventory of capital assets shall be conducted at least once every two years
- Administrative personnel shall account for all fixed assets assigned to their site at least annually

XIV. Insurance

The School shall maintain appropriate insurance coverage at levels reviewed and approved by the Board annually. Coverage shall include at minimum:

Coverage Type	Minimum Requirement
General Liability	Minimum \$1,000,000 per occurrence / \$2,000,000 aggregate
Educators Legal Liability	Professional liability for staff and administration
Directors & Officers (D&O)	Protects Board members acting within their authority
Workers' Compensation	As required by NC law for all employees
Property Insurance	Replacement cost coverage for School-owned property and equipment
Commercial Auto	If School-owned or regularly leased vehicles are used
Sexual Abuse	

The Executive Director shall provide the Board with proof of insurance annually upon renewal. The Head of School shall obtain Board approval prior to reducing coverage below the minimums established herein.

XV. School Activity & Lunch Fees; Gate Receipts

Funds collected for school lunch, activity fees, field trips, or admission events shall be collected by the school office and included in regular bank deposits. Deposits shall be made whenever cash funds exceed \$250. Admission to events shall be by ticket, and adequate records shall be maintained for accounting and subsequent review.

XVI. Workers’ Compensation Claims

Workers’ compensation claims shall be processed in accordance with applicable state law and insurance policy provisions. The Board of Directors alone is authorized to approve final settlement and release of any workers’ compensation claim within the limits set forth in this policy.

XVII. Review & Amendment

This policy shall be reviewed annually by the Board, ordinarily in conjunction with the budget approval process. Amendments require a majority vote of the Board. The Board shall document its review in meeting minutes each year, whether or not changes are made.

Cross-Reference

This policy should be read in conjunction with the Budget, Reporting & Fiscal Compliance Policy (FIN-BR-02), the Procurement & Contracts Policy (FIN-PC-03), and the Investment Management Policy (FIN-INV-04) contained in this packet.

Board Adoption — Signature Block

<i>Board Chair Signature</i>	<i>Board Secretary Signature</i>	<i>Date Adopted</i>

POLICY 2: BUDGET, REPORTING & FISCAL COMPLIANCE

Policy Number	FIN-BR-02
Governing Authority	N.C. Gen. Stat. §115C-218.20; 2 CFR Part 200
Adopted	_____
Last Reviewed	_____
Next Review Due	_____
Review Cycle	Annual — during budget process

I. Purpose

This policy establishes the School's framework for annual budget development, adoption, monitoring, financial reporting, audit compliance, and adherence to state and federal fiscal requirements. Sound budgetary and reporting practices protect public funds and ensure accountability to students, families, and the State.

II. Legal Authority

- N.C. Gen. Stat. §115C-218.20 — Charter school financial management, budgeting, and audit requirements
- State Board of Education uniform budget format requirements
- 2 CFR Part 200 — Uniform Administrative Requirements for Federal Awards
- NC Department of Public Instruction charter school compliance guidance

III. Annual Budget Process

A. Development

The Executive Director, in consultation with the Finance Officer or CFSP, shall prepare a proposed annual budget and submit it with a budget message to the Board no later than May 31. Budget planning shall be a year-round process with broad participation. The budget message shall explain the educational goals for the upcoming year, changes from the prior year, and any major shifts in educational or fiscal policy.

B. Adoption

The Board shall review the proposed budget, make such changes as it deems advisable, and adopt a budget resolution making appropriations for the budget year. The budget resolution shall conform to the uniform budget format established by the State Board of Education and shall be entered in Board minutes.

C. Budget Transfers & Amendments

Unless otherwise directed by the Board, the Executive Director may reallocate budgeted amounts among existing categories without changing net income. Any change to net income requires prior Board approval. The Board shall be informed of all reallocations. The Board retains the right to make budget transfers and amendments in accordance with state law.

D. Interim Budget

If the budget resolution is not adopted by June 30, the Board shall make interim appropriations for salaries and usual operating expenses. Interim expenditures shall be charged to proper appropriations upon adoption of the final budget.

E. No Monies Spent Outside Budget

No monies shall be expended unless they are included in the adopted budget. All revisions that change net income are subject to prior Board approval.

IV. Financial Reporting

Frequency	Report & Responsibility
Daily	Executive Director has access to an Interim Budget Update
Monthly	Budget Report submitted by Finance Officer/CFSP to Executive Director and Board
Quarterly	Budget vs. actual results presented by Finance Officer/CFSP to the Board; reserve and investment summary
Annually	Comprehensive annual financial report; independent audit report filed with NC regulatory body(s)

Financial reports shall be made available to every Board member at least 24 hours before monthly Board meetings. The Executive Director shall ensure an annual comprehensive financial report is shared with the Board at its annual meeting.

The Executive Director or designee shall prepare an annual financial statement for each fund showing: (a) total receipts by source of revenue; (b) total disbursements by nature of expenditure; and (c) fund balance at close of fiscal year.

V. Annual Independent Audit

The Board shall annually engage a qualified, licensed CPA firm to audit the School's financial and programmatic operations. The Executive Director and Board shall ensure the audit report is filed with the appropriate NC regulatory body(ies) on a timely basis. The audit shall separately disclose all persons with a substantial interest in any management company. As part of the audit, the external auditor shall review investment transactions for compliance with policy.

VI. Board Authority to Override Executive Director

The Board may approve a bill, invoice, or claim against the School that has been disapproved by the Executive Director, provided an appropriation and unencumbered balance exists. Such approval shall be by formal resolution entered in the minutes with names of affirmative votes. The Board Chair or designated Board member shall sign the payment certificate. Board members voting to allow a payment that results in a violation of law are jointly and severally liable for the full amount.

VII. State Fiscal Compliance

A. General Standards

The School shall comply with generally accepted accounting principles (GAAP), LGC financial reporting requirements, and all applicable federal and state standards for financial management systems. The School shall maintain records that adequately identify the source and application of all funds and shall safeguard all property acquired with public funds.

B. Attendance Accounting

The Executive Director shall ensure compliance with all laws and rules regarding charter school student attendance accounting, reporting, and recordkeeping. Attendance shall be taken each morning during regular school days; the established attendance recording period shall not change during a school year.

C. Annual Financial Management Report

The Executive Director shall comply with the NC reporting procedures for charter holders to prepare and distribute the School's annual financial management report.

VIII. Federal Fiscal Compliance

A. Supplement, Not Supplant (Title I)

Title I funds shall be used to supplement, not supplant, regular non-federal funds. Documentation clearly demonstrating the supplementary nature of federal funds shall be maintained. Title I funds shall be aligned to the School Improvement Plan, which shall be based on a comprehensive needs assessment conducted prior to any grant application.

B. Allowable Expenditures

The School shall consult the appropriate OMB Circular (2 CFR Part 200) to determine allowable costs and shall expend all grant funds accordingly. The Executive Director is ultimately responsible for ensuring grant funds are expended according to grant allowable expenditures. Exhibit A (Federal Grant Allowable Expenditures Guide) is incorporated by reference.

C. Time & Effort Documentation

The School shall comply with federal time and effort documentation requirements for personnel whose salaries are charged to federal grants. See Exhibit B (Time & Effort/Personal Services Policy) incorporated by reference.

D. Cash Management of Federal Funds

The School shall minimize the time between receipt and disbursement of federal funds and shall strive to expend federal funds on allowable expenditures within 72 hours of receipt. The Finance Officer or CFSP shall review the trial balance before each draw-down to determine the exact amount needed. Federal advance payments shall be held in interest-bearing accounts; interest earned in excess of \$500 per year shall be remitted to the federal awarding agency within 30 days of each quarter end.

E. Grant Management Standards

When the School receives a grant directly from a state or federal agency, it shall comply fully with that agency’s grant requirements. The School shall disclose in writing any potential conflict of interest to the federal awarding agency. All violations of federal criminal law involving fraud, bribery, or gratuity must be disclosed in a timely manner.

IX. Review & Amendment

This policy shall be reviewed annually by the Board, ordinarily during the budget process. Amendments require a majority vote. The Board shall document its review in meeting minutes each year.

Cross-Reference
<p>This policy should be read in conjunction with the Financial Management & Internal Controls Policy (FIN-FM-01),</p> <p>the Procurement & Contracts Policy (FIN-PC-03), and the Investment Management Policy (FIN-INV-04) contained in this packet.</p>

Board Adoption — Signature Block

<i>Board Chair Signature</i>	<i>Board Secretary Signature</i>	<i>Date Adopted</i>
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POLICY 3: PROCUREMENT & CONTRACTS

Policy Number	FIN-PC-03
Governing Authority	N.C. Gen. Stat. §115C-218.15; 2 CFR §§200.317–200.326
Adopted	_____
Last Reviewed	_____
Next Review Due	_____
Review Cycle	Annual — prior to start of each fiscal year

I. Purpose

This policy establishes standards for the procurement of goods and services and the execution and oversight of contracts to ensure open competition, fiscal integrity, and compliance with applicable state and federal requirements.

II. Legal Authority

- N.C. Gen. Stat. §115C-218.15 — Board governance authority
- 2 CFR Part 200, Subpart D — Federal procurement standards (§§200.317–200.326)
- NC State Board of Education charter school compliance requirements

III. Procurement Authority & Thresholds

Contract Value / Term	Authority	Documentation Required
Under \$10,000	Executive Director	Purchase order or invoice
\$10,001 – \$25,000	Executive Director (Board informed at next meeting)	3 written quotes or justification for fewer
\$25,001 and above, or multi-year / auto-renew	Board approval required and Board signature	Competitive bid, price comparison, contract review

Any contract or procurement entered in violation of this policy shall be null and void. For all contracts over one year or \$25,001 or greater, the Executive Director shall document: (a) a price comparison with at least two bids (or justification for sole-source); (b) the rationale for contract type; (c) factors considered in contractor selection or rejection; and (d) the basis for contract price.

IV. Procurement Principles

All procurements shall be conducted to provide open and free competition and shall pursue maximum value for the School. Specific requirements:

- All purchases shall be made in the best interest of the School from responsible and dependable suppliers
- Employees, officers, and agents shall act with the highest integrity and avoid conflicts of interest or even the appearance of conflict in supplier relationships
- Procurement instruments (purchase orders, contracts) must be appropriate for the type of procurement
- Solicitations shall clearly establish all technical requirements, minimum acceptable standards, and evaluation criteria; geographic preferences are prohibited except as expressly permitted by federal statute
- Prequalified lists must be current and include enough sources to ensure maximum competition; potential bidders may not be precluded from qualifying during the solicitation period
- The purchase of unnecessary or duplicate items is prohibited
- Vendors located in Durham County can be given preference

V. Required Contract Terms

All contracts shall include the following provisions at minimum:

- A statement that no indebtedness of the School constitutes an indebtedness of the State of North Carolina or its political subdivisions
- Administrative, contractual, or legal remedies for breach of contract terms with appropriate corrective action provisions
- Termination clauses specifying conditions for termination for default and termination for convenience
- A right-of-access clause granting duly authorized School representatives access to contractor records directly pertinent to the contracted goods or services
- Written assurance from the contractor that no conflicts of interest exist that could materially affect the School
- Written assurance from the contractor that it does not conduct business with Iran in violation of North Carolina law

All contracts requiring Board approval shall be reviewed by legal counsel prior to execution if so directed by the Board. The Executive Director shall ensure all auto-renewal contracts are calendared and tracked.

VI. Contract Oversight & Record Documentation

The Executive Director or designee shall maintain oversight to ensure contractors perform in accordance with contract terms. The School shall document contractor performance and shall maintain procurement records sufficient to detail the history of each procurement, including: rationale for method of procurement; contract type selection; contractor selection or rejection rationale; and basis for contract price.

A cost or price analysis shall be made and documented for every procurement above the small purchase threshold. For federal procurements, records shall also include written contractor certifications of no conflicts of interest and confirmation of no Iran-related business activity.

VII. Facilities Rental

The School may rent its facilities based on availability of space and resources, without discrimination on the basis of viewpoint, race, sex, color, religion, gender identity, sexual orientation, age, national origin, disability, or any other protected class. All facilities rental contracts shall use a Board-approved Facility Rental Agreement. The Executive Director or designee may approve rentals using the standard form; material modifications (including extensions beyond one year or unusual use) require Board approval. Rental can only be to 501c3 entities.

VIII. Cooperative Purchasing & Professional Services

The Executive Director shall ensure full compliance with all applicable laws if the School participates in a cooperative purchasing program. Professional service providers shall be selected in accordance with applicable law. Business activities unrelated to the management and operation of the School shall be maintained in separate accounting, auditing, budgeting, and recordkeeping systems.

IX. Debarment & Suspension

All contractors and vendors providing goods or services involving federal funds must certify that they are not currently suspended, debarred, or ineligible by any federal or state agency and have not been convicted of or had civil judgment rendered for fraud or misconduct within the past three years. The Executive Director shall verify compliance by: (a) checking SAM.gov Exclusions; (b) collecting a certification; or (c) including a debarment clause in the contract. The NC Department of Administration debarment list shall also be consulted.

X. Conflicts of Interest in Procurement

No employee, officer, or agent of the School who has a real or apparent conflict of interest shall participate in the selection, award, or administration of any contract. Employees, officers, and agents shall not solicit or accept favors, gratuities, or anything of monetary value from contractors or their agents. Any interested person — including directors, officers, committee members, and employees with a direct or indirect financial or organizational interest — must disclose that interest to the Board and recuse themselves from related discussions and votes.

The Board shall determine whether a conflict of interest exists and, if so, whether the transaction serves the School’s best interests. Each director, principal officer, and committee member with delegated powers shall annually sign a Conflicts of Interest disclosure statement. Violations of this policy may result in disciplinary action up to and including termination or removal from office.

XI. Use of State & Federal Funds — Restrictions

- Purchase of unnecessary items is prohibited
- All solicitations must provide a clear, accurate description of requirements without unduly restricting competition
- Contracts are made only with responsible, financially sound contractors capable of performing under contract terms
- The School alone is responsible for settlement of all contractual and administrative issues arising out of procurements
- Procurement documents shall be made available to appropriate government officials upon request

XII. Review & Amendment

This policy shall be reviewed annually by the Board. Amendments require a majority vote. The Board shall document its review in meeting minutes each year.

Cross-Reference

This policy should be read in conjunction with the Financial Management & Internal Controls Policy (FIN-FM-01),

the Budget, Reporting & Fiscal Compliance Policy (FIN-BR-02), and the Investment Management Policy (FIN-INV-04) contained in this packet.

Board Adoption — Signature Block

<i>Board Chair Signature</i>	<i>Board Secretary Signature</i>	<i>Date Adopted</i>

POLICY 4: INVESTMENT MANAGEMENT

Policy Number	FIN-INV-04
Governing Authority	N.C. Gen. Stat. §115C-218.20; §159-30; LGC Guidance
Adopted	_____
Last Reviewed	_____
Next Review Due	_____
Review Cycle	Annual — prior to start of each fiscal year

I. Purpose

The Board adopts this Investment Management Policy to ensure that all public funds under the School’s custody are invested in a lawful, prudent, and transparent manner. The School acts as a steward of public resources and is accountable to students, families, and the State of North Carolina for the responsible management of every dollar entrusted to its care. This policy governs all funds and investment activities under the direct authority of the School.

II. Legal Authority

- N.C. Gen. Stat. §115C-218.20 — Charter school financial management requirements
- N.C. Gen. Stat. §159-30 — Investment of idle funds by local governments and public bodies (expressly applicable to charter schools as public entities)
- Uniform Prudent Investor Act (as a guiding standard)
- Local Government Commission (LGC) guidance on permissible investments for NC public entities

The School shall invest public funds **only in instruments expressly authorized under N.C. Gen. Stat. §159-30**. No investment shall be made that is not explicitly permitted by applicable North Carolina law.

III. Investment Objectives

Investment of School funds shall be guided by the following priorities, in strict order:

- Safety of Principal — Preservation of invested capital is the paramount objective. The School will not accept speculative risk in pursuit of higher yield.
- Liquidity — Investments shall be structured to ensure the School can meet all operational obligations as they come due without penalty or forced liquidation.
- Yield — Subject to the first two objectives, the School shall seek a reasonable market-rate return consistent with applicable legal constraints.
- Public Trust — The School shall avoid any transaction that might impair public confidence in the responsible management of public funds.
- Credit & Market Risk Mitigation — Credit risk shall be mitigated by diversifying investments among issuers and market sectors so that the failure of any single issuer does not result in significant loss.

IV. Permitted Investments

Consistent with N.C. Gen. Stat. §159-30, the School is authorized to invest in:

- Federally insured savings and checking deposit accounts at qualified financial institutions
- Certificates of deposit (CDs) at institutions meeting the requirements of Section VI
- Obligations of the United States Government and its agencies (U.S. Treasury bills, notes, bonds; obligations of Fannie Mae, Freddie Mac, Federal Home Loan Banks, etc.)
- The State Treasurer’s Short-Term Investment Fund (STIF), where eligible
- Any other investment vehicle expressly authorized by §159-30 or subsequent statutory amendment

V. Prohibited Investments

The School shall NOT invest public funds in:

- Equities, corporate stock, or equity-based securities
- Corporate bonds or obligations not backed by the U.S. government or its agencies
- Mutual funds or money market instruments not specifically authorized by §159-30
- Derivatives, options, futures, or other speculative instruments
- Cryptocurrency, digital assets, or tokenized instruments of any kind
- Real estate or real estate investment trusts (REITs)
- Any investment with maturity exceeding five (5) years, unless specifically approved by the Board with documented liquidity analysis

Important Note

This prohibition list reflects the conservative standards required of NC public entities under §159-30.

Any proposal to expand investment authority must be reviewed by legal counsel and approved by the full Board before action is taken.

VI. Qualified Depositories & Authorized Institutions

School funds shall be held only at financial institutions that:

- Are federally or state-chartered and properly licensed to conduct business in North Carolina
- Provide FDIC insurance on deposit accounts
- For public deposits exceeding FDIC limits: provide required collateralization under the NC Public Deposit Protection Act (N.C. Gen. Stat. §159-31)
- Comply with all applicable LGC requirements for depositories of public funds

The Finance Officer shall maintain a current list of approved depositories and present it to the Board for review annually. Before engaging with any broker/dealer, the Board Chair/ Finance Officer shall obtain a signed Certification Form from that firm attesting that it has reviewed and will comply with this Investment Policy.

VII. Authority & Delegation

A. Board Authority

- The Board of Directors retains ultimate investment authority for all School funds
- The Board shall approve this policy annually and review quarterly investment reports
- Any change to the list of approved investment types or depositories requires Board approval

B. Delegated Authority — Executive Director / Finance Officer

- The Board may delegate day-to-day investment execution to the Executive Director
- Delegation is limited to instruments and depositories pre-approved by the Board under this policy
- No single investment transaction shall exceed \$25,000.00 without advance Board notification
- Delegation shall be documented in Board minutes
- The Executive Director may not delegate the responsibility for the overall investment program
- All outside investment advisors must receive this policy and confirm in writing that they will comply with it

VIII. Reporting & Transparency

Frequency	Report
Monthly	Cash balance summary by account — provided to Finance Committee
Quarterly	Full investment report to the Board: balance, yield, maturity profile, compliance certification
Annual	Investment activity disclosed in independent audit and annual financial report

All investment records, including confirmations, account statements, and reconciliations, shall be retained in accordance with the NC public records schedule and made available for audit at any time.

IX. Internal Controls

- Separation of investment authorization and custody functions
- Dual signature or dual approval for investment transactions above established thresholds
- Monthly reconciliation of all investment and bank accounts
- Board review and approval of new accounts or depositories before funds are transferred
- Annual confirmation that all investments remain within §159-30 parameters
- Controls shall be designed to prevent loss due to fraud, employee error, third-party misrepresentation, or imprudent actions

X. Conflicts of Interest

No Board member, administrator, or employee shall direct investment of School funds to any institution in which they hold a personal financial interest without prior written disclosure to the Board and recusal from any vote on the matter. All treasury and investment personnel shall disclose to the Board any material financial interests in financial institutions, broker/dealers, or vendors and any material financial investment positions in such outside entities. This policy applies in conjunction with the School’s general Conflicts of Interest provisions in Policy FIN-PC-03.

XI. Prohibited Transactions — Compliance

All investments must conform to this policy at the time of purchase. Any investment transaction, credit risk criterion, or market valuation that is not in compliance with this policy and cannot be corrected without penalty must be documented and approved in writing by the School as soon as possible. Corrective action shall be taken as soon as practicable.

XII. Review & Amendment

This policy shall be reviewed annually by the Board. Amendments require a majority vote. The Board shall document its review in meeting minutes each year, whether or not changes are made.

Cross-Reference

This policy should be read in conjunction with the Financial Management & Internal Controls Policy (FIN-FM-01), the Budget, Reporting & Fiscal Compliance Policy (FIN-BR-02), and the Procurement & Contracts Policy (FIN-PC-03) contained in this packet.

Board Adoption — Signature Block

<i>Board Chair Signature</i>	<i>Board Secretary Signature</i>	<i>Date Adopted</i>

Coversheet

Approve FY27 Final Budget (Condensed)

Section: VII. Finance & Operations
Item: D. Approve FY27 Final Budget (Condensed)
Purpose: FYI
Submitted by:
Related Material: Durham Charter FY27 Draft Budget for approval (2).pdf

**Durham Charter FY27 Draft Budget

Category	Next Year Budget (Yr 1 of 5 Year)	YoY % Change	% of Total Rev	Per Pupil Amount
YEAR		2026-2027		
Cash at Beginning of FY	\$6,925,738.52			
Cash at End of FY	\$7,570,421.39			
Expenses Per Day	\$53,283.92			
Days Cash on Hand	142			
Required DCOH	35			
DEBT				
Debt Service Coverage Ratio w/out NEW LOAN	1.31			
Required DSCR	1.10			
Revenue - Operating Expenses (take out Debt Service+Rent)	\$2,724,319.87			
ENROLLMENT				
Total Student Enrollment	1,350			
Kindergarten Enrollment	128			
1st Grade Enrollment	120			
2nd Grade Enrollment	104			
3rd Grade Enrollment	104			
4th Grade Enrollment	112			
5th Grade Enrollment	112			
6th Grade Enrollment	120			
7th Grade Enrollment	120			
8th Grade Enrollment	112			
9th Grade Enrollment	120			
10th Grade Enrollment	100			
11th Grade Enrollment	64			
12th Grade Enrollment	34			
TOTALS				
Revenues	\$20,093,313.52	14.10%	100.00%	\$14,883.94
Expenses	\$19,448,630.65	1.17%	96.79%	\$14,406.39
Surplus/(DEFICIT)	\$644,682.87	-139.93%	3.21%	\$477.54
Expenses less Debt Service	\$17,368,993.65			
REVENUES				
001. State Revenue	\$10,200,233.63	13.65%	50.76%	\$7,555.73
002. Local Revenue	\$7,893,529.78	7.80%	39.28%	\$5,847.06
003. Federal Revenue	\$749,550.11	10.59%	3.73%	\$555.22
005. Business-Type Revenue	\$1,250,000.00	97.02%	6.22%	\$925.93
TOTAL REVENUES	\$20,093,313.52	14.10%	100.00%	\$14,883.94
EXPENSES				
01. Salaries & Wages	\$8,941,675.73	14.33%	44.50%	\$6,623.46
02. Benefits	\$3,974,704.88	8.52%	19.78%	\$2,944.23
03. Books & Supplies	\$443,500.00	6.21%	2.21%	\$328.52
04. Contracted Student Services	\$258,525.00	-16.91%	1.29%	\$191.50
05. Staff Development	\$190,000.00	-5.28%	0.95%	\$140.74
06. Administrative Services	\$394,000.00	-56.87%	1.96%	\$291.85
07. Insurances	\$164,468.00	0.47%	0.82%	\$121.83
08. Rents & Debt Service	\$2,079,637.00	21.66%	10.35%	\$1,540.47
09. Facilities	\$350,000.00	-19.03%	1.74%	\$259.26
10. Utilities	\$192,500.00	0.73%	0.96%	\$142.59
11. Transportation & Travel	\$570,048.00	-25.35%	2.84%	\$422.26
12. Technology	\$110,000.00	-62.29%	0.55%	\$81.48
13. Non-Cap Equipment & Leases	\$235,095.48	-73.31%	1.17%	\$174.14
14. Cap Equipment & Purchases	\$100,000.00	-49.48%	0.50%	\$74.07
15. Nutrition & Food	\$1,141,073.11	35.46%	5.68%	\$845.24
16. Before & After Care	\$107,703.45	11637.52%	0.54%	\$79.78
20. Kenan Trust - 556	\$0.00	-100.00%	0.00%	\$0.00
22. CS Growth Fund - 590	\$150,000.00	-33.90%	0.75%	\$111.11
9600 Federal Programs	\$45,700.00	0.00%	0.23%	\$33.85
TOTAL EXPENSES	\$19,448,630.65	1.17%	96.79%	\$14,406.39

Coversheet

Durham Charter School April Reconciled Budget

Section: VII. Finance & Operations
Item: E. Durham Charter School April Reconciled Budget
Purpose: FYI
Submitted by:
Related Material: Durham_Charter_School_April_Reconciled_Budget_.pdf

Monthly Financial Packet

This Monthly Financial Packet includes a select number of reports available to the Board of Directors. Additional financial reports are available online in the shared Google Drive and insights.chartersuccesspartners.com dashboard. As a Board Member you have a right to review all financial reports. However, the Board of Directors delegates the full review of detailed reports to the finance committee.

Your Board has an active Finance Committee who is responsible for:

- Holding a monthly finance committee meeting
- Reviewing Bank Statements and Bank Reconciliations
- Reviewing the finances at board meetings regularly
- Monitoring the budget vs actual vs projected activity
- Proposing approval for spending above the lead administrator's approval threshold
- Proposing amendments to the budget when authority to spend is necessary
- Dual approval required on payments

The full scope of CSP reports available to the Board of Directors each month include the following:

Location(s)	Report	Source
Drive	Bank Statements	Bank
Drive	Bank Reconciliation Summary	CSP
Drive	Bank Reconciliation Cleared Items	CSP
Drive	Bank Reconciliation Outstanding Items	CSP
Drive, MFP, Insights	Budget vs. Actual Condensed	CSP
Drive, Insights	Budget vs. Actual Expanded	CSP
Drive, MFP	EOY Projection Change Analysis	CSP
Drive	General Ledger	CSP
Drive	Income Statement	CSP
Drive	Cash Balance Sheet	CSP
Drive	General Ledger categorization map	CSP
MFP, Insights	Cash Board	CSP
Insights, MFP	Projected Year End Days Cash on Hand YTD	CSP
Insights, MFP	Projected Year End Debt Service Coverage Ratio YTD	CSP
Insights	LEA Billing Report	CSP
Drive	Final Annual Audits (Inclusive of Assets & Liabilities)	Audit Firm
Drive, MFP	Budget Amendments (If Applicable)	CSP
Drive, MFP (August & February)	Bond Covenant Reports (If Applicable)	CSP
Drive, MFP (December)	Management Discussion & Analysis (MDA from Audit)	CSP & School

As always, don't hesitate to notify CSP if additional training is needed to ensure your board is able to:

- Understand the Monthly Financial Packet
- Utilize the dynamic reports available in Insights by CSP
- Understand the results of your annual audit



DURHAM CHARTER SCHOOL | Board Report
Status: Reconciled

Account Type	Account	Reporting Period Sub-Account	Budget	Period Activity	YTD Activity	April-2026			Notes
						Remaining Budget	% Used	EOY Forecast	
REVENUES	001. STATE REVENUE TOTAL		9,295,060.00	0.00	9,095,059.50	200,000.50	98%	9,120,893.50	
	002. LOCAL REVENUE TOTAL		6,762,145.66	25,438.09	5,162,369.94	1,599,775.72	76%	7,383,641.93	
	003. FEDERAL REVENUE TOTAL		556,615.60	38,445.89	520,272.19	36,343.41	93%	715,872.00	
	004. CAPITAL REVENUE TOTAL		0.00	0.00	8.16	(8.16)		8.16	
	005. BUSINESS-TYPE REVENUE TOTAL		968,625.50	89,068.05	542,619.72	426,005.78	56%	684,746.82	
REVENUES TOTAL			17,582,446.76	152,952.03	15,320,329.51	2,262,117.25	87%	17,905,162.41	
EXPENSES	01. SALARIES & WAGES TOTAL		(8,160,303.83)	(686,120.37)	(6,482,654.77)	(1,677,649.06)	79%	(7,702,401.67)	
	02. BENEFITS TOTAL		(3,634,979.89)	(293,005.36)	(2,759,332.91)	(875,646.98)	76%	(3,472,701.33)	
	03. BOOKS & SUPPLIES TOTAL		(222,290.84)	(40,352.92)	(482,219.01)	259,928.17	217%	(515,793.15)	
	04. CONTRACTED STUDENT SERVICES TOTAL		(239,325.05)	(75,041.48)	(290,794.44)	51,469.39	122%	(347,036.78)	
	05. STAFF DEVELOPMENT TOTAL		(135,600.00)	(180.00)	(124,188.44)	(11,411.56)	92%	(150,600.00)	
	06. ADMINISTRATIVE SERVICES TOTAL		(403,277.10)	(101,359.07)	(618,833.40)	215,556.30	153%	(726,187.51)	
	07. INSURANCES TOTAL		(159,773.41)	(35,585.69)	(199,767.35)	39,993.94	125%	(216,910.02)	
	08. RENTS & DEBT SERVICE TOTAL		(1,702,500.00)	(130,435.00)	(1,394,970.58)	(307,529.42)	82%	(1,710,212.30)	
	09. FACILITIES TOTAL		(284,860.56)	(100,353.30)	(490,755.62)	205,895.06	172%	(577,181.37)	
	10. UTILITIES TOTAL		(145,901.00)	(20,022.13)	(164,217.35)	18,316.35	113%	(199,130.82)	
	11. TRANSPORTATION & TRAVEL TOTAL		(454,628.00)	68,046.52	(618,115.23)	163,487.23	136%	(647,371.32)	
	12. TECHNOLOGY TOTAL		(147,204.77)	(5,425.44)	(288,810.39)	141,605.62	196%	(297,325.76)	
	13. NON-CAP EQUIPMENT & LEASES TOTAL		(161,167.83)	(20,331.53)	(290,070.54)	128,902.71	180%	(330,173.99)	
	14. CAP EQUIPMENT & PURCHASES TOTAL		(193,675.30)	(5,039.60)	(1,129,251.00)	935,575.70	583%	(1,129,251.00)	
	15. NUTRITION & FOOD TOTAL		(1,011,761.29)	(10,845.84)	(430,081.86)	(581,679.43)	43%	(850,942.95)	
	16. BEFORE & AFTER CARE TOTAL		0.00	0.00	(917.60)	917.60		(917.60)	
	20. KENAN TRUST - 556 TOTAL		(151,476.94)	(10,726.69)	(107,169.93)	(44,307.01)	71%	(128,623.31)	
	22. CS GROWTH FUND - 590 TOTAL		(200,000.00)	(12,500.00)	(151,063.41)	(48,936.59)	76%	(181,080.26)	
	9600 FEDERAL PROGRAMS TOTAL		0.00	(4,568.85)	(59,322.85)	59,322.85		(68,470.00)	
	9700 FEDERAL TRANSFERS TOTAL		0.00	(334.00)	(51,767.00)	51,767.00		(51,767.00)	
EXPENSES TOTAL			(17,408,725.81)	(1,484,180.75)	(16,134,303.68)	(1,274,422.13)	93%	(19,304,078.14)	
SURPLUS/DEFICIT			173,720.95	(1,331,228.72)	(813,974.17)	987,695.12		(1,398,915.73)	

The Cash Board

Comparative School Size (Click to Select)

- All
- Small
- Medium**
- Large

Your School Size: Medium

Cash On Hand
3.19M Comp AVG

7.88M

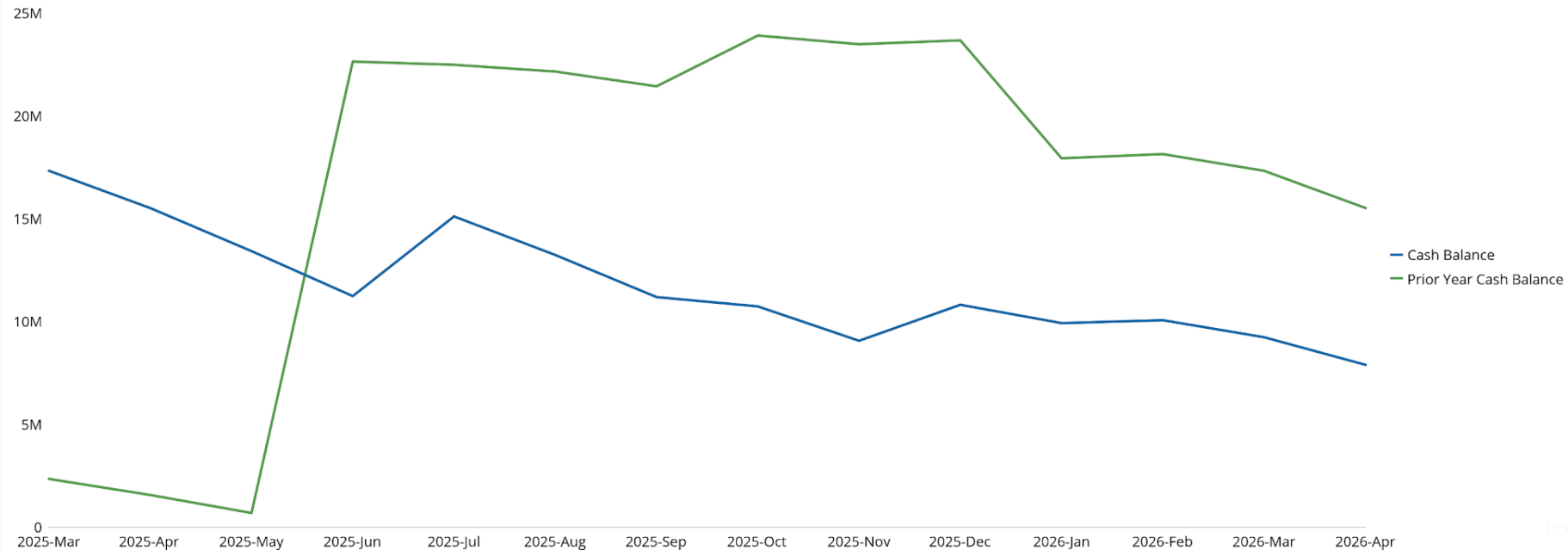
Days Cash on Hand
134 Comp AVG

149.08

School Size Breakdown: *Small*: 0-400 ADM | *Medium*: 401-800 ADM | *Large*: 801+ ADM

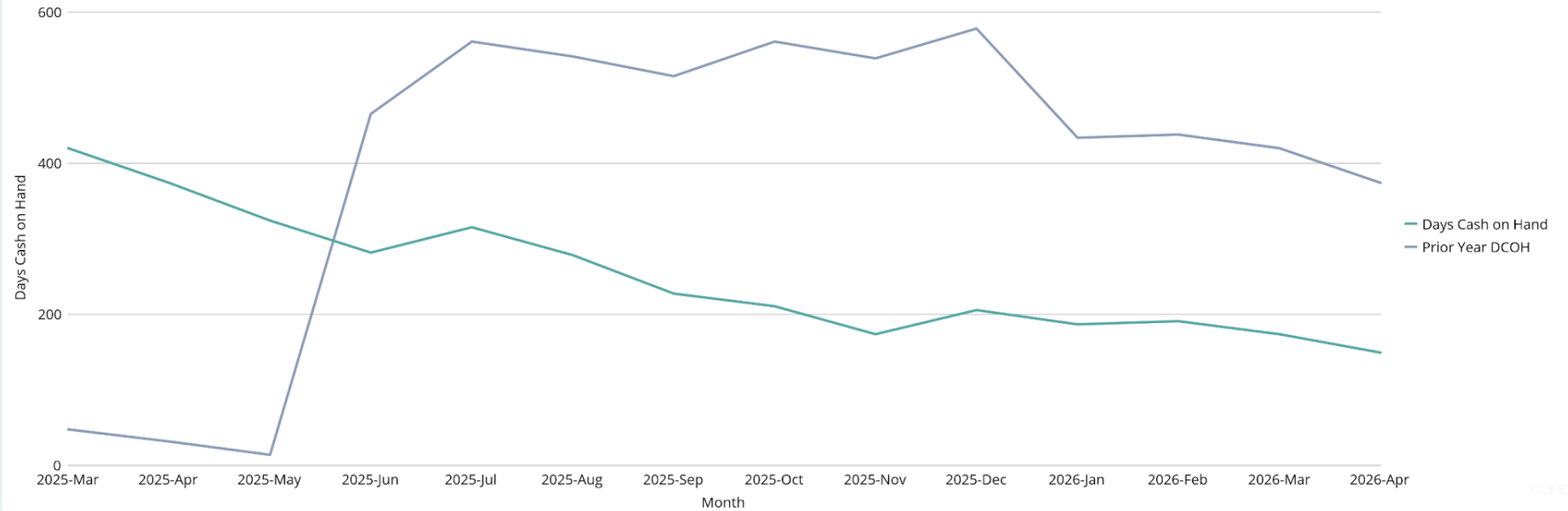
Cash Balance Year over Year

by Month



Days Cash on Hand

by Month



*Days cash on Hand is calculated using the either the projected EOY expenses if tracked through Insights or the annual budgeted expenses.

Disclaimer: This data is based solely on information recorded in LINQ and may differ from information included in your financial statement audit. This data should be used for discussion purposes, but not relied upon solely for compliance with NC DPI, loan covenants, or other official requirements based on audited financial statement data.

Executive Summary

Metric	Original Budget	YTD Actual	EOY Forecast	Budget Variance	Forecast Variance	Budget %	Performance
Revenues	\$17,582,446.76	\$15,320,329.51	\$17,905,162.41	-\$2,262,117.25	-\$2,584,832.90	87%	⚠ Under Budget
Expenses	-\$17,408,725.81	-\$16,134,303.68	-\$19,304,078.14	\$1,274,422.13	\$3,169,774.46	93%	✓ Under Budget
Surplus / (Deficit)	\$173,720.95	-\$813,974.17	-\$1,398,915.73	-\$987,695.12	\$584,941.56	-469%	⚠ Deficit

Top Revenue Categories

Account	Budget	YTD Activity	EOY Forecast	Budget Variance
Rev - 036 Charter Schools	\$9,295,060.00	\$9,061,953.00	\$9,087,787.00	-\$233,107.00
Rev - Durham County	\$6,091,718.00	\$4,287,806.74	\$6,300,000.00	-\$1,803,911.26
Rev - Child Nutrition	\$968,625.50	\$542,619.72	\$684,746.82	-\$426,005.78
Rev - Grants & Awards	\$375,000.00	\$513,169.72	\$513,169.72	\$138,169.72
Rev - Interest Income	\$75,000.00	\$241,346.94	\$270,902.15	\$166,346.94
Rev - 050 Title I	\$298,074.00	\$213,844.72	\$373,698.00	-\$84,229.28
Rev - 060 IDEA VI-B	\$153,101.00	\$167,710.99	\$205,147.00	\$14,609.99
Rev - 104 Language Acquisition	\$35,321.00	\$60,312.36	\$49,583.00	\$24,991.36
Rev - 103 Teacher Quality	\$40,886.00	\$53,599.00	\$53,599.00	\$12,713.00
Rev - Other Local	\$17,100.00	\$26,836.59	\$26,836.59	\$9,736.59

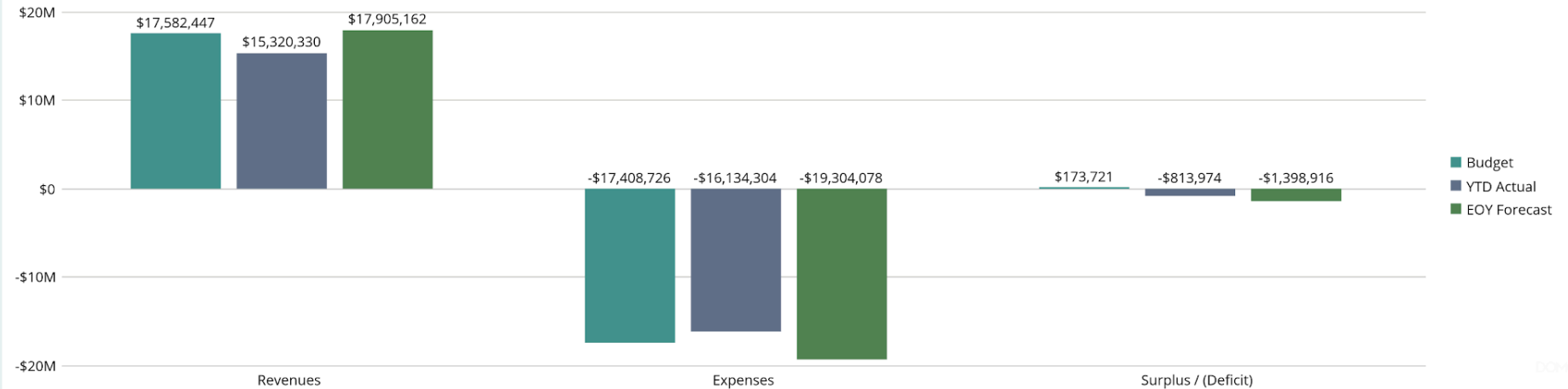
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Top Expense Categories

Account	Budget	YTD Activity	EOY Forecast	Budget Variance
Salary - Teacher	-\$4,673,711.16	-\$3,793,985.15	-\$4,499,097.13	\$879,726.01
State Retirement	-\$1,930,176.29	-\$1,650,658.20	-\$1,930,324.31	\$279,518.09
Debt Service - Interest	-\$1,282,500.00	-\$1,068,750.00	-\$1,282,500.00	\$213,750.00
Cap Equipment - Instructional	-\$18,675.30	-\$860,887.36	-\$860,887.36	-\$842,212.06
Health Insurance	-\$1,005,399.60	-\$704,782.12	-\$861,945.40	\$300,617.48
Salary - Operational Support	-\$818,286.00	-\$663,392.02	-\$782,111.26	\$154,893.98
Salary - School Leadership	-\$483,162.06	-\$475,818.53	-\$567,401.97	\$7,343.53
Vehicle Rental & Lease	-\$367,088.00	-\$441,523.82	-\$441,523.82	-\$74,435.82
Salary - EC & LEP Staff	-\$683,934.57	-\$394,503.27	-\$470,074.23	\$289,431.30
Salary - Instructional Support	-\$694,164.85	-\$378,906.97	-\$451,278.11	\$315,257.88

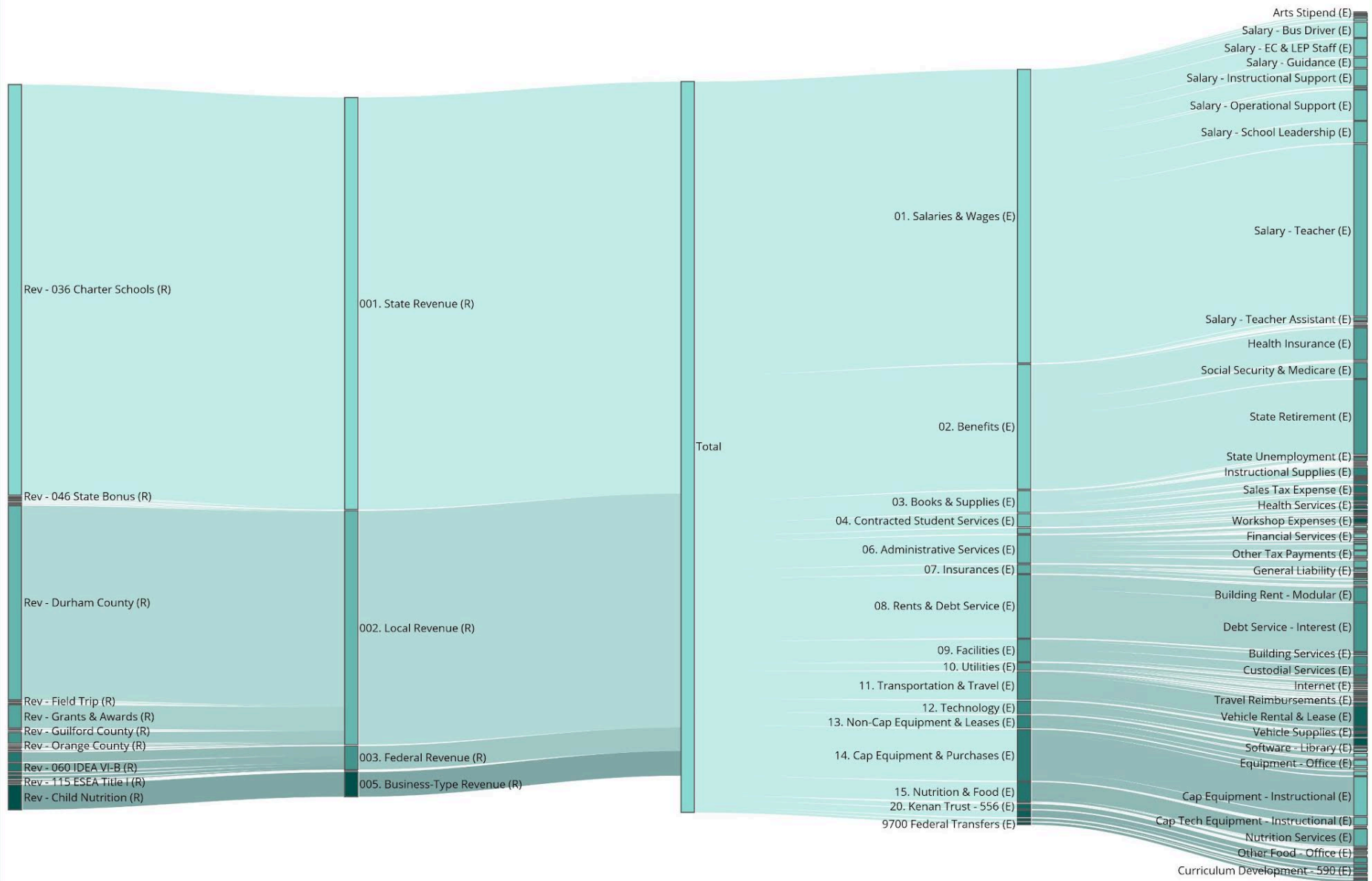
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Budget vs Actual vs Forecast Comparison



DDMO

DURHAM CHARTER SCHOOL | YTD Flow of Rev & Exp



DURHAM CHARTER SCHOOL										System Adjusted						
Budget Analysis Report (Reconciled) - EOY Projection Analysis										Manually Adjusted						
April-2026																
Account	Budget	Prior Month Activity	Period Activity	YTD Activity	% Budget Used YTD	Remaining Budget	Prior Month EOY Projection	EOY Projection	Change in EOY Projection +/-	Diff YTD and current EOY Proj	Budget v Actual Variance	Notes				
Revenues																
Rev - 036 Charter Schools	9,295,060.00	62,604.00	0.00	9,061,953.00	97.49%	233,107.00	9,087,787.00	9,087,787.00	0.00	(25,834.00)	(233,107.00)	Updated based allotment system; includes LEP & State EC; Added SRO Grant \$33k; Added 016, Transportation, Supplement, ERate (Connectivity)				
Rev - 046 State Bonus	0.00	0.00	0.00	10,500.00		(10,500.00)	10,500.00	10,500.00	0.00	0.00	10,500.00					
Rev - 048 State Bonus	0.00	0.00	0.00	22,606.50		(22,606.50)	22,606.50	22,606.50	0.00	0.00	22,606.50					
001. State Revenue TOTAL	9,295,060.00	62,604.00	0.00	9,095,059.50		200,000.50	9,120,893.50	9,120,893.50								
Rev - Alamance-Burlington Schools	7,873.20	770.38	776.79	10,124.07	128.59%	(2,250.87)	9,347.28	10,124.07	776.79	0.00	2,250.87					
Rev - Chapel Hill Carrboro Schools	0.00	0.00	455.00	8,648.00		(8,648.00)	8,193.00	8,648.00	455.00	0.00	8,648.00					
Rev - Contributions & Donations	0.00	0.00	0.00	11,210.00		(11,210.00)	11,210.00	11,210.00	0.00	0.00	11,210.00					
Rev - Durham County	6,091,718.00	539,508.35	0.00	4,287,806.74	70.39%	1,803,911.26	6,300,000.00	6,300,000.00	0.00	(2,012,193.26)	(1,803,911.26)	Durham per pupil trending higher, 1/19/26. Updated based on 1148 Durham ADM out of 1198 Total ADM and FY25 Total Deposits at 939 Students				
Rev - Field Trip	6,000.00	660.00	1,137.37	17,938.11	298.97%	(11,938.11)	16,800.74	17,938.11	1,137.37	0.00	11,938.11					
Rev - Franklin County	23,515.10	0.00	0.00	0.00	0.00%	23,515.10	23,515.10	23,515.10	0.00	(23,515.10)	(23,515.10)					
Rev - Fundraising	0.00	229.87	382.64	5,232.51		(5,232.51)	4,849.87	5,232.51	382.64	0.00	5,232.51					
Rev - Grants & Awards	375,000.00	0.00	0.00	513,169.72	136.85%	(138,169.72)	513,169.72	513,169.72	0.00	0.00	138,169.72					
Rev - Granville County	16,795.00	1,400.90	1,383.70	8,224.61	48.97%	8,570.39	16,795.00	16,795.00	0.00	(8,570.39)	(8,570.39)					
Rev - Guilford County	5,946.00	62.29	0.00	62.29	1.05%	5,883.71	5,946.00	5,946.00	0.00	(5,883.71)	(5,883.71)					
Rev - Interest Income	75,000.00	15,234.69	14,320.52	241,346.94	321.80%	(166,346.94)	270,293.52	270,902.15	608.63	(29,555.21)	166,346.94	Updated conservatively based on current pace				
Rev - Orange County	21,384.00	3,216.45	2,575.65	15,457.70	72.29%	5,926.30	21,384.00	21,384.00	0.00	(5,926.30)	(5,926.30)					
Rev - Other Local	17,100.00	0.00	2,298.09	26,836.59	156.94%	(9,736.59)	24,538.50	26,836.59	2,298.09	0.00	9,736.59					
Rev - Person County	8,772.76	0.00	0.00	0.00	0.00%	8,772.76	8,772.76	8,772.76	0.00	(8,772.76)	(8,772.76)					
Rev - Sales Tax	40,000.00	0.00	1.44	39,998.56	0.00%	39,998.56	120,531.71	120,531.71	0.00	(120,530.27)	(39,998.56)	Matched to Exp				
Rev - Wake County	73,041.60	4,515.00	2,108.33	16,311.22	22.33%	56,730.38	73,041.60	22,636.21	(50,405.39)	(6,324.99)	(56,730.38)	Updated by PMR6 x 3 + YTD				
002. Local Revenue TOTAL	6,762,145.66	565,597.93	25,438.09	5,162,369.94		1,599,775.72	7,428,388.80	7,383,641.93								
Rev - 050 Title I	298,074.00	21,321.98	(9,889.78)	213,844.72	71.74%	84,229.28	364,298.00	373,698.00	9,400.00	(159,853.28)	(84,229.28)	Updated based on grant award letter; includes PRC 111				
Rev - 060 IDEA VI-B	153,101.00	0.00	34,368.01	167,710.99	109.54%	(14,609.99)	205,041.00	205,147.00	106.00	(37,436.01)	14,609.99	Updated based on Allotment System - Federal; Includes PRC 049				
Rev - 103 Teacher Quality	40,886.00	53,265.00	334.00	53,599.00	131.09%	(12,713.00)	53,265.00	53,599.00	334.00	0.00	12,713.00	Updated based on Allotment System - Federal				
Rev - 104 Language Acquisition	35,321.00	0.00	13,627.66	60,312.36	170.75%	(24,991.36)	49,548.00	49,583.00	35.00	10,729.36	24,991.36	Updated based on Allotment System - Federal				
Rev - 108 Title IV Student Support	21,869.00	22,764.00	6.00	22,770.00	104.12%	(901.00)	22,764.00	22,770.00	6.00	0.00	901.00	Updated based on Allotment System - Federal				
Rev - 115 ESEA Title I	4,622.06	0.00	0.00	2,035.12	44.03%	2,586.94	11,075.00	11,075.00	0.00	(9,039.88)	(2,586.94)	Updated based on Allotment System - Federal; Includes PRC 105				
Rev - 118 Targeted Assistance	2,742.54	0.00	0.00	0.00	0.00%	2,742.54	0.00	0.00	0.00	0.00	(2,742.54)	Updated based on Allotment System - Federal				
003. Federal Revenue TOTAL	556,615.60	97,350.98	38,445.89	520,272.19		36,343.41	705,991.00	715,872.00								
Rev - Capital	0.00	0.00	0.00	8.16		(8.16)	8.16	8.16	0.00	0.00	8.16					
004. Capital Revenue TOTAL	0.00	0.00	0.00	8.16		(8.16)	8.16	8.16	0.00	0.00	8.16					
Rev - Child Nutrition	968,625.50	71,063.91	89,068.05	542,619.72	56.02%	426,005.78	684,746.82	684,746.82	0.00	(142,127.10)	(426,005.78)	Updated based on Aronda Tracker 4.17.26				
005. Business-Type Revenue TOTAL	968,625.50	71,063.91	89,068.05	542,619.72		426,005.78	684,746.82	684,746.82								
Revenues Total	17,582,446.76	796,616.82	152,952.03	15,320,329.51	87.13%	2,262,117.25	17,940,028.28	17,905,162.41	(34,865.87)	(2,584,832.90)	(2,262,117.25)					
Expenses																
Arts Stipend	0.00	0.00	1,500.00	1,500.00		(1,500.00)	0.00	1,500.00	1,500.00	0.00	1,500.00					
Bonus Pay - 048	0.00	0.00	0.00	24,753.84		(24,753.84)	24,753.84	24,753.84	0.00	0.00	24,753.84					
Salary - Athletic Stipend	43,575.70	7,700.00	11,550.00	27,800.00	63.80%	15,775.70	43,575.70	43,575.70	0.00	(15,775.70)	(15,775.70)					
Salary - Bonus Pay	45,900.00	0.00	0.00	58,000.00	126.36%	(12,100.00)	58,000.00	58,000.00	0.00	0.00	12,100.00					
Salary - Bus Driver	305,034.51	37,754.91	35,884.64	335,981.86	110.15%	(30,947.35)	413,361.95	407,751.14	(5,610.81)	(71,769.28)	30,947.35	Updated based on YTD + MTD * 2				
Salary - EC & LEP Staff	683,934.57	37,952.25	37,785.48	394,503.27	57.68%	289,431.30	470,574.54	470,074.23	(500.31)	(75,570.96)	(289,431.30)	Updated based on YTD + MTD * 2				
Salary - Guidance	262,002.68	21,736.88	21,675.68	212,080.96	80.95%	49,921.72	255,615.92	255,432.32	(183.60)	(43,351.36)	(49,921.72)	Updated based on YTD + MTD * 2				
Salary - Instructional Support	694,164.85	37,271.37	36,185.57	378,906.97	54.58%	315,257.88	454,535.51	451,278.11	(3,257.40)	(72,371.14)	(315,257.88)	Updated based on YTD + MTD * 2				
Salary - Mentor	14,000.00	0.00	0.00	36,000.00	257.14%	(22,000.00)	14,000.00	36,000.00	22,000.00	0.00	22,000.00					
Salary - Operational Support	818,286.00	77,673.77	59,359.62	663,392.02	81.07%	154,893.98	837,053.71	782,111.26	(54,942.45)	(118,719.24)	(154,893.98)	Updated based on YTD + MTD * 2; consistent with YTD salary percentage				
Salary - School Leadership	483,162.06	46,113.83	45,791.72	475,818.53	98.48%	7,343.53	568,368.30	567,401.97	(966.33)	(91,583.44)	(7,343.53)	Updated based on YTD + MTD * 2				
Salary - Supplemental Pay	5,000.00	0.00	0.00	5,000.00	0.00%	0.00	5,000.00	5,000.00	0.00	(5,000.00)	(5,000.00)					
Salary - Teacher	4,673,711.16	301,223.83	393,740.76	3,793,985.15	81.18%	879,726.01	4,498,842.38	4,499,097.13	254.75	(705,111.98)	(879,726.01)	Updated based on YTD + MTD less stipends * 2				
Salary - Teacher Assistant	111,532.30	6,719.36	6,646.90	67,132.17	60.19%	44,400.13	80,643.35	80,425.97	(217.38)	(13,293.80)	(44,400.13)	Updated based on YTD + MTD * 2				
Salary - Tutor	20,000.00	12,800.00	0.00	12,800.00	64.00%	7,200.00	20,000.00	20,000.00	0.00	(7,200.00)	(7,200.00)					
01. Salaries & Wages TOTAL	8,160,303.83	586,946.20	686,120.37	6,482,654.77		1,677,649.06	7,744,325.20	7,702,401.67								
0070 Social Security & Medicare - 048	0.00	0.00	0.00	1,147.50		(1,147.50)	1,147.50	1,147.50	0.00	0.00	1,147.50					
Dental Insurance	37,398.06	2,687.91	7,126.31	33,195.39	88.76%	4,202.67	37,398.06	37,398.06	0.00	(4,202.67)	(4,202.67)	Matched to Budget				
Health Insurance	1,005,399.60	72,234.98	78,581.64	704,782.12	70.10%	300,617.48	1,005,399.60	861,945.40	(143,454.20)	(157,163.28)	(300,617.48)	Updated based on YTD + MTD * 2; consistent percentage to CY YTD salaries				
Life Insurance	11,214.39	188.57	799.94	5,554.06	49.53%	5,660.33	11,214.39	11,214.39	0.00	(5,660.33)	(5,660.33)	Matched to Budget				
Social Security & Medicare	635,851.31	49,551.45	51,171.86	347,737.67	54.69%	288,113.64	635,851.31	589,233.73	(46,617.58)	(241,496.06)	(288,113.64)	Updated by FICA percentage * YTD salaries				
State Retirement	1,930,176.29	153,226.88	155,325.61	1,650,510.18	85.51%	279,666.11	1,930,176.29	1,930,176.29	0.00	(279,666.11)	(279,666.11)	Matched to Budget				
State Unemployment	14,940.24	0.00	16,405.99	109.81%	(1,465.75)	41,585.96	14,940.24	14,940.24	0.00	(25,179.97)	1,465.75	Updated based on current YTD x4 quarters				
02. Benefits TOTAL	3,634,979.89	277,889.79	293,005.36	2,759,332.91		875,646.98	3,662,773.11	3,472,701.33								
Athletic Supplies	55,000.00	7,054.79	8,451.75	59,786.20	108.70%	(4,786.20)	55,000.00	59,786.20	4,786.20	0.00	4,786.20					
Board of Directors Supplies	6,225.10	4.29	299.41	5,925.69	4.81%	5,925.69	6,225.10	6,225.10	0.00	(5,925.69)	(5,925.69)	June Amex payment voided in July; reclassified to 13th month				

DURHAM CHARTER SCHOOL										System Adjusted											
Budget Analysis Report (Reconciled) - EOY Projection Analysis										Manually Adjusted											
April-2026																					
Account	Budget	Prior Month Activity	Period Activity	YTD Activity	% Budget Used YTD	Remaining Budget	Prior Month EOY Projection	EOY Projection	Change in EOY Projection +/-	Diff YTD and current EOY Proj	Budget v Actual Variance	Notes									
Clubs Supplies	6,225.10	30.69	0.00	2,393.43	38.45%	3,831.67	6,225.10	6,225.10	0.00		(3,831.67)	(3,831.67)									
Fundraising Supplies	6,225.10	0.00	0.00	4,550.00	73.09%	1,675.10	6,225.10	6,225.10	0.00		(1,675.10)	(1,675.10)									
Health Supplies	1,867.53	0.00	13.96	5,888.00	315.28%	(4,020.47)	5,874.04	5,888.00	13.96		0.00	4,020.47	Adjusted to YTD								
Instructional Supplies	75,000.00	565.65	11,450.85	177,757.08	237.01%	(102,757.08)	166,306.23	177,757.08	11,450.85		0.00	102,757.08	Adjusted to YTD								
Library Books & Supplies	3,112.55	0.00	0.00	1,965.98	63.16%	1,146.57	3,112.55	3,112.55	0.00		(1,146.57)	(1,146.57)									
Membership Dues & Fees	7,470.12	248.00	118.26	21,020.50	281.39%	(13,550.38)	20,902.24	21,020.50	118.26		0.00	13,550.38	Adjusted to YTD								
Office Supplies	54,940.24	6,467.80	8,863.23	76,197.87	138.69%	(21,257.63)	89,779.52	91,437.44	1,657.92		(15,239.57)	21,257.63	Updated based on YTD Avg over 12								
Postage & Shipping	6,225.10	178.08	95.60	469.56	7.54%	5,755.54	6,225.10	6,225.10	0.00		(5,755.54)	(5,755.54)									
Sales Tax Expense	0.00	5,054.69	11,359.27	131,890.98		(131,890.98)	120,531.71	131,890.98	11,359.27		0.00	131,890.98	Matched to YTD and netted Rev/Exp								
03. Books & Supplies TOTAL	222,290.84	19,603.99	40,352.92	482,219.01		(259,928.17)	486,406.69	515,793.15													
Athletic Services	7,891.54	5,475.00	711.00	24,621.75	312.00%	(16,730.21)	23,910.75	24,621.75	711.00		0.00	16,730.21									
Clubs Services	3,156.61	0.00	0.00	0.00	0.00%	3,156.61	3,156.61	3,156.61	0.00		(3,156.61)	(3,156.61)									
EC Services	56,025.90	10,984.50	44,868.50	98,255.00	175.37%	(42,229.10)	56,025.90	98,255.00	42,229.10		0.00	42,229.10									
Field Trips	30,000.00	4,342.75	11,371.98	35,972.72	119.91%	(5,972.72)	30,000.00	35,972.72	5,972.72		0.00	5,972.72	Updated to YTD								
Health Services	0.00	0.00	0.00	650.00		(650.00)	650.00	650.00	0.00		0.00	650.00									
Instructional Services	80,000.00	250.00	7,365.00	53,063.92	66.33%	26,936.08	65,000.00	65,000.00	0.00		(11,936.08)	(26,936.08)	Updated per Alex Q.								
Psychological Services	6,225.10	0.00	0.00	6,225.10	100.00%	0.00	3,225.10	3,225.10	0.00		(3,225.10)	(6,225.10)									
Security Services	18,675.30	4,620.00	10,725.00	55,680.00	298.15%	(37,004.70)	83,805.00	83,805.00	0.00		(28,125.00)	37,004.70	Updated MTD*6 based on AQ higher expected costs								
Speech Services	37,350.60	4,275.00	0.00	22,551.05	60.38%	14,799.55	32,350.60	32,350.60	0.00		(9,799.55)	(14,799.55)	Updated per Alex Q.								
04. Contracted Student Services TOTAL	239,325.05	29,947.25	75,041.48	290,794.44		(51,469.39)	298,123.96	347,036.78													
Tuition Fees	45,600.00	2,147.67	0.00	24,598.41	53.94%	21,001.59	35,600.00	35,600.00	0.00		(11,001.59)	(21,001.59)	Updated per Alex Q.								
Workshop Expenses	60,000.00	542.00	180.00	98,282.77	163.80%	(38,282.77)	110,000.00	110,000.00	0.00		(11,717.23)	38,282.77	Updated per Alex Q.								
Workshop Expenses - Curriculum	30,000.00	0.00	0.00	1,307.26	4.36%	28,692.74	5,000.00	5,000.00	0.00		(3,692.74)	(28,692.74)	Updated per Alex Q.								
05. Staff Development TOTAL	135,600.00	2,689.67	180.00	124,188.44		11,411.56	150,600.00	150,600.00													
Advertising	25,000.00	254.60	1,129.34	55,877.49	223.51%	(30,877.49)	54,748.15	55,877.49	1,129.34		0.00	30,877.49	Adjusted to YTD								
Audit Fees	16,493.31	1,800.00	0.00	13,050.00	79.12%	3,443.31	16,493.31	16,493.31	0.00		(3,443.31)	(3,443.31)									
Bank Fees	7,260.21	0.00	0.00	106.60	1.47%	7,153.61	7,260.21	7,260.21	0.00		(7,153.61)	(7,153.61)									
Community Services	7,891.54	0.00	0.00	500.00	6.34%	7,391.54	2,891.54	2,891.54	0.00		(2,391.54)	(7,391.54)	Updated per Alex Q.								
Financial Services	108,000.00	11,351.66	11,351.66	94,271.67	87.29%	13,728.33	108,000.00	108,000.00	0.00		(13,728.33)	(13,728.33)									
General Administration	78,915.36	0.00	0.00	10,607.60	13.44%	68,307.76	53,915.36	53,915.36	0.00		(43,307.76)	(68,307.76)	Updated per Alex Q.								
Human Resources	14,204.77	8,997.62	21,095.27	43,124.49	303.59%	(28,919.72)	29,372.29	43,124.49	13,752.20		0.00	28,919.72	Updated to YTD								
Legal Services	75,000.00	12,674.64	22,685.58	119,289.92	159.05%	(44,289.92)	128,805.79	128,805.79	0.00		(9,515.87)	44,289.92	Updated based on YTD Avg over 12 4.20								
Other Tax Payments	0.00	0.00	0.00	106,476.93		(106,476.93)	106,476.93	106,476.93	0.00		0.00	106,476.93	Bus property tax, Updated to YTD								
Student Information Services	35,511.91	2,250.00	2,250.00	22,500.00	63.36%	13,011.91	35,511.91	35,511.91	0.00		(13,011.91)	(13,011.91)									
Teacher Appreciation	25,000.00	0.00	0.00	198.22	0.79%	24,801.78	15,000.00	15,000.00	0.00		(14,801.78)	(24,801.78)	Updated per Alex Q.								
Technology Services	10,000.00	(351,854.09)	42,847.22	152,830.48	1528.30%	(142,830.48)	146,644.35	152,830.48	6,186.13		0.00	142,830.48	Updated to YTD								
06. Administrative Services TOTAL	403,277.10	(314,525.57)	101,359.07	618,833.40		(215,556.30)	705,119.84	726,187.51													
General Liability	50,000.00	6,250.00	14,574.00	55,509.71	111.02%	(5,509.71)	50,000.00	55,509.71	5,509.71		0.00	5,509.71									
Other Insurance & Judgements	0.00	0.00	0.00	3,918.08		(3,918.08)	3,918.08	3,918.08	0.00		0.00	3,918.08	7/31 paycheck ach								
Property	25,000.00	0.00	0.00	9,280.74	37.12%	15,719.26	25,000.00	25,000.00	0.00		(15,719.26)	(15,719.26)									
School Accident	9,773.41	0.00	0.00	8,350.00	85.44%	1,423.41	9,773.41	9,773.41	0.00		(1,423.41)	(1,423.41)									
Vehicle Liability	50,000.00	0.00	5,359.00	53,480.90	106.96%	(3,480.90)	50,000.00	53,480.90	3,480.90		0.00	3,480.90									
Workers Compensation	25,000.00	0.00	15,652.69	69,227.92	276.91%	(44,227.92)	53,575.23	69,227.92	15,652.69		0.00	44,227.92									
07. Insurances TOTAL	159,773.41	6,250.00	35,585.69	199,767.35		(39,993.94)	192,266.72	216,910.02													
6100 Athletic Rent	0.00	779.00	0.00	7,712.30		(7,712.30)	7,712.30	7,712.30	0.00		0.00	7,712.30	Updated to YTD								
Building Rent - Modular	420,000.00	(7,184.50)	23,560.00	318,508.28	75.84%	101,491.72	420,000.00	420,000.00	0.00		(101,491.72)	(101,491.72)									
Debt Service - Interest	1,282,500.00	106,875.00	106,875.00	1,068,750.00	83.33%	213,750.00	1,282,500.00	1,282,500.00	0.00		(213,750.00)	(213,750.00)									
08. Rents & Debt Service TOTAL	1,702,500.00	100,469.50	130,435.00	1,394,970.58		307,529.42	1,710,212.30	1,710,212.30													
Building Services	50,000.00	99.00	13,799.00	47,488.95	94.98%	2,511.05	50,000.00	50,000.00	0.00		(2,511.05)	(2,511.05)									
Building Supplies & Materials	18,675.30	9,490.11	83,901.86	180,532.15	966.69%	(161,856.85)	180,532.15	180,532.15	74,143.31		0.00	161,856.85	Updated to YTD								
Custodial Services	185,000.00	20,124.00	0.00	195,247.00	105.54%	(10,247.00)	265,712.57	255,619.00	(10,093.57)		(60,372.00)	10,247.00	Updated based on PM * 3 (arrears billing) + YTD								
Custodial Supplies & Materials	3,735.06	4,593.37	2,652.44	52,332.47	1401.11%	(48,597.41)	63,424.97	63,424.97	0.00		(11,092.50)	48,597.41	Updated to YTD +6 mo of MTD								
Miscellaneous Contracts	12,450.20	0.00	0.00	0.00	0.00%	12,450.20	12,450.20	12,450.20	0.00		(12,450.20)	(12,450.20)									
Security Monitoring	15,000.00	643.35	0.00	15,155.05	101.03%	(155.05)	15,155.05	15,155.05	0.00		0.00	155.05									
09. Facilities TOTAL	284,860.56	34,949.83	1																		

DURHAM CHARTER SCHOOL										System Adjusted								
Budget Analysis Report (Reconciled) - EOY Projection Analysis										Manually Adjusted								
April-2026																		
Account	Budget	Prior Month Activity	Period Activity	YTD Activity	% Budget Used YTD	Remaining Budget	Prior Month EOY Projection	EOY Projection	Change in EOY Projection +/-	Diff YTD and current EOY Proj	Budget v Actual Variance	Notes						
Vehicle Gas & Diesel Fuel	55,000.00	2,024.09	12,536.86	59,828.60	108.78%	(4,828.60)	55,000.00	59,828.60	4,828.60	0.00	4,828.60							
Vehicle Rental & Lease	367,088.00	216,262.31	(88,552.55)	441,523.82	120.28%	(74,435.82)	530,076.37	441,523.82	(88,552.55)	0.00	74,435.82	Based on amo schedules for two contracts, \$325,503.20 is FY26 total. DC refunded two payments of \$103,165.66 each. Total buyout cost: \$1,768,260.64						
Vehicle Repair Services	20,000.00	9,018.94	6,740.92	75,512.23	377.56%	(55,512.23)	87,475.00	87,475.00	0.00	(1,962.77)	55,512.23	Updated based on Avg per mo over 12						
Vehicle Supplies	5,573.33	0.00	0.00	2,640.89	47.38%	2,932.44	5,573.33	5,573.33	0.00	(2,932.44)	(2,932.44)							
11. Transportation & Travel TOTAL	454,628.00	227,640.21	(68,046.52)	618,115.23		(163,487.23)	731,095.27	647,371.32										
Software - EC Instructional	0.00	0.00	0.00	71,392.03		(71,392.03)	71,392.03	71,392.03	0.00	0.00	71,392.03							
Software - Instructional	98,000.00	19.72	1,963.72	167,520.46	170.94%	(69,520.46)	165,556.74	167,520.46	1,963.72	0.00	69,520.46	Updated to YTD						
Software - Library	0.00	0.00	3,250.00	4,130.46		(4,130.46)	880.46	4,130.46	3,250.00	0.00	4,130.46							
Software - Office	35,000.00	1,113.90	211.72	45,078.04	128.79%	(10,078.04)	44,866.32	45,078.04	211.72	0.00	10,078.04	Updated to YTD						
Tech Equipment - Instructional	12,626.46	0.00	0.00	689.40	5.46%	11,937.06	7,626.46	7,626.46	0.00	(6,937.06)	(11,937.06)	Reduced, appears ERate exp mapped to other categories						
Tech Equipment - Office	1,578.31	0.00	0.00	0.00	0.00%	1,578.31	1,578.31	1,578.31	0.00	(1,578.31)	(1,578.31)							
12. Technology TOTAL	147,204.77	1,133.62	5,425.44	288,810.39		(141,605.62)	291,900.32	297,325.76										
Copiers & Reproduction	112,051.79	10,125.77	8,879.73	87,672.63	78.24%	24,379.16	112,051.79	106,678.13	(5,373.66)	(19,005.50)	(24,379.16)	Updated by average spending x 2 + YTD						
Equipment - EC	1,577.03	0.00	0.00	0.00	0.00%	1,577.03	1,577.03	1,577.03	0.00	(1,577.03)	(1,577.03)							
Equipment - Instructional	15,770.25	(573,869.29)	0.00	8,699.53	55.16%	7,070.72	15,770.25	15,770.25	0.00	(7,070.72)	(7,070.72)	Updated to YTD						
Equipment - Office	18,135.79	0.00	0.00	120,917.06	666.73%	(102,781.27)	120,917.06	120,917.06	0.00	0.00	102,781.27	Adjusted due to CapEx moved to appropriate category 4.20						
Equipment - Safety - O40	12,450.20	0.00	0.00	0.00	0.00%	12,450.20	12,450.20	12,450.20	0.00	(12,450.20)	(12,450.20)							
Equipment Repairs	1,182.77	2,119.00	11,451.80	72,781.32	6153.46%	(71,598.55)	61,329.52	72,781.32	11,451.80	0.00	71,598.55	Updated to YTD						
13. Non-Cap Equipment & Leases TOTAL	161,167.83	(561,624.52)	20,331.53	290,070.54		(128,902.71)	324,095.85	330,173.99										
Cap Equipment - Building	25,000.00	88,524.00	0.00	88,524.00	354.10%	(63,524.00)	88,524.00	88,524.00	0.00	0.00	63,524.00	Updated based on CapEx AJE's as of 4.20						
Cap Equipment - Instructional	18,675.30	710,934.80	5,039.60	860,887.36	4609.76%	(842,212.06)	855,847.76	860,887.36	5,039.60	0.00	842,212.06							
Cap Tech Equipment - Instructional	150,000.00	177,905.71	0.00	179,839.64	119.89%	(29,839.64)	179,839.64	179,839.64	0.00	0.00	29,839.64							
14. Cap Equipment & Purchases TOTAL	193,675.30	977,364.51	5,039.60	1,129,251.00		(935,575.70)	1,124,211.40	1,129,251.00										
Equipment - Nutrition	1,577.03	0.00	0.00	424.57	26.92%	1,152.46	1,577.03	1,577.03	0.00	(1,152.46)	(1,152.46)							
Food Purchases	3,154.05	0.00	0.00	757.95	24.03%	2,396.10	3,154.05	3,154.05	0.00	(2,396.10)	(2,396.10)							
Nutrition Services	979,706.18	9,343.19	9,111.43	377,798.56	38.56%	601,907.62	784,450.60	784,450.60	(406,652.04)	(601,907.62)	(601,907.62)	Forecast is conservative per School Spreadsheet as of 3.13						
Nutrition Supplies & Materials	3,942.56	0.00	0.00	0.00	0.00%	3,942.56	1,942.56	1,942.56	0.00	(1,942.56)	(3,942.56)	Updated per Alex Q.						
Other Food - Athletics	788.51	2,050.73	30.93	5,627.07	713.63%	(4,838.56)	5,596.14	5,627.07	30.93	0.00	4,838.56							
Other Food - Board	1,992.03	15.27	0.00	632.53	31.75%	1,359.50	1,992.03	1,992.03	0.00	(1,359.50)	(1,359.50)							
Other Food - Clubs	6,225.10	70.40	0.00	282.34	4.54%	5,942.76	3,225.10	3,225.10	0.00	(2,942.76)	(5,942.76)	Updated per Alex Q.						
Other Food - Office	9,960.16	2,413.54	1,703.48	44,558.84	447.37%	(34,598.68)	42,855.36	44,558.84	1,703.48	0.00	34,598.68							
Software - Nutrition	3,942.56	0.00	0.00	0.00	0.00%	3,942.56	3,942.56	3,942.56	0.00	(3,942.56)	(3,942.56)							
Workshops - Nutrition	473.11	0.00	0.00	473.11	0.00%	0.00	473.11	473.11	0.00	(473.11)	(473.11)							
15. Nutrition & Food TOTAL	1,011,761.29	13,893.13	10,845.84	430,081.86		581,679.43	849,208.54	850,942.95										
Other Food	0.00	0.00	0.00	124.44		(124.44)	124.44	124.44	0.00	0.00	124.44							
Salary - Personnel	0.00	0.00	0.00	600.00		(600.00)	600.00	600.00	0.00	0.00	600.00							
Social Security & Medicare	0.00	0.00	0.00	45.14		(45.14)	45.14	45.14	0.00	0.00	45.14							
State Retirement	0.00	0.00	0.00	148.02		(148.02)	148.02	148.02	0.00	0.00	148.02							
16. Before & After Care TOTAL	0.00	0.00	0.00	917.60		(917.60)	917.60	917.60										
Teacher - 556	151,476.94	10,726.69	10,726.69	107,169.93	70.75%	44,307.01	151,476.94	128,623.31	(22,853.63)	(21,453.38)	(44,307.01)	Updated based on YTD + MTD * 2						
20. Kenan Trust - 556 TOTAL	151,476.94	10,726.69	10,726.69	107,169.93		44,307.01	151,476.94	128,623.31										
Contracted Services - 590	50,000.00	1,000.00	7,500.00	93,319.15	186.64%	(43,319.15)	85,819.15	93,319.15	7,500.00	0.00	43,319.15	Updated to YTD						
Curriculum Development - 590	60,000.00	5,000.00	5,000.00	57,761.11	96.27%	2,238.89	60,000.00	67,761.11	7,761.11	(10,000.00)	(2,238.89)	Updated based on YTD + MTD * 2						
Instructional Equipment - 590	40,000.00	0.00	0.00	0.00	0.00%	40,000.00	10,000.00	10,000.00	0.00	(10,000.00)	(40,000.00)	Updated per Alex Q.						
Instructional Supplies - 590	40,000.00	0.00	0.00	(16.85)	-0.04%	40,016.85	5,000.00	5,000.00	0.00	(5,016.85)	(40,016.85)	Updated per Alex Q.						
Marketing/Development - 590	10,000.00	0.00	0.00	0.00	0.00%	10,000.00	5,000.00	5,000.00	0.00	(5,000.00)	(10,000.00)	Updated per Alex Q.						
22. CS Growth Fund - 590 TOTAL	200,000.00	6,000.00	12,500.00	151,063.41		48,936.59	165,819.15	181,080.26										
0104 Title III Language Acquisition - 104	0.00	4,570.00	4,562.85	36,552.85		(36,552.85)	45,700.00	45,700.00	0.00	(9,147.15)	36,552.85	Kornegay moved from EC Teacher						
0108 Student Support - 108	0.00	22,764.00	6.00	22,770.00		(22,770.00)	22,764.00	22,770.00	6.00	0.00	22,770.00							
9600 Federal Programs TOTAL	0.00	27,334.00	4,568.85	59,322.85		(59,322.85)	68,464.00	68,470.00										
0100 Transfer - 108	0.00	51,433.00	334.00	51,767.00		(51,767.00)	51,433.00	51,767.00	334.00	0.00	51,767.00							
9700 Federal Transfers TOTAL	0.00	51,433.00	334.00	51,767.00		(51,767.00)	51,433.00	51,767.00										
Expenses Total	17,408,725.81	1,509,741.39	1,484,180.75	16,134,303.68	92.68%	1,274,422.13	19,427,576.79	19,304,078.14	(123,498.65)	(3,169,774.46)	(1,274,422.13)							
SURPLUS/DEFICIT	173,720.95	(713,124.57)	(1,331,228.72)	(813,974.17)	-468.55%	987,695.12	(1,487,548.51)	(1,398,915.73)	88,632.78	584,941.56	(987,695.12)							
							DSCR											
							Projected Net Income: 4/30/26	(1,398,915.73)										
							Add Back: Cap Expenses	1,570,774.82										
							Add Back: Costs in Contracted Vehicle Repair	89,275.00										
							Add Back: Debt Interest	1,282,500.00										

DURHAM CHARTER SCHOOL																			
Budget Analysis Report (Reconciled) - EOY Projection Analysis																			
April-2026																			
Account	Budget	Prior Month Activity	Period Activity	YTD Activity	% Budget Used YTD	Remaining Budget	Prior Month EOY Projection	EOY Projection	Change in EOY Projection +/-	Diff YTD and current EOY Proj	Budget v Actual Variance	Notes							
								1,523,634.09											
							Annual Debt Service	1,282,500.00											
							DSCR	1.19											
							Required DSCR	1.10											
								0.09											

Coversheet

Financing Overview

Section: VII. Finance & Operations
Item: F. Financing Overview
Purpose: FYI
Submitted by:
Related Material:
Financing Overview - Durham Charter School 5.21.26 Board Update (1).pdf

May 21, 2026

Durham Charter School

Financing Overview



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Plan of Finance Overview

Overview

- Durham Charter School (the “School”) is considering financing phase two of the campus improvement project.

- The financing is being pursued through the Equitable Facilities Fund (“EFF”) and Charter School Growth Fund (“CSGF”), non-profit investment groups that offer low-cost loans to charter schools.
 - The School closed a \$27 million EFF loan in June of 2024.

- The School has initially been approved for financing of up to \$15.8 million.

- CSGF and EFF provided a term sheet with the following terms:
 - 4.25% fixed rate
 - 3-year term, matching the final maturity of the 2024 loan
 - Callable in 2 years, matching the call option of the 2024 loan
 - No origination fee
 - No debt service reserve fund

- Dependent on final credit approval, the financing is expected to close by the end June.



Plan of Finance Overview

Breakdown of Project and Loan

- Below is a breakdown of the total project costs.

Breakdown of Project Amounts	
Total Hard Construction Costs *	\$ 12,437,703
Total Soft Construction Costs	2,681,149
Total Project Cost	\$ 15,118,852
Capitalized Interest	643,521
Closing Costs	550,000
Other Real Estate Costs	28,479
Total Amount	\$ 16,340,852

* Includes contingency amounts.

Breakdown of Sources of Funds	
Bond Par Amount	\$ 15,800,000
Estimated Equity Contribution	540,852
Total Amount	\$ 16,340,852

- Instead of financing the contingency, we are recommending the School choose to put up existing cash towards the contingency. This would be used and keep the financing under the \$15.8 million cap.
- The School’s board could restrict existing cash to remain below the \$15.8 maximum amount. The expected FY 2026 ending cash is \$6.9 million.



Plan of Finance Overview

Annual Debt Service Schedule

- Below is a preliminary debt service schedule based on the provided terms. The term matches the final maturity of the 2024 issue.

- The School will finance the capitalized interest to cover the payments for the first year.

Debt Service Schedule						
Date	Principal	Coupon	Interest	CIF	Total Net P+I	
6/30/2026	\$ -	-	\$ -	\$ -	\$ -	
6/30/2027	-	-	643,520.80	(643,520.80)	-	
6/30/2028	275,900.00	4.25%	666,168.03	-	942,068.03	
6/30/2029	15,524,100.00	4.25%	654,210.65	-	16,178,310.65	
Total	\$ 15,800,000.00	-	\$ 1,963,899.48	\$ (643,520.80)	\$ 17,120,378.68	



Plan of Finance Overview

Financing Timeline

Preliminary Financing Timeline	
Wednesday, April 1, 2026	<ul style="list-style-type: none"> ➤ EFF & GSGF to present to screening committee ➤ Durham receives term sheet and closing process begins
Monday, April 13, 2026	<ul style="list-style-type: none"> ➤ Receive S&P rating
Thursday, April 23, 2026	<ul style="list-style-type: none"> ➤ Durham Charter School Board Meeting - Durham Board approves construction contract
Thursday, May 14, 2026	<ul style="list-style-type: none"> ➤ First working group call
Thursday, May 21, 2026	<ul style="list-style-type: none"> ➤ Durham Charter School Board Meeting - Parameter sale authorizing the execution of the loan documents
Week of: Monday, May 25, 2026	<ul style="list-style-type: none"> ➤ Receive building permit
Week of: Monday, June 16, 2026	<ul style="list-style-type: none"> ➤ Loan is closed



Plan of Finance Overview

Scenario 1: Forecast with State Retirement

Year Ending June 30	Projected 2023-2024	Projected 2024-2025	Projected 2025-2026	Projected 2026-2027	Projected 2027-2028	Projected 2028-2029	Projected 2029-2030	Projected 2030-2031
Total Enrollment⁽¹⁾	777	985	1,198	1,350	1,410	1,450	1,450	1,450
Projected State Revenue Per Student	\$ 7,549	\$ 7,865	\$ 7,613	\$ 7,556	\$ 7,843	\$ 8,000	\$ 8,160	\$ 8,323
Projected Total Revenue Per Student	\$ 14,636	\$ 15,760	\$ 14,900	\$ 14,884	\$ 15,100	\$ 15,386	\$ 15,678	\$ 15,975
Revenues⁽¹⁾								
State Revenue	\$ 5,865,311	\$ 7,747,304	\$ 9,120,894	\$ 10,200,233	\$ 11,058,309	\$ 11,599,460	\$ 11,831,449	\$ 12,068,078
Local Revenue	4,085,020	6,431,829	7,388,727	7,893,529	8,328,800	8,733,168	8,904,588	9,079,404
Federal Revenue	673,889	548,822	705,991	749,550	790,692	821,254	829,467	837,762
Business Revenue	747,796	795,517	634,476	1,250,000	1,112,908	1,155,924	1,167,484	1,179,159
Total Revenues	\$ 11,372,016	\$ 15,523,472	\$ 17,850,088	\$ 20,093,312	\$ 21,290,708	\$ 22,309,807	\$ 22,732,988	\$ 23,164,402
Expenses⁽¹⁾								
Salaries & Wages	\$ 5,025,265	\$ 6,587,078	\$ 7,784,720	\$ 8,959,175	\$ 9,631,899	\$ 10,152,773	\$ 10,406,593	\$ 10,666,757
Benefits	2,112,129	2,752,400	3,662,773	3,851,593	3,878,520	4,028,434	4,068,718	4,109,406
Books and Supplies	224,665	330,758	443,106	443,500	260,242	270,300	273,003	275,734
Contracted Student Services	423,061	853,725	292,649	258,225	292,866	304,186	307,228	310,300
Staff Development	203,490	84,527	150,600	190,000	153,116	154,647	156,194	157,756
Administrative Services	1,436,697	521,444	988,019	394,000	424,574	428,820	433,108	437,439
Insurances	89,675	103,109	192,267	164,468	191,089	198,475	200,460	202,465
Facilities	357,391	156,425	512,977	350,000	322,687	335,159	338,511	341,896
Utilities	97,138	52,150	190,400	192,500	175,458	182,240	184,063	185,903
Transportation & Travel	294,097	347,258	635,655	570,048	646,027	652,487	659,012	665,602
Technology	198,347	1,212	297,955	110,000	177,965	184,843	186,692	188,559
NonCap/Cap Equipment and Lease	104,137	94,170	888,775	235,095	189,635	196,965	198,935	200,924
Cap Equipment & Purchases	-	-	294,913	100,000	116,038	120,523	121,728	122,945
Nutrition and Food	677,845	951,201	844,744	1,141,073	1,220,361	1,267,531	1,280,207	1,293,009
Before & After Care	70,187	43,837	918	107,103	-	-	-	-
Kenan Trust	268,038	-	151,477	-	158,233	164,349	165,993	167,653
YASS Grant	50,000	-	-	-	-	-	-	-
CS Growth Fund	-	-	164,819	150,000	-	-	-	-
Federal Expenses	-	-	45,700	45,700	-	-	-	-
Less: One-Time Expenses	-	(225,622)	(172,000)	-	-	-	-	-
Less: Capital Improvements	-	(46,722)	(1,533,011)	-	-	-	-	-
Total Expenses⁽²⁾	\$ 11,632,162	\$ 12,606,950	\$ 15,837,455	\$ 17,262,480	\$ 17,838,711	\$ 18,641,736	\$ 18,980,445	\$ 19,326,348
Net Available for Debt Service	\$ (260,146)	\$ 2,916,522	\$ 2,012,632	\$ 2,830,832	\$ 3,451,997	\$ 3,668,071	\$ 3,752,543	\$ 3,838,054
Building Rent	90,269	302,007	2,982	-	-	-	-	-
Modular Facility Expense	-	410,000	420,000	400,000	-	-	-	-
2024 EFF Loan Principal	-	-	-	432,737	494,026	-	-	-
2024 EFF Loan Interest	-	1,186,313	1,282,500	1,274,003	1,251,282	-	-	-
2026 EFF Loan Principal	-	-	-	-	281,300	-	-	-
2026 EFF Loan Interest	-	-	-	643,521	666,061	-	-	-
Est. LT Permanent Financing ⁽³⁾	-	-	-	-	-	2,868,629	2,866,775	2,867,438
Capitalized Interest	-	(545,063)	-	(643,521)	-	-	-	-
Total Net Debt Service Payments⁽⁵⁾	\$ 90,269	\$ 1,353,257	\$ 1,705,482	\$ 2,106,740	\$ 2,692,668	\$ 2,868,629	\$ 2,866,775	\$ 2,867,438
Debt Service Coverage (Annual Debt Service)	-2.88 x	2.16 x	1.18 x	1.34 x	1.28 x	1.28 x	1.31 x	1.34 x
Maximum Annual Debt Service (Does not include Rent or estimated Refunding DS)⁽⁵⁾	\$ 2,620,981	\$ 2,620,981	\$ 2,620,981	\$ 2,620,981	\$ 2,620,981	\$ 2,620,981	\$ 2,620,981	\$ 2,620,981
Debt Service Coverage (MADS)	0.77 x	1.08 x	1.32 x	1.40 x	1.43 x	1.43 x	1.46 x	1.46 x
Days Cash on Hand Calculation								
Beginning Cash⁽⁶⁾			\$ 8,909,179	\$ 6,981,319	\$ 7,705,410	\$ 8,464,739	\$ 9,264,181	\$ 10,149,948
Operating Surplus of the System			307,150	724,092	759,329	799,441	885,768	970,617
Less: Other Expenses			(530,000)	-	-	-	-	-
Less: Capital and One-Time Expenses			(1,705,011)	-	-	-	-	-
Ending Unrestricted Cash	1,926,453	8,540,181	6,981,319	7,705,410	8,464,739	9,264,181	10,149,948	11,120,565
Days Cash on Hand	60	247	161	163	173	181	195	210

- Projections provided by the School.
- Depreciation excluded from total expenses.
- Estimated refunding debt service on the EFF loans. Assumes a 35 year amortization at 5.50%.
- Debt service payments reflect monthly payments to the trustee. Interest based on EFF terms.
- MADS is calculated using combined monthly fiscal year payments on the projected EFF loans. Does not include the balloon payments.
- FY 2026 beginning cash provided by the School.



Plan of Finance Overview

Proposed Financing Covenants

- Below are the School’s existing loan covenants. The new loan will match the existing covenants.
- **Debt Service Coverage Ratio:** The School will maintain a Debt Service Coverage Ratio of at least 1.10 for each Fiscal Year, commencing with the first Fiscal Year after loan closing.
- **Days Cash on Hand:** The School will maintain a minimum of 60 Days Cash on Hand (“DCOH”) in unrestricted cash balance based on the School’s annual audited financial statement each Fiscal Year.
- **Enrollment Requirements: (Possible revisions in new Loan Agreement)**

Fall Testing Date	Full Enrollment	Enrollment Requirement	Enrollment Minimum
2024	995	895	845
2025	1,235	1,110	1,050
2026	1,300	1,170	1,105
2027 and thereafter	1,350	1,215	1,145

- **Academic Requirements: (Possible revisions in new Loan Agreement)**
- Commencing the 2024-25 academic year, the Borrower covenants that:
 - Each year maintain a minimum weighted average for all students of 70th percentile using the Similar Schools Methodology, in both Math and English Language Arts, calculated separately for each respective subject; or each year the weighted average proficiency rate for all students, in both Math and English Language Arts, calculated separately, shall meet or exceed 100% of the State’s weighted average for all students, in each respective subject; and
 - Each year the weighted average proficiency rate for all socio-economically disadvantaged students, in both Math and English Language Arts, calculated separately, shall meet or exceed 110% of the State’s weighted average for all socio-economically disadvantaged students, in each respective subject.