

Table 1. General Info: % of Grade Proficient Students by Race, Economic Status, English Language Learners (ELL), Disabilities | Suspensions | Academic Score & Growth

Entity	Total	White	Black	Hispanic	Eco. Disadv	ELL	Suspensions	Grade	Growth
State	58.8	71.1	40.2	48.1	44.3	22.4	7.61/20.63		
Greene County	42.6	60.9	30.3	40.6	35.4	20.4	8.4/13.24		
Snow Hill Primary (K-1)	N/A	N/A	N/A	N/A	N/A	N/A	1.19	N/A	N/A
West Greene Elementary (2-3)	34.4	76.40%	33.5	36	40.4	33.3	4.7	D,C,D	M,M,E
Greene County Intermediate (4-5)	37.8	67.8	37.7	47.2	40.4	17.9	19.26	C,D,D	E,E,E
Greene County Middle (6-8)	27.7	52.4	24	36.4	30	7.4	13.24	D,F,D	E,N,N
Torchlight	57.9	N/A	56.8	59.1	58.1	42.9	0	C,C,F	

Table 2. Public School Attendance by Race and % Economically Disadvantaged

Entity	Students	White	Black	Hispanic	White	Black	Hispanic	Eco Dis
Greene County Middle	680	218	256	206	32.06%	37.65%	30.29%	75.9
Greene County Intermediate	481	124	177	180	25.78%	36.80%	37.42%	74.4
Snow Hill Primary	500	128	178	174	25.60%	35.60%	34.80%	70%
West Greene Elementary	434	126	160	148	29.03%	36.87%	34.10%	67%
Greene County K-8 Totals	2095	596	771	708	28.45%	36.80%	33.79%	-

Core Knowledge at a Glance

	Preschool	Kindergarten	First Grade	Second Grade	Third Grade
Language Arts/English	<ul style="list-style-type: none"> I. Oral Language II. Nursery Rhymes, Poems, Finger-Plays, and Songs III. Storybook Reading and Storytelling IV. Emerging Literacy Skills 	<ul style="list-style-type: none"> I. Listening and Speaking II. Reading III. Writing IV. Language Conventions V. Poetry VI. Fiction VII. Sayings and Phrases 	<ul style="list-style-type: none"> I. Listening and Speaking II. Reading III. Writing IV. Language Conventions V. Poetry VI. Fiction VII. Sayings and Phrases 	<ul style="list-style-type: none"> I. Listening and Speaking II. Reading III. Writing IV. Language Conventions V. Poetry VI. Fiction VII. Sayings and Phrases 	<ul style="list-style-type: none"> I. Reading and Writing II. Poetry III. Fiction IV. Sayings and Phrases
History and Geography	<p>Time:</p> <ul style="list-style-type: none"> I. Vocabulary II. Measures of Time III. Passage of Time (Past, Present, Future) <p>Space:</p> <ul style="list-style-type: none"> I. Vocabulary II. Actual and Representational Space III. Simple Maps IV. Basic Geographic Concepts 	<p>World:</p> <ul style="list-style-type: none"> I. Geography: Spatial Sense II. Overview of the Seven Continents <p>American</p> <ul style="list-style-type: none"> I. Geography II. Native American Peoples, Past and Present III. Early Exploration and Settlement IV. Presidents, Past and Present V. Symbols and Figures 	<p>World:</p> <ul style="list-style-type: none"> I. Geography II. Early World Civilizations III. Modern Civilization and Culture: Mexico <p>American</p> <ul style="list-style-type: none"> I. Early People and Civilizations II. Early Exploration and Settlement III. From Colonies to Independence: The American Revolution IV. Early Exploration of American West V. Symbols and Figures 	<p>World:</p> <ul style="list-style-type: none"> I. Geography II. Early Asian Civilizations III. Modern Japanese Civilization IV. The Ancient Greek Civilization <p>American</p> <ul style="list-style-type: none"> I. American Government: The Constitution II. The War of 1812 III. Westward Expansion IV. The Civil War V. Immigration and Citizenship VI. Fighting for a Cause VII. Geography of the Americas VIII. Symbols and Figures 	<p>World:</p> <ul style="list-style-type: none"> I. World Geography II. The Ancient Roman Civilization III. The Vikings <p>American</p> <ul style="list-style-type: none"> I. The Earliest Americans II. Early Exploration of North America III. The Thirteen Colonies: Life and Times Before the Revolution
Visual Arts	<ul style="list-style-type: none"> I. Attention to visual detail II. Creating Art III. Looking and Talking about Art 	<ul style="list-style-type: none"> I. Elements of Art II. Sculpture III. Looking at and Talking About Art 	<ul style="list-style-type: none"> I. Art from Long Ago II. Elements of Art III. Kinds of Pictures: Portrait and Still Life 	<ul style="list-style-type: none"> I. Elements of Art II. Sculpture III. Kinds of Pictures: Landscapes IV. Abstract Art V. Architecture 	<ul style="list-style-type: none"> I. Elements of Art II. American Indian Art III. Art of Ancient Rome and Byzantine Civilization
Music	<ul style="list-style-type: none"> I. Attention to Differences in Sound II. Imitate and Produce Sounds III. Listen and Sing IV. Listen and Move 	<ul style="list-style-type: none"> I. Elements of Music II. Listening and Understanding III. Songs 	<ul style="list-style-type: none"> I. Elements of Music II. Listening and Understanding (Composers; Orchestra; Opera; Ballet; Jazz) III. Songs 	<ul style="list-style-type: none"> I. Elements of Music II. Listening and Understanding (Orchestra; Keyboards; Composers) III. Songs 	<ul style="list-style-type: none"> I. Elements of Music II. Listening and Understanding (Orchestra; Composers) III. Songs
Mathematics	<ul style="list-style-type: none"> I. Patterns and Classification II. Geometry III. Measurement IV. Numbers and Number Sense V. Addition and Subtraction with Concrete Objects VI. Money 	<ul style="list-style-type: none"> I. Patterns and Classification II. Numbers and Number Sense III. Money IV. Computation V. Measurement VI. Geometry 	<ul style="list-style-type: none"> I. Patterns and Classification II. Numbers and Number Sense III. Money IV. Computation V. Measurement VI. Geometry 	<ul style="list-style-type: none"> I. Numbers and Number Sense II. Fractions III. Money IV. Computation V. Measurement VI. Geometry 	<ul style="list-style-type: none"> I. Numbers and Number Sense II. Fractions and Decimals III. Money IV. Computation V. Measurement VI. Geometry
Science	<ul style="list-style-type: none"> I. Human Characteristics, Needs and Development II. Animal Characteristics, Needs and Development III. Plant Characteristics, Needs and Growth IV. Physical Elements (Water, Air, Light) V. Introduction to Magnetism VI. Seasons and Weather VII. Taking Care of the Earth VIII. Tools 	<ul style="list-style-type: none"> I. Plants and Plant Growth II. Animals and Their Needs III. Human Body (Five Senses) IV. Introduction to Magnetism V. Seasons and Weather VI. Taking Care of the Earth VII. Science Biographies 	<ul style="list-style-type: none"> I. Living Things and Their Environments II. Human Body (Body Systems) III. Matter IV. Properties of Matter: Measurement V. Introduction to Electricity VI. Astronomy VII. The Earth VIII. Science Biographies 	<ul style="list-style-type: none"> I. Cycles in Nature (Seasonal Cycles; Life Cycles; Water Cycle) II. Insects III. Human Body (Cells; Digestive and Excretory Systems) IV. Magnetism V. Simple Machines VI. Science Biographies 	<ul style="list-style-type: none"> I. Introduction to Classification of Animals II. Human Body (Muscular, Skeletal, and Nervous Systems; Vision and Hearing) III. Light and Optics IV. Sound V. Ecology VI. Astronomy VII. Science Biographies

	Fourth Grade	Fifth Grade	Sixth Grade	Seventh Grade	Eighth Grade
Language Arts/English	<ol style="list-style-type: none"> I. Writing, Grammar, and Usage II. Poetry III. Fiction IV. Speeches V. Sayings and Phrases 	<ol style="list-style-type: none"> I. Writing, Grammar, and Usage II. Poetry III. Fiction and Drama IV. Speeches V. Sayings and Phrases 	<ol style="list-style-type: none"> I. Writing, Grammar, and Usage II. Poetry III. Fiction and Drama IV. Sayings and Phrases 	<ol style="list-style-type: none"> I. Writing, Grammar, and Usage II. Poetry III. Fiction, Nonfiction, and Drama IV. Foreign Phrases Commonly Used in English 	<ol style="list-style-type: none"> I. Writing, Grammar, and Usage II. Poetry III. Fiction, Nonfiction, and Drama IV. Foreign Phrases Commonly Used in English
History and Geography	<p>World:</p> <ol style="list-style-type: none"> I. World Geography (Spatial Sense; Mountains) II. Europe in Middle Ages III. The Spread of Islam and the "Holy Wars" IV. Early and Medieval African Kingdoms V. China: Dynasties and Conquerors <p>American</p> <ol style="list-style-type: none"> I. The American Revolution II. Making a Constitutional Government III. Early Presidents and Politics IV. Reformers V. Symbols and Figures 	<p>World:</p> <ol style="list-style-type: none"> I. World Geography (Spatial Sense; Lakes) II. Early American Civilizations III. European Exploration, Trade, and the Clash of Cultures IV. The Renaissance and the Reformation V. England from the Golden Age to the Glorious Revolution VI. Russia: Early Growth and Expansion VII. Feudal Japan <p>American</p> <ol style="list-style-type: none"> I. Westward Expansion II. The Civil War: Causes, Conflicts, Consequences III. Native Americans: Cultures and Conflicts IV. U.S. Geography 	<p>World:</p> <ol style="list-style-type: none"> I. World Geography (Spatial Sense; Deserts) II. Lasting Ideas from Ancient Civilizations III. The Enlightenment IV. The French Revolution V. Romanticism VI. Industrialism, Capitalism, and Socialism VII. Latin American Independence Movements <p>American</p> <ol style="list-style-type: none"> I. Immigration, Industrialization, and Urbanization II. Reform 	<ol style="list-style-type: none"> I. America Becomes a World Power II. World War I: "The Great War," 1914–1918 III. Russian Revolution IV. America from the Twenties to the New Deal V. World War II VI. Geography of United States 	<ol style="list-style-type: none"> I. The Decline of European Colonialism II. The Cold War III. The Civil Rights Movement IV. The Vietnam War and the Rise of Social Activism V. The Middle East and Oil Politics VI. The End of the Cold War: The Expansion of Democracy and Continuing Challenges VII. Civics: The Constitution—Principles and Structure of American Democracy VIII. Geography of Canada and Mexico
Visual Arts	<ol style="list-style-type: none"> I. Art of the Middle Ages in Europe II. Islamic Art and Architecture III. Art of Africa IV. Art of China V. Art of a New Nation: The United States 	<ol style="list-style-type: none"> I. Art of the Renaissance II. American Art: Nineteenth-Century United States III. Art of Japan 	<ol style="list-style-type: none"> I. Art History: Periods and Schools (Classical; Gothic; Renaissance; Baroque; Rococo; Neoclassical; Romantic; Realistic) 	<ol style="list-style-type: none"> I. Art History: Period and Schools (Impressionism; Post-Impressionism; Expressionism and Abstraction; Modern American Painting) 	<ol style="list-style-type: none"> I. Art History: Periods and Schools (Painting Since World War II; Photography; 20th-Century Sculpture) II. Architecture Since the Industrial Revolution
Music	<ol style="list-style-type: none"> I. Elements of Music II. Listening and Understanding (Orchestra; Vocal Ranges; Composers) III. Songs 	<ol style="list-style-type: none"> I. Elements of Music II. Listening and Understanding (Composers; Connections) III. American Musical Traditions (Spirituals) IV. Songs 	<ol style="list-style-type: none"> I. Elements of Music II. Classical Music: From Baroque to Romantic (Bach, Handel, Haydn, Mozart, Beethoven, Schubert, Chopin, Schumann) 	<ol style="list-style-type: none"> I. Elements of Music II. Classical Music: Romantics and Nationalists (Brahms, Berlioz, Liszt, Wagner, Dvorak, Grieg, Tchaikovsky) III. American Musical Traditions (Blues and Jazz) 	<ol style="list-style-type: none"> I. Elements of Music II. Non-Western Music III. Classical Music: Nationalists and Moderns IV. Vocal Music (Opera; American Musical Theater)
Mathematics	<ol style="list-style-type: none"> I. Numbers and Number Sense II. Fractions and Decimals III. Money IV. Computation V. Measurement VI. Geometry 	<ol style="list-style-type: none"> I. Numbers and Number Sense II. Ratio and Percent III. Fractions and Decimals IV. Computation V. Measurement VI. Geometry VII. Probability and Statistics VIII. Pre-Algebra 	<ol style="list-style-type: none"> I. Numbers and Number Sense II. Ratio, Percent, and Proportion III. Computation IV. Measurement V. Geometry VI. Probability and Statistics VII. Pre-Algebra 	<ol style="list-style-type: none"> I. Pre-Algebra (Properties of the Real Numbers; Polynomial Arithmetic; Equivalent Equations and Inequalities; Integer Exponents) II. Geometry (Three-Dimensional Objects; Angle Pairs; Triangles; Measurement) III. Probability and Statistics 	<ol style="list-style-type: none"> I. Algebra (Properties of the Real Numbers; Relations, Functions, and Graphs; Linear Equations and Functions; Arithmetic of Rational Expression; Quadratic Equations and Functions) II. Geometry (Analytic Geometry; Introduction to Trigonometry; Triangles and proofs)
Science	<ol style="list-style-type: none"> I. Human Body (Circulatory and Respiratory Systems) II. Chemistry: Basic Terms and Concepts III. Electricity IV. Geology: The Earth and Its Changes V. Meteorology VI. Science Biographies 	<ol style="list-style-type: none"> I. Classifying Living Things II. Cells: Structures and Processes III. Plant Structures and Processes IV. Life Cycles and Reproduction V. Human Body (Endocrine and Reproductive Systems) VI. Chemistry: Matter and Change VII. Science Biographies 	<ol style="list-style-type: none"> I. Plate Tectonics II. Oceans III. Astronomy: Gravity, Stars, and Galaxies IV. Energy, Heat, and Energy Transfer V. The Human Body: Lymphatic and Immune Systems VI. Science Biographies 	<ol style="list-style-type: none"> I. Atomic Structure II. Chemical Bonds and Reactions III. Cell Division and Genetics IV. History of the Earth and Life Forms V. Evolution VI. Science Biographies 	<ol style="list-style-type: none"> I. Physics II. Electricity and Magnetism III. Electromagnetic Radiation and Light IV. Sound Waves V. Chemistry of Food and Respiration VI. Science Biographies

LIGHTHOUSE CHARTER ACADEMY

(Draft)

2019-2020 ACADEMIC CALENDAR

(School Hours 8:00 a.m. to 3:30 p.m)

AUGUST 2019						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
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DECEMBER 2019						
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29	30	31				

APRIL 2020						
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SEPTEMBER 2019						
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29	30					

JANUARY 2020						
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MAY 2020						
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OCTOBER 2019						
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FEBRUARY 2020						
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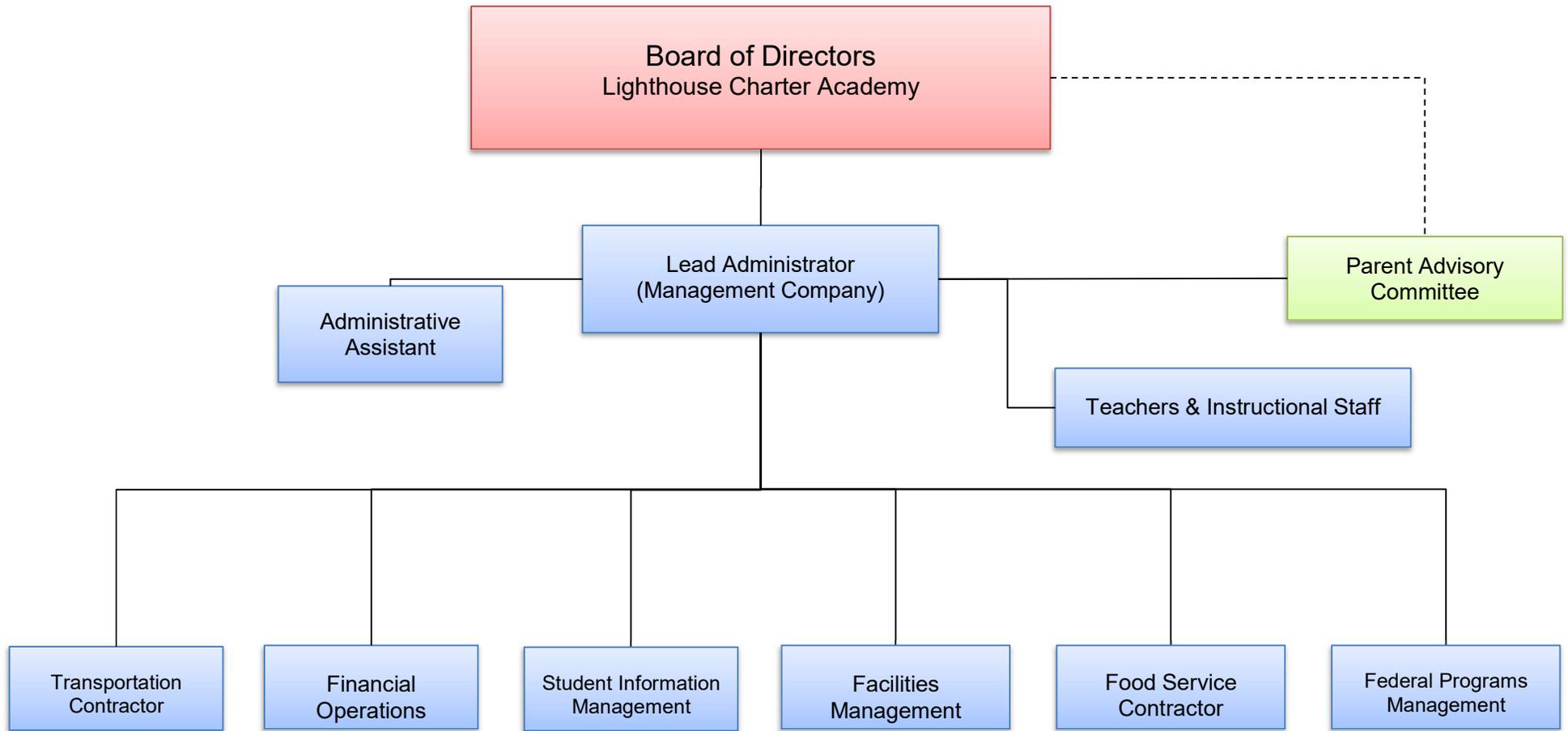
JUNE 2020						
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NOVEMBER 2019						
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MARCH 2020						
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

	First and Last Day of School
	Holidays (No School)
	Teacher Work Days (No School)
	Testing and Assessment
	Vacation
	End of Grading Period
	Report Card Day

Lighthouse Organization Chart



Objective: Secure a position where by I am able to utilize my nurse practitioner experience and abilities to provide care to the patients in the area.

Profile

- 21 years practice as a Registered Nurse with local areas in Important Adult Medicine, Diabetes, and Community Health
- 4 years practice as an Adult Geriatric Nurse Practitioner with local areas in a Federally Qualified Health Center, providing primary care to the uninsured, underserved, and underinsured and in a Nephrology specialty clinic.
- Skilled in implementing statewide projects for multi-disciplinary teams
- Highly motivated, goal-oriented individual with exceptional leadership and training capabilities
- Demonstrated ability to effectively collaborate with multi-disciplinary teams (pharmacists, social workers, dietitians, nurses, and advanced staff)

Experience & Accomplishments

Management/Supervision

- Supervise, train, and evaluate care management/health promotion staff from various disciplines (nursing, social work, human services) within the agency, while encouraging and promoting professional development. Recruitment and hiring for field and unit staff positions
- Develop and implement educational programs for staff relating to case management, diabetes, and team collaboration
- Quarterly budget review with health department partners on two statewide programs

Program Coordination/Implementation

- Assist NC Medicaid and various networks in assessing the implementation of case management services and programs which have generated yearly cost savings for State Medicaid Program (AccessCare)
- Organize and provide over 500 agency quarterly case management meetings with local areas on Chronic Care (AccessCare)
- Provide training, input, training, and support for the web-based case management information system (CMIS) utilized for the NC Medicaid Program (AccessCare)
- Coordinator for federally funded quality improvement program for pediatric population (AccessCare/Children's Health Insurance Program Reauthorization Act)
- Work with team members to re-design and create new employee orientation and case management policies and manuals (Vidant Health & AccessCare)
- Successfully coordinated implementation of agency wide web based performance evaluation system (AccessCare)
- Provided education, training, implementation, and support for system-wide changes in the management of the adult insulin dependent patients at a tertiary teaching institution (Vidant Health)
- Development of roles/responsibilities for newly implemented programs (Vidant Health & AccessCare)
- Administrator for state-wide case management information system for use of business networks (AccessCare)

Employment

- Adult Nurse Practitioner, Eastern Nephrology Associates, Greenville, NC** 1/2018-present
- Delivery of specialized care to patients with renal disease including but not limited to the management of common acute, chronic, and end-stage conditions under the supervision of collaborating physicians.
- Adult Nurse Practitioner, James D. Bomanis Community Health Center, Greenville, NC** 8/2014-1/2018
- Delivery of age-appropriate professional primary medical and nursing services to adult and geriatric uninsured, underinsured and underemployed patients in an ambulatory care setting in accordance with organizational policies and procedures and consistent with the scope of practice as defined by laws and regulations from the North Carolina Medical Board, the North Carolina Board of Nursing, and other bodies that govern the practice of Nurse Practitioners in the state of North Carolina.
- Clinical Preceptor, South University and Duquesne University** 1/2016-1/2017
- Assist the nurse practitioner student in the achievement of learning objectives as determined by South University. Evaluate the student in weeks 5 and 10 of the practicum in addition to completing a comprehensive evaluation at the end of the course based on the established objectives. Provide learning opportunities to assist the student in preparation for the role of advanced practice nurse in a primary care setting.
- Deputy Director, AccessCare, Mooresville, NC** 2010-2014
- Provide supervision and support for AccessCare Case Manager serving the Carolina Access Medicaid Population while promoting Community Care of NC Program Initiatives (Arthritis, Diabetes, CHF/COPD, GI/Pharmacy/DSD Implementation). Participation in AccessCare Research Studies (NIDHD and Case Management), Other Initiatives and programs: Age-Related Disability & Chronic Care; Children's Health Insurance Program Reauthorization Act (CHIPRA); OAS (Medical/Medicaid)

- Serve on review committee's within Community Care of North Carolina (CCNC) representing AccessCare (Care Coordination for Children, CHIPRA, Pediatric Chronic Care, CMIS)

Assistant Nurse Manager, Vidant Medical

2008-2010

- Provided supervision and support for staff on three observation/ambulatory nursing units. Served as unit representative to unit and organizational leadership group. Responsible for communication and implementation of changes determined by upper management. Evaluation and tracking of staff clinical performance.
- Coordinated and evaluated preceptor assignments for DCU School of Nursing, Alameda Early and multiple community college nursing students
- Coordinated and selected newly hired Registered Nurses to two of the three units
- Collaborated with team executives to supply staff and equipment for a new unit
- Participated in and served as resource for staff and patients receiving research medications, renal transplants, and various other subsequent procedures.
- Responsible for adequate staffing for all three units

Credentials

CPR/ACLS AHA

Chronic Care Professional Certification (CC2)/July 2011

Registered Nurse North Carolina/July 1999

American Healthways Diabetes Certification/2007

American Academy of Nurse Practitioners/ December 2004

Completed Course Work for Global Case Certification from Johns Hopkins/June 2012

Education

BSN, East Carolina University/May 1998

MSN, East Carolina University/July 2014

Community Interests

- Volunteer/Mentor with Young Lives of Pitt County 2013-2016
- Organized and implemented a Community Health Fair that focused on increased physical activity, healthy food choices, adequate dental care, and home fire safety in Greene County. Provide education sessions for a Faith Based Community with a focus on wellness and prevention.
- Coordinator for semi-annual American Red Cross Blood drive at Victory & Donors World Outreach Center
- Practice/provide education sessions for Faith Based Community with a focus on wellness and prevention of Type 2 Diabetes
- Advisory board member of Nurse Family Partnership of Pitt County 2016-2018

Achievements/Presentations

Invited to join Golden Key Society (top 13% of class)

Presented Poster Presentation National Case Management Society of America Conference in San Francisco (June 2012)

Janis Peltis Memorial Scholarship- September 2012

Case Management Standards- October 2011

Memberships

North Carolina Nursing Association 2016-present

American Nurses Association 2014-present

Gerontologic Advanced Practice Nurses Association 2017-present

American Association of Nurse Practitioners 2014-present

American Nephrology Nursing Association 2018

Case Management Society of America (CMSA) 2011-2015

National Association of Professional Women 2012-2015

Carolinas Association of Diabetes Educators 2015-2017

Appendix F:

Charter School Board Member Information Form

Note: To be completed individually by each proposed founding charter school board member. All forms must be signed by hand.

Serving on a public charter school board is a position of public trust and as a board member of a North Carolina public charter school; you are responsible for ensuring the quality of the school's entire program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the State Board of Education requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are enough.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the applicant team behind each school proposal in advance of the applicant interview, to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve: **Lighthouse Charter Academy**

2. Full name:

**Dorian
Rashaud
Edwards**

Home Address:

**2111 Sparre
Drive Kinston,
NC 28501**

Business Name and Address:

**Project Life Movement
INC. 933 Louise Avenue
Suite 101 Q Charlotte, NC
28504**

Telephone No.:

252-268-7027

E-mail address:

dorian@projectlifemovement.org

3. Brief educational and employment history.

**Livingstone College Class of 2014, Business Administration, Concentration with Accounting
2014 – 2016 Teach for America, Eastern North Carolina, 7th Grade Math Teacher, Rochelle Middle School
2014 – Present, Assistant Football Coach, Kinston High School
2016 – Present, Campus Coordinator, Project Life Movement INC.**

4. Have you previously served on a board of a school district, another charter school, a non-public school or any not-for-profit corporation?

No:

Yes:

DORIAN EDWARDS

2111 Sparre Drive Kinston, NC 28504 · (252) 268-7027

Dorian_edwards_2009@yahoo.com · <https://www.linkedin.com/in/dorian-edwards-0098/>

EXPERIENCE

JULY 2016 – PRESENT

CAMPUS COORDINATOR, PROJECT LIFE MOVEMENT INC.

Create and maintain healthy partnerships with colleges and universities in support of Project Life Movement's mission and purpose.

Travel to multiple campuses across the country throughout the year to plan and implement bone marrow recruitment drives and campaigns.

Support all fundraising, marketing, and financial management efforts to insure long-term sustainability and growth for PLM.

JUNE 2014 – JUNE 2016

EASTERN NORTH CAROLINA CORP MEMBER, TEACH FOR AMERICA

7TH GRADE MATH EDUCATOR, ROCHELLE MIDDLE SCHOOL

Selected from a competitive pool to join national teacher corps of recent college graduates and professionals who commit two years to teach in urban and rural public schools.

Participate in intensive summer training program to develop the skills and knowledge needed to lead students to academic achievement.

Engage in a full schedule of professional development activities, including seminars in instructional planning, classroom management, learning theory, literacy, and diversity training

EDUCATION

MAY 2014

B.S. BUSINESS ADMINISTRATION, LIVINGSTONE COLLEGE

GPA: 3.81

SKILLS

- Team oriented leader
- Innovating and imaginative
- Strategic thinker
- Strong communicator
- Personable

Appendix E

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Background

1. Name of charter school on whose Board of Directors you intend to serve: **Lighthouse Charter Academy from W8, NC**

2. Full name: **Jennifer Hope Darden**

Home Address: **3181 Fox Run Drive Kinston NC 28504**

Business Name and Address: **Administrative Offices of the Court 226 E Walnut St Goldsboro NC 27533**

Telephone No: **919-732-6200**

E-mail address: **jwdarden@gmail.com**

3. Brief educational and employment history:

I am presently working toward my doctorate degree. I have been employed 22 years at the District Attorney's Office as an Investigator/Manager. I also have 8 years' experience as a sworn law enforcement officer.

4. Have you previously served on a board of a school district, another charter school, a non-public school or any non-for-profit corporation?

No: Yes:

5. How were you recruited to join this Board of Directors? Why do you wish to serve on the board of the proposed charter school?

I am presently serving on the advisory board at Victory & Dominion. Serving on the board of the charter school would afford me the opportunity to give back to my community.

6. What is your understanding of the appropriate role of a public charter school board member? As a board member my responsibilities focus on planning, overseeing exceptional teachers in the initial stages, financial oversight and making sure the school is operating and progressing efficiently.

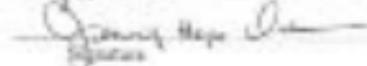
*Please include the following with your Information Form:

- A www.ncga.state.nc.us resume
- a national criminal background check

*If you responded within the application that disciplinary action has been taken against you past or present professional license, provide a detailed response below outlining the circumstances and the license status.

Certification

I, Jennifer Hope Darden, certify to the best of my knowledge and ability that the information I am providing to the North Carolina State Board of Education as a prospective board member for Lighthouse Charter School is true and correct in every respect.


Signature

9/12/15
Date

JENNIFER HOPE DARDEN

Jennifer Hope Walker Darden

Objective: To obtain a Board position for Lighthouse Charter Academy that will enable me to use my strong organizational, management skills and decision-making skills, prior board experience, educational background and my ability to work well with people.

Experience: 1997-present District Attorney's Office #9, Wake County, NC
Assistant District Attorney, Legal and
Criminal Justice, NC

District Attorney Investigator/Office Manager

- Knowledgeable in state criminal laws, manage & review case files for court
- Manage office staff, answer phone calls, and court scheduling

1989-1997 Kinston Police Department, Kinston, NC

Police/Traffic Officer/Criminal Investigator

- Answered calls for service, testify in court and report writing

Education: 2016- presently **Widener University, Columbia, Maryland**

Ph.D. Human and Social Services (Currently seeking)

2014 **Liberty University, Lynchburg, VA**

M.A., Human Services Counseling: Criminal Justice
Graduated GPA 3.7

2004 **Central Christian University (Eagle Bible Institute) Lenoir, NC**

A.A.S., Biblical Studies

1997 **Mason Olive College, Mason Olive, NC**

B.S., Business Administration: Management & Organizational Development
Graduated GPA 3.7

1987 **Lenoir Community College, Kinston, NC**

A.A.S., Correctional Services

Volunteer

State Employees Association of NC Board (SEANC) District 79 Treasurer/Secretary 2014-2015

State Employees Association of NC Board (SEANC) District 66 Treasurer/Secretary 2017-present

Certificates & Awards:

North Carolina Criminal Investigation Certification 1997

SEANC Member of the Year Award 2014

SEANC Distinguished Member of the Year Award 2018

Appendix F:

Charter School Board Member Information Form

Note: To be completed individually by each proposed founding charter school board member. All forms must be signed by hand.

Serving on a public charter school board is a position of public trust and as a board member of a North Carolina public charter school; you are responsible for ensuring the quality of the school's entire program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the State Board of Education requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the applicant team behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve: **Lighthouse Charter Academy Snow Hill, NC**
2. Full name: **Jennifer Hope Darden**

Home Address: **3101 Fox Run Drive Kinston NC 28504**

Business Name and Address: **Administrative Offices of the Court 224 E Walnut St Goldsboro NC 27533**

Telephone No.: **919-722-6200**

E-mail address: **jhwarden@gmail.com**

3. Brief educational and employment history.

I am presently working toward my doctorate degree. I have been employed 20 years at the District Attorney's Office as an investigator/manager. I also have 9 years' experience as a sworn law enforcement officer.

4. Have you previously served on a board of a school district, another charter school, a non-public school or any not-for-profit corporation?

No: Yes:

5. How were you recruited to join this Board of Directors? Why do you wish to serve on the board of the proposed charter school?

I am presently serving on the advisory board at Victory & Dominion. Serving on the board at the charter school would afford me the opportunity to give back to my community.

6. What is your understanding of the appropriate role of a public charter school board member? **As a board member my responsibilities focus on planning, recruiting exceptional teachers in the initial stages, financial oversight and making sure the school is operating and progressing efficiently.**

Jennifer Hope Walker-Darden

Objective

To secure a position as a board member with Lighthouse Charter Academy using my strong leadership, management and communication skills and prior board experience.

Experience

1997-present District Attorney's Office 8th Prosecutorial District
Wayne, Lenoir and Greene Counties, NC

District Attorney Investigator/ Office Manager

- Knowledgeably in state criminal laws
- Liaison between law enforcement and prosecutors
- Obtain record checks
- Manage and Review law enforcement case files
- Prepare grand jury indictments
- Conduct independent investigations
- Interview state witnesses
- Investigating cases preparatory to trial
- Assist in training officers in case file prep
- Manage and assign cases to attorneys
- Supervise office staff, answer phone calls, and court scheduling

1989-1997 Kinston Police Department Kinston, NC
Police/Traffic Officer/Narcotics/Criminal Investigator

- Patrolled and answered calls for services
- Worked in an undercover capacity to combat the war on drugs
- Lead Investigator for solving criminal activities (Homicide, Rape, Murder, Fraud etc.)
- Testify in court
- Interview witnesses, suspects for case reports
- Report writing

Education

2016 Walden University Columbia, Maryland

PhD., Human and Social Services (Currently seeking)

2014 Liberty University Lynchburg, VA

- M.A., Human Services Counseling: Criminal Justice
Graduated GPA 3.1

2004 Central Christian University (Eagle Bible Institute)
Lexington, NC

- A.A.S., Biblical Studies

1997 Mount Olive College Mount Olive, NC

- B.S., Business Administration: Management & Organizational
Development
Graduated GPA 3.7

1987 Lenoir Community College Kinston, NC

- A.A.S., Correctional Services

Volunteer:

State Employees Association of NC Board (SEANC) Dist 61 Treasurer/Secretary 2014-2015
State Employees Association of NC Board (SEANC) Dist 65 Treasurer/Secretary 2013-present

Certificates & Awards:

North Carolina Criminal Investigation Certification 1997
SEANC Member of the Year Award 2014
SEANC Distinguished Member of the Year Award 2018

Joseph J. Scott, III

Position	Board Member for Torch Light Academy
Work Experience	<ul style="list-style-type: none">• Cherry Hospital Mental Institution – 14 years Worked as a Recreational and Occupational Therapist . Clients Were ages from 18-70 years of age. Taught motor skills of geriatrics and Skills that would be valuable to those that would possibly be discharged. Taught basic skills to enable clients to be positioned back into society upon Release.• Home-School Coordinator & Tutor in Goldsboro City School System – 4 years Constructed programs and instructed students with socially and economically Deprived situations in the classroom as well as home settings. Taught Students that could not fit into the general classroom atmosphere because Of challenges and deviant behavior. Administered psychological testing in homes of the students With deviant behavior. After administering tests, the results would be turned Over to school psychologist and personnel to implement, teach, and discuss Specialized classes needed. The organized work would be implemented To the individual students that needed specialized help in classroom• Correctional Officer with State of NC – 12 years Taught courses pertaining to alcoholism and drug addiction to drug Abusers. The evening courses were organized and sanctioned and Accredited by Lenoir Community College in Snow Hill, NC. These Courses were offered on a voluntary basis for inmates to secure Credits that would reduce their time served after finishing 6 weeks of Instruction.
Education	Dillard High School - 1960-1963 <ul style="list-style-type: none">• General High School Diploma• Graduated May, 1963 <p>St. Augustine University - 1963-1965 <ul style="list-style-type: none">• Business Studies<p>Shaw Univ. Graduated 1970 <ul style="list-style-type: none">• Degree in Behavior Science/Psychology</p></p>
Further Education	<ul style="list-style-type: none">• East Carolina University Course Work towards Masters Degree in Educational Counseling

Appendix F:

Charter School Board Member Information Form

Note: To be completed individually by each proposed founding charter school board member. All forms must be signed by hand.

Serving on a public charter school board is a position of public trust and as a board member of a North Carolina public charter school; you are responsible for ensuring the quality of the school's entire program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the State Board of Education requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the applicant team behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve: Lighthouse Charter Academy

2. Full name:

Kevan

Sheppard

Home Address:

1204RuffinTerrace

Kinston NC 28504

Business Name and Address:

Telephone No.252-560-5650

E-mail address: kshep0902@gmail.com

3. Brief educational and employment history.

See Resume

4. Have you previously served on a board of a school district, another charter school, a non-public school or any not-for-profit corporation?

No

5. How were you recruited to join this Board of Directors? Why do you wish to serve on the board of the proposed charter school? My dad is the Pastor of Victory and Dominion Church where the school will be located. My grassroots and foundation is in Greene County. I went to school there and my family is from there.

6. What is your understanding of the appropriate role of a public charter school board member?

Oversee LCA in its entirety. Keep public trust; operate in the best interest of families and students that we serve. Ensure the school remains in compliance with local, state and federal regulations and is financially solvent.

7. Describe any previous experience you have that is relevant to serving on the charter school's board (e.g., other board service). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.

Appendix E:

Charter School Board Member Information Form

Note: To be completed individually by each proposed founding charter school board member. All forms must be signed by hand.

Serving on a public charter school board is a position of public trust and as a board member of a North Carolina public charter school; you are responsible for ensuring the quality of the school's entire program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

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Background

1. Name of charter school on whose Board of Directors you intend to serve:

Lighthouse Charter Academy

2. Full name: Latisha Denise Scott

Home Address: 405 Burrington Rd. Greenville, NC 27834
Business Name and Address: PO Box 6088 Snow Hill, NC
Telephone No.: 252-917-1299
E-mail address: Ldscott0105@gmail.com

3. Brief educational and employment history.

Education- Associate degree in general studies.

Employment - I'm currently employed at East Carolina University as an university program associate. In the past, I have worked for the State Employees Credit Union.

4. Have you previously served on a board of a school district, another charter school, a non-public school or any not-for-profit corporation?

No: Yes:

5. How were you recruited to join this Board of Directors? Why do you wish to serve on the board of the proposed charter school?

I was recommended by one of the board members of the church. As a member of the board of the proposed charter school, it would be a way to give back to the local community. Based on my work experience and knowledge, I feel that I would be an asset to the board. Also a parent, I value the importance of a quality education and a nurturing environment for all students.

Latisha Scott

405 Burrington Rd.
Greenville, NC 27834
Ph:252-917-1299
Email: Ldscott0105@gmail.com

Experience

Sept. 2003- Present	East Carolina University	Greenville, NC
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University Program Associate- Advanced

- Coordinator- Endocrine fellowship- setup interviews, request banner id, setup master template for each fellow, maintain New Innovations for conference, setup monthly conference schedule, make sure program is in good standing with GME rules & regulations, etc.
- Coordinator- Diabetes Fellowship setup interviews, request banner id, setup master template for each fellow, maintain New Innovations for conference, setup monthly conference schedule, etc.
- Office Administrative – maintain physician calendars, purchasing for office and clinic, process travel, maintain endocrine website, assist with registration for our education program, SEDONA, maintain employees timesheets and leave records, maintaining monthly budget; creating spreadsheets for balancing funds

July 2001- August 2003	State Employees Credit Union	Greenville, NC
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Customer Service Representative

- Assist customers with questions concerning their accounts via phone or face to face
- Prepare letters for mail distribution
- Assist with loan application or setting new accounts
- Answer multiple phone calls
- Supervised two students

Education

Spring 2016- December 2017	Mount Olive College- Associate Degree	Washington, NC
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References

References are available on request.

State of North Carolina
Department of the Secretary of State

ARTICLES OF INCORPORATION
NONPROFIT CORPORATION

Pursuant to §55A-2-02 of the General Statutes of North Carolina, the undersigned corporation does hereby submit these Articles of Incorporation for the purpose of forming a nonprofit corporation.

1. The name of the nonprofit corporation is: LIGHTHOUSE CHARTER ACADEMY

2. (Check only if applicable.) The corporation is a charitable or religious corporation as defined in NCGS §55A-1-40(4).

3. The name of the initial registered agent is: Torchlight Academy Schools, LLC

4. The street address and county of the initial registered agent's office of the corporation is:

Number and Street: 105 Star Street

City: Raleigh State: NC Zip Code: 27610 County: Wake

The mailing address *if different from the street address* of the initial registered agent's office is:

Number and Street or PO Box: P.O. Box 19191

City: Raleigh State: NC Zip Code: 27619-9191 County: Wake

5. The name and address of each incorporator is as follows:

Name	Address
<u>Dennis English</u>	<u>P.O. Box 19191, Raleigh, NC 27619-9191</u>
_____	_____
_____	_____

6. (Check either "a" or "b" below.)

a. The corporation will have members.

b. The corporation will not have members.

7. Attached are provisions regarding the distribution of the corporation's assets upon its dissolution.

8. Any other provisions which the corporation elects to include are attached.

9. The street address and county of the principal office of the corporation is:

Principal Office Telephone Number: _____

Number and Street: 1438 U.S. 258

City: Snow Hill State: NC Zip Code: 28580 County: GREENE

The mailing address *if different from the street address* of the principal office is:

Number and Street or PO Box: Same

City: _____ State: _____ Zip Code: _____ County: _____

10. **(Optional):** Listing of Officers (See instructions for why this is important)

Name	Address	Title
Kevar Sheppard	1438 U.S. 258 Snow Hill, NC 28580	Board Chair
Hope Darden	1438 U.S. 258 Snow Hill, NC 28580	Board Secretary

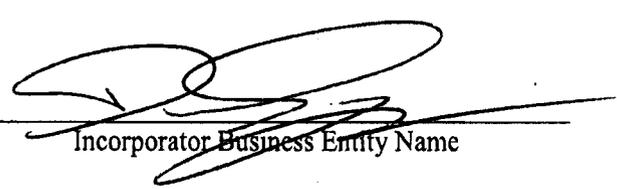
11. **(Optional):** Please provide a business e-mail address: _____

Privacy Redaction

The Secretary of State's Office will e-mail the business automatically at the address provided at no charge when a document is filed. The e-mail provided will not be viewable on the website. For more information on why this service is being offered, please see the instructions for this document.

12. These articles will be effective upon filing, unless a future time and/or date is specified: _____

This is the 13th day of July, 2018.



Incorporator Business Entity Name

Signature of Incorporator

Dennis English, Incorporator

Type or print Incorporator's name and title, if any

NOTES:

1. Filing fee is \$60. This document must be filed with the Secretary of State.

1. Joseph Scott
Board Member
2. Hope Darden
Board Secretary
3. Dorian Edwards
Education Leader
4. Kavar Sheppard
Board Chair
5. Ayanna "Mickie" Whitfield
Board Member
6. Latisha Scott
Treasurer
7. Karen Davis
Vice Chair

Purpose of Corporation

This corporation is organized for the following purpose(s) (*check as applicable*):

- religious,
- charitable,
- educational,
- testing for public safety,
- scientific,
- literary,
- fostering national or international amateur sports competition, and/or
- prevention of cruelty to children or animals,

including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986 (herein the "Code") (or the corresponding provisions of any future United States Internal Revenue Code).

Prohibited Activities

No part of the net earnings of the corporation shall inure to the benefit of or be distributable to, its members, directors, officers, or other private persons except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of purposes set forth in these articles of incorporation. No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

Distributions Upon Dissolution

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for religious, charitable, educational, scientific or literary purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Code as the Board of Directors shall determine, or to federal, state, or local governments to be used exclusively for public purposes. Any such assets not so disposed of shall be disposed of by the Superior Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organizations, such as the court shall determine, which are organized and operated exclusively for such purposes, or to such governments for such purposes.

TORCHLIGHT ACADEMY SCHOOLS , LLC.

SERVICES AGREEMENT

This Services Agreement ("Agreement") by and between Torchlight Academy Schools, LLC., a North Carolina corporation ("T.A.S."), and Torchlight Charter Academy, a North Carolina non-profit corporation (the "School") is effective this 31st day of July 2018 (the "Effective Date"). For purposes of this Agreement, "T.A.S." and the School shall be referred to collectively as the Parties."

RECITALS

WHEREAS, the School was issued a Charter Contract by the North Carolina State Board of Education (the "Authorizer") to operate a public charter school pursuant to N.C. Gen. Stat. 115C-238.29 et seq. (the "Authorizing Law"); and

WHEREAS, the Parties desire to work together to promote educational excellence and innovation based on T.A.S.'s school design, comprehensive educational program and management principles; and

WHEREAS, the Parties desire to set forth the terms and conditions of such a relationship in this Agreement;

NOW, THEREFORE, for good and valuable consideration, including the mutual promise and benefits contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I

CONTRACTING RELATIONSHIP

- A. Services. Subject to the terms and conditions of this Agreement, and as permitted by applicable law, the School hereby contracts with T.A.S. for the provision of certain educational, business administration, facility, and management services, including without limitation, all labor, equipment, and materials necessary for the provision of the same, as set forth herein (collectively, the "Services").
- B. Charter. This Agreement shall: (i) be subject to and comply with the terms and conditions of the Charter Contract and the School's Charter Application (collectively, the "Charter"); and (ii) not be construed to interfere with the constitutional, statutory, or fiduciary duties of the School's Board of Directors (the "Board"). In the event of a conflict between any term or condition of this Agreement and any term or condition of the Charter, the term or condition of the Charter shall govern.
- C. Independent Contractor. T.A.S. shall provide the Services as an independent contractor, and not as an employee, partner, agent, or associate of the School. This independent contractor relationship shall extend to the officers, directors, employees, and representatives of T.A.S.. Consistent with the status of an independent contractor, T.A.S. reserves to itself the right to designate the means and methods of accomplishing the objectives and purposes of this Agreement consistent with Authorizing Law and the Charter. The relationship between the Parties is based solely on the terms and conditions of this Agreement, and the terms and conditions of any other written agreement between the Parties.
- D. Designations and Appointments.
1. T.A.S., including its directors, officers, and employees are hereby designated as "other School Officials having a legitimate educational interest in education records" for purposes of the Family Educational Right and Privacy Act, 20 U.S.C. 1232g et seq. (FERPA).
 2. T.A.S., its directors, officers, and employees may be designated by the School for other purposes by a written resolution of the Board.

ARTICLE II TERM & TERMINATION

A. Term.

This Agreement shall commence on the Effective Date, and unless terminated as set forth herein, shall continue until the termination or expiration of the Charter currently in effect, inclusive of any Charter re-authorization or renewal periods thereof (the "Term"). The parties acknowledge that the Authorizer, as part of any reauthorization or renewal, may require that the School and T.A.S. submit an amended or restated Agreement for review by the Authorizer. The first school year of this Agreement shall commence July 1, 2018 to June 30, 2019, and each school year thereafter shall commence on July 1 and end on June 30 of the following year.

B. Termination

1. By the School. The School may terminate this Agreement prior to the end of the Term if T.A.S. fails to remedy a material breach of this Agreement within (60) days after receiving notice from the School of such breach. For purposes of this Subsection, a material breach includes, but is not limited to: (i) T.A.S.'s failure to account for expenditures or pay operating costs pursuant to the Budget (as defined below); (ii) T.A.S.'s failure to follow policies, procedures, rules, regulations or curriculum adopted by the Board, provided they do not violate the Charter, applicable law, or this Agreement; (iii) a receipt by the Board of an unsatisfactory report from an independent education consultant retained by the Board regarding the Services or the School's performance, provided the unsatisfactory performance cannot be adequately corrected or explained; (iv) a determination that this Agreement or its implementation would serve as grounds for suspension, revocation, or non-renewal of the Charter; (v) a determination that this Agreement or its implementation would jeopardize material tax exemptions of the School or its non-profit status; or (vi) any action or inaction by T.A.S. that places the Charter in jeopardy of termination, suspension or revocation.

2. By T.A.S. T.A.S. may terminate this Agreement prior to the end of the Term if the Board fails to remedy a material breach of this Agreement within thirty (30) days after receiving a notice from T.A.S. of such breach. For purposes of this Subsection, a material breach (which for the sake of the clarity is a default hereunder) includes, but is not limited to: (i) T.A.S.'s failure to timely receive any compensation or reimbursement required by this Agreement; or (ii) a suspension, revocation, or non-renewal of the Charter.

3. By Either Party. Either party may terminate this Agreement prior to the end of the Term, with just cause, by providing the other party with at least one hundred twenty (120) days prior written notice.

4. If this Agreement is terminated prior to the end of the Term, and unless otherwise agreed by the Parties, such termination will not become effective until the end of the then-current school year.

A. Effect of Termination. Upon the effective date of termination or expiration of this Agreement:

1. T.A.S. shall have the right to remove from the School any equipment or other assets owned or leased by T.A.S.;
2. The School shall pay or reimburse T.A.S. through the Fee (as defined below) for the prepaid portion of any expenses or liabilities incurred by T.A.S. pursuant to the Budget as of the date of such termination or expiration, provided T.A.S. supplies the School with documentation of all such expenses and liabilities;
3. T.A.S. may agree, in its sole discretion, to assist the School for a reasonable amount of time, not to exceed ninety (90) days, and for a reasonable fee, with the School's transition to another administrative, managerial, or services arrangement;
4. T.A.S. shall, if applicable, reasonably assist the School in the execution of a closure and dissolution plan and cooperate in the closure and dissolution process, including without limitation, in any audits and court or other proceedings related thereto; and

5. The party to whom Confidential Information (as defined below) has been disclosed shall, upon request and at the direction of the disclosing party: (i) return such Confidential Information within thirty (30) days, including any copies thereof, and cease its use; or (ii) destroy such Confidential Information and certify such destruction to the disclosing party, except for a single copy thereof which may be retained for the sole purpose of determining the scope of any obligations incurred under this Agreement, and except where disclosure or retention is required by applicable law.

ARTICLE III OBLIGATIONS OF T.A.S.

- A. Manager at Risk. T.A.S. shall be responsible and accountable to the Board for providing the Services. During the Term, T.A.S. shall provide services to the level of funding appropriated by the board. Notwithstanding the foregoing, T.A.S. shall not be required to expend funds on Services in excess of the amount set forth in the Budget but may do so at its discretion.
- B. T.A.S. Educational Program. The School has determined to adopt the T.A.S. educational and academic programs and goals. Subject to the oversight of the Board, T.A.S. shall implement and administer the T.A.S. Educational Program. In the event that T.A.S. reasonably determines that it is necessary or advisable to make material changes to the Educational Program, T.A.S. shall inform the Board of the proposed changes and obtain the Board's approval before making such changes, as well as the Authorizer's approval if required by the Charter or applicable law. The Parties acknowledge and agree that an essential part of the T.A.S. Education Program is its capacity to change in the interest of continuous improvement and efficiency. Not less than annually or as reasonably requested by the Board, T.A.S. shall provide the Board with a report detailing progress made on each of the educational goals set forth in the T.A.S. Educational Program. The school year calendar and the school day schedule shall be approved by the Board as required under the Charter.
- C. All Children Welcome. T.A.S. shall ensure that all students are welcome regardless of race, ethnicity, religion, gender and economic backgrounds.
- D. Services to Students with Disabilities. T.A.S. welcomes students with disabilities at the School. T.A.S. shall provide special education and related services, in conformity with the requirements of applicable law, to students who attend the School.
- E. Educational and Administrative Services. Subject to the oversight of the Board, T.A.S. shall implement operational practices and procedures that are consistent with Board policy, the Charter and applicable law. Such practices and procedures shall include, but are not limited to:
1. Student recruitment and student admissions.
 2. Student assessments, including testing, promotion, and retention.
 3. The acquisition of instructional materials, equipment and supplies, and the administration of any and all extra-curricular and co-curricular activities and programs included in the Budget.
 4. Employment of personnel working at the School and management of all personnel functions, as set forth herein.
 5. All aspects of the School's business administration.
 6. All aspects of the School's accounting operation, including general ledger management, financial and audit reporting, employee benefits, payroll, and tax compliance.
 7. All aspects of food services.
 8. All aspects of facilities acquisition, administration and maintenance.

9. Student behavior management and discipline.

F. Location of Services. Other than instruction, and unless prohibited by the Charter or applicable law, T.A.S. may provide the Services, including but not limited to, purchasing, professional development and administrative services, off-site.

G. Subcontracts. T.A.S. reserves the right to subcontract any and all aspects of the Services. T.A.S. shall not subcontract the oversight of the Educational Program, except as specifically permitted in this Agreement or with prior written approval of the Board. Notwithstanding the foregoing, the Board specifically acknowledges and agrees that from time to time T.A.S. may use third parties or independent contractors to assist in the creation and development of Educational Materials (as defined below) that may be used as a part of the T.A.S. Educational Program.

H. Pupil Performance Standards and Evaluation. T.A.S. shall implement pupil performance evaluations that permit evaluation of the academic progress of each student. T.A.S. shall utilize assessment strategies required by the Charter and applicable law. The Board and T.A.S. shall cooperate in good faith to identify academic goals and methods to assess such academic performance. T.A.S. shall provide the Board with timely reports regarding student performance.

I. Unusual Events. T.A.S. shall timely notify the Board and the Administrator (as defined below) of any anticipated or known material: (i) health or safety issues, including all mandatory reporting required by applicable law; (ii) labor, employee or funding issues; or (iii) other issues that may reasonably and adversely impact the School's ability to comply with the Charter, applicable law or this Agreement.

J. School Records. The financial and education records pertaining to the School (collectively, the "School Records"), are property of the School. Except as may be prohibited or limited by the Charter or applicable law, the School Records shall be available to the Board and the Authorizer for their review, and are subject to inspection and copying to the same extent that records of public schools are subject to inspection and copying pursuant to applicable law. All School Records shall be physically or electronically available upon request at the School's physical facility. T.A.S. agrees to comply with the terms pursuant to the Charter regarding information to be made available to the School.

K. Facility. T.A.S. shall use reasonable efforts to secure a facility to be leased or otherwise provided to the School on terms mutually agreeable to T.A.S. and the Board. Obligations of the Board created under the terms of such lease are to be fulfilled by T.A.S. unless otherwise agreed to in writing by T.A.S. and the Board. The facility shall comply with the requirements of the Charter and applicable law. T.A.S. shall also use reasonable efforts to cause the facility to be furnished with equipment and technology as is reasonably necessary to implement the Educational Program.

L. Legal Compliance. T.A.S. will implement and enforce rules, regulations and procedures applicable to the School that are consistent with adopted Board policy, if any, and the T.A.S. Educational Program in accordance with the Charter and applicable law, including without limitation, rules, regulations, and policies regarding non-discrimination, discipline, special education, confidentiality and access to records.

M. Rules and Procedures. T.A.S. will recommend to the Board reasonable rules, regulations, policies and/or procedures applicable to the School. The Board hereby authorizes and directs T.A.S. to enforce such rules, regulations and procedures consistent with Board policy.

N. Assistance to the Board. T.A.S. shall cooperate with the Board and, to the extent consistent with applicable law, timely furnish the Board with all documents and information necessary for the Board to properly perform its responsibilities under this Agreement, the Charter and all applicable laws.

**ARTICLE IV
OBLIGATIONS OF THE BOARD**

- A. Board Policies. The Board shall be responsible for the fiscal and academic policies of the School. The Board shall exercise good faith in considering the recommendations of T.A.S., including but not limited to, T.A.S.'s recommendations regarding policies, rules, regulations and the Budget (as defined below).
- B. Assistance to T.A.S.. The Board shall cooperate with T.A.S. and, to the extent consistent with applicable law, timely furnish T.A.S. all documents and information necessary for T.A.S. to properly perform its responsibilities under this Agreement.
- C. Unusual Events. The Board shall timely notify T.A.S. of any anticipated or known material: (i) health or safety issues; (ii) labor, employee or funding issues; or (iii) other issues that may reasonably and adversely impact T.A.S.'s ability to comply with the Charter, applicable law, or this Agreement.
- D. Retained Authority. The Board shall retain the authority to adopt reasonable policies in accordance with applicable law relative to anything necessary for the proper establishment, maintenance, management, and operation of the School.

**ARTICLE V
INTELLECTUAL PROPERTY**

- A. Definitions.
1. **“Educational Materials”** means all curriculum, print and electronic textbooks, instructional materials, lesson plans, teacher guides, workbooks, tests, and other curriculum-related materials licensed, developed or otherwise owned by the School or T.A.S..
 2. **“Confidential Information”** means any confidential and non-public trade, technical or business knowledge, information and materials regarding the School or T.A.S. (or their respective affiliates), which is given by one party to the other, or any of their respective representatives, in any form, whether printed, written, oral, visual, electronic or in any other media or manner. Confidential Information includes, but is not limited to, research, operations and procedures, financial projections, pricing, sales, expansion plans and strategies, services, data, trade secrets and other intellectual property, or the results of any mediation or private adjudication, as well as information with respect to each party's or its affiliates' plan for market expansion, except for information which a party can show by contemporaneous written records was developed or formulated independently of work or services performed for, or in connection with performance of, this Agreement. Notwithstanding the foregoing, the disclosure of the other party's Confidential Information as required to be disclosed by law, rule or regulation or by reason of subpoena, court order or government action shall not constitute a breach of this Agreement; however, in such event the party required to disclose such information will reasonably cooperate with the party whose information is required to be disclosed in order to obtain a protective order applicable to such disclosure. All Confidential Information will remain the sole property of the party disclosing such information or data.
- A. Assignment. Each party shall, and hereby does assign to the other, with full title guarantee and without additional compensation, such right, title and interest in and to any intellectual property as is necessary to fully affect the ownership provisions set out herein, and any accrued rights of action in respect thereof. Each party shall, if so requested by the other, execute all such documents and do all such other acts and things as may be reasonably required to comply with this Agreement to vest in the appropriate party all rights in the relevant intellectual property

and shall procure execution by any named inventor of all such documents as may reasonably be required by the other party in connection with any related patent application.

ARTICLE VI SOLICITATION AND USE OF PRIVATE FUNDS

T.A.S. shall seek the Board's approval prior to soliciting any non-governmental grants, donations or contributions on behalf of the School. Any such funds received shall be used solely in accordance with the purpose for which they were solicited, applicable donor restrictions, or as otherwise approved by the Board. Subject to applicable donor restrictions, the Board shall determine the allocation of any such funds subject to this Article that remain unexpended following completion of the project or purpose for which they were originally designated.

ARTICLE VII FINANCIAL ARRANGEMENTS

- A. Revenues. Except as provided herein, all monies received by the School shall be deposited in the School's depository account within three (3) business days with a financial institution acceptable to the Board; provided, however, that upon receipt of a notice from T.A.S., the School shall pay all such funds owed under this Agreement directly to the account or party specified in such notice. The signatories on the School depository account shall solely be Board members or properly designated Board agents (if any). Interest income earned on the School's depository account shall accrue to the School. Except as specifically excluded by this Agreement, the term "Revenues" shall include all funds received by or on behalf of the School including but not limited to:
1. Funding for public school students enrolled at the School.
 2. Special education funding provided by the federal and/or state government that is directly allocable to special education students enrolled at the School.
 3. Gifted and talented funding provided by the federal and/or state government that is directly allocable to gifted and talented students enrolled at the School.
 4. At-risk funding provided by the federal and/or state government that is directly allocable to at-risk students enrolled at the School.
 5. Funding provided by the federal and/or state government that is directly allocable to students enrolled at the School with limited English proficiency.
 6. All other federal and/or state grant sources, including, but not limited to, Title I and any start-up funding allocable to the School.
 7. All other grants and donations received by the School to support or carry programs at the School (except to the extent T.A.S. is not required or involved in soliciting, administering or managing the contribution and/or donation, in which case such funds shall be deposited in the Board Spending Account (as defined below)).
 8. Fees charged to students as permitted by law for extra services provided by T.A.S. as approved by the Board.

The expenditure of any Revenues received from governmental entities shall be consistent with all applicable regulations and policies. The expenditure of any Revenue received from non-governmental grants, contributions and donations shall be made consistent with provisions of Article VI.

- B. Budget. T.A.S. shall provide the Board with an annual proposed Budget prepared and maintained in accordance with the Charter and applicable law (the “**Budget**”). The Budget shall be submitted to the Board prior to June 1 for the next school year.
- C. Review and Approval of Budget. The Board shall be responsible for reviewing and approving the Budget in accordance with the Charter and applicable law. At the direction of either T.A.S. or the Board, with the approval of the Board, the Budget shall be amended from time to time as necessary.
- D. Board Spending Account. Notwithstanding any other provision of this Agreement to the contrary, each school year during the Term, T.A.S. shall allocate to an account controlled by the Board an amount equal to the lesser of (i) 2% of state per pupil aid reflected in the Budget for that respective year, or (ii) \$25,000 (the “**Board Spending Account**”). The aforesaid amount shall be deposited by T.A.S. into the Board Spending Account pro-rata during the course of the School’s school year as Revenues are received. All funds in the Board Spending Account are the property of the School and may be used by the School at the discretion of the Board. Funds in the Board Spending Account that are not spent by the School during the school year shall carryover annually.
- E. Fee. T.A.S. shall receive all Revenues as its services fee (the “**Fee**”), from which it shall pay all operating costs of the School as detailed in the Budget. T.A.S. and the Board acknowledge that operating costs may include an administrative fee payable to the Authorizer as set forth in the Charter. Payment of the Fee shall be made on the same frequency that the School receives its Revenues. T.A.S. shall be entitled to retain as compensation for the Services the difference, if any, between the Fee and the amount actually expended by T.A.S. in operation and/or management of the School during the School’s fiscal year.
- F. Other Schools. The School acknowledges that T.A.S. may enter into similar services agreements with other schools. T.A.S. shall maintain separate accounts for expenses incurred in the operation of the School and other schools assisted by T.A.S., and shall reflect in the School’s financial records only those expenses incurred in the operation of the School.
- G. Financial Reporting. T.A.S. shall provide the Board with:
1. At least annually, the Budget as required by this Agreement.
 2. Monthly financial statement. These financial statements will include a Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance at object level detail with a comparison of budget to actual revenue and expenditures and explanations of variances.
 3. Quarterly, or as reasonably requested by the Board, a report on School operations and student performance.
 4. As reasonably requested, other information to enable the Board to: (i) evaluate the quality of the Services; and (ii) timely provide all reports and information that are required by the Charter and applicable law.
- H. Access to Financial Records. T.A.S. shall keep accurate financial records pertaining to its operation of the School, together with all School financial records prepared by or in possession of T.A.S., and shall retain all of the afore referenced records according to the Charter and applicable law to which such books, accounts, and records relate. T.A.S. and the Board shall maintain the proper confidentiality of personnel, students, and other records as required by law. All records shall be kept in accordance with applicable state and federal requirements.
- I. Accounting Standards: Annual Audit
1. The School shall at all times comply with generally accepted public sector accounting principles and applicable law.

2. The Board shall select and retain an independent auditor to conduct an annual audit of the School's financial matters in accordance with the Charter and applicable law.
3. Subject to applicable law, all records in the possession or control of T.A.S. that are related to the School, including but not limited to, financial records, shall be made available to the School and the School's independent auditor. The expense of the annual audit shall be included in the Budget.

**ARTICLE VIII
PERSONNEL & TRAINING**

- A. **Qualified Personnel.** T.A.S. shall select and hire qualified personnel to perform the Services. T.A.S. shall have the responsibility and authority, subject to this Article, to select, hire, evaluate, assign, discipline, transfer, and terminate personnel consistent with the Budget, the Charter and applicable law. With the exception of teachers, as set forth below, and unless otherwise agreed by the written consent of the Parties, all School personnel shall be employees or independent contractors of T.A.S.. The compensation of all employees or contractors working at the School shall be included in the Budget. Upon Board request, T.A.S. shall disclose to the Board the level of compensation and fringe benefits provided by T.A.S. to T.A.S. employees working at the School. A criminal background check and unprofessional conduct search in compliance with applicable law shall be conditions for the hiring of or services provided by any person who will or may be reasonably expected to have unsupervised access to and the care, custody or control of, any School student(s).
- B. **School Administrator.** The School administrator (the "Administrator") shall be an employee of T.A.S.. The duties and term of the Administrator's employment shall be determined by T.A.S.. The Administrator shall work with T.A.S. in the operation and management of the School.
- C. **Teachers.** The Administrator shall recommend to the Board for its consideration and approval, teachers who are qualified in the grade level and subjects required by the School to operate in accordance with the terms of the Charter. All teachers shall be jointly employed by the School and T.A.S. for such purposes as inclusion in the compensation and employee benefit plans of T.A.S., payroll administration and other employment policies and practices; provided however, in all circumstances, the Board shall ultimately control the hiring and discharge decisions with respect to jointly employed teachers at the School in accordance with N.C. Gen. Stat. 115C-238.29(f)(E)(1). Teachers assigned to and retained by the School may hold a valid teaching certificate issued by the State Board of Education to the extent required by N.C. Gen. Stat. 115C-238.29(f)(E)(1)..
- D. **Support Staff.** T.A.S. shall, consistent with this Article, provide the School with qualified support staff as needed to operate the School in an efficient manner. The support staff may, at the discretion of T.A.S., work at the School on a full or part time basis.
- E. **Training.** T.A.S. shall provide or procure training in its methods, curriculum, program, and technology to all teaching personnel on a regular basis. Instructional personnel shall be required to obtain at least the minimum hours of professional development as required by applicable law.
- F. **Background Checks and Qualifications.** T.A.S. shall comply with applicable law regarding background checks, unprofessional conduct searches and certification/licensure, as applicable, for all persons working in the School.

**ARTICLE IX
INDEMINIFICATION**

Indemnification of Parties. To the extent not prohibited by the Charter or applicable law, the Parties hereby agree to indemnify, defend, and hold the other (the "**Indemnified Party**"), harmless from and against any and all third-party claims, actions, damages, expenses, losses or awards which arise out of (i) the gross negligence or intentional misconduct of the indemnifying party, (ii) any action taken or not taken by the indemnifying party, or (iii) any noncompliance or breach by the indemnifying party of any of the terms, conditions, warranties, representations, or undertakings contained in or made pursuant to this Agreement. As used herein, Indemnified Party shall include the party's trustees, directors, officers, employees, agents, representatives and attorneys. The Parties may purchase general liability, property, or other insurance policies. Notwithstanding anything in this Agreement to the contrary, the Board shall not be precluded by the terms of this Agreement from asserting or declining to assert a claim of governmental immunity.

It is understood by Torchlight Academy Schools , LLC. that "no indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions."

**ARTICLE X
INSURANCE**

- A. Insurance Coverage. T.A.S. shall maintain such policies of insurance as required by the Charter and applicable law. Each party shall, upon request, present evidence to the other that it maintains the requisite insurance in compliance with the provisions of this Article. Each party shall comply with any information or reporting requirements required by the other party's insurer(s), to the extent reasonably practicable.
- B. Workers' Compensation Insurance. T.A.S. shall maintain workers' compensation insurance as required by law, covering their respective employees.

**ARTICLE XI
REPRESENTATIONS & WARRANTIES**

- A. Board and School. The Board represents and warrants, for itself and on behalf of the School, that: (i) it is legally vested with all power and authority necessary to operate a charter school under the Authorizing Law; (ii) it is legally vested with all power and authority necessary to execute, deliver and perform this Agreement, including without limitation, the power and authority to contract with a private entity for the provision of educational, business administration and management services; (iii) its actions have been duly and validly authorized and it has adopted any and all resolutions or expenditure approvals required for the execution of this Agreement; and (iv) there are no pending actions, claims, suits or proceedings, or, to its knowledge, threatened or reasonably anticipated against or affecting either the Board or the School, which if adversely determined, would have a material adverse effect on its ability to perform under this Agreement.
- B. T.A.S. T.A.S. represents and warrants that: (i) it is a corporation in good standing and is authorized to conduct business in the State of North Carolina; (ii) it is legally vested with all power and authority necessary to execute, deliver and perform this Agreement; (iii) there are no pending actions, claims, suites or proceedings, or, to its knowledge threatened or reasonably anticipated against or affecting T.A.S., which if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement; and (iv) it will comply with all registration and licensing requirements relating to conducting business under this Agreement, which the Board agrees to assist T.A.S. in applying for such licenses and permits and in obtaining such approvals and consents.

**ARTICLE XII
MISCELLANEOUS**

- A. Entire Agreement. This Agreement and any attachments hereto shall constitute the entire agreement of the Parties on the subject matter set forth herein. This Agreement supersedes and replaces any and all prior agreements and understandings regarding the subject matter set forth herein between the School and T.A.S..
- B. Force Majeure. Except for payment obligations, and notwithstanding any other provisions of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God, war, riot, embargo, fire, explosion, sabotage, flood, accident, labor strike, or other acts beyond its reasonable control; provided either party may terminate this Agreement in accordance with provisions contained herein if sufficient grounds exists as provided in the Article governing termination.
- C. State Governing Law: Waiver of Jury Trial. This Agreement shall be construed, interpreted, governed and enforced pursuant to the laws of the State of North Carolina, without regard to its conflict-of-laws principles. The Parties hereby waive the right to a jury trial in any action, proceeding or counterclaim brought by either T.A.S. or the School against the other.
- D. Notices. All notices and other communications required by this Agreement shall be in writing and sent to the Parties at the facsimile number or address set forth below. Notice may be given by: (i) facsimile with written evidence of confirmed receipt by the receiving party of the entire notice; (ii) certified or registered mail, postage prepaid, return receipt requested; or (iii) personal delivery. Notice shall be deemed to have been given on the date of transmittal if given by facsimile, upon the date of postmark if sent by certified or registered mail, or upon the date of delivery if given by personal delivery. For purposes of the foregoing, **“personal delivery”** shall include delivery by nationally recognized overnight courier (such as FedEx), if signed for by the recipient or a delegate thereof. Notices to the School shall be sent to the current address of the then current Board Chair, with a copy to the then current Board attorney. The addresses of the Parties for the purposes aforesaid, including the address of the initial Board Chair, are as follows:

Lighthouse Charter Academy:

Board of Directors:
P.O. Box 6888
Snow Hill, NC 28580

Telephone: 252-560-5650

T.A.S.:
TORCHLIGHT ACADEMY SCHOOLS LLC

Attn: Chief Executive Officer
2664 Timber Drive Suite
111 Garner, NC 27529

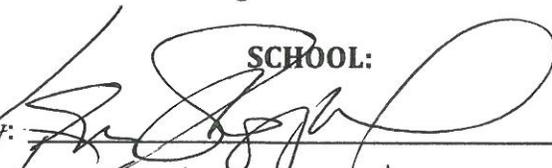
Telephone: (919) 538-8060

- E. Amendment. This Agreement shall not be altered, amended, modified or supplemented except by memorandum approved by the Board and signed by both an authorized officer of the School and T.A.S. and in manner consistent with the Authorizer's policies.
- F. Waiver. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision. Nor shall such waiver constitute a continuing waiver unless otherwise expressly stated.
- G. Severability. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms and provisions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the Parties shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same results as that contemplated by such term or provision.
- H. Delegation of Authority. Nothing in this Agreement shall be construed as delegating to T.A.S. powers or authority of the Board which are not subject to delegation by the Board under the Charter or applicable law.
- I. Compliance with Law. Each party will comply with the Charter and laws applicable to the performance of such party's obligations hereunder.
- J. Time of Essence. The Parties understand and agree that time is of the essence in performing their perspective responsibilities under this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the

Effective Date: 07/31/18

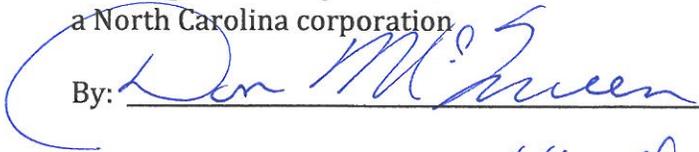
SCHOOL:

By: 
 Print Kevan Sheppard

Its: Board Chair

T.A.S.:

Torchlight Academy Schools LLC
 a North Carolina corporation

By: 
 Print Donnie McQueen

Its: Chief Executive Officer



PUBLIC SCHOOLS OF NORTH CAROLINA

DEPARTMENT OF PUBLIC INSTRUCTION | Mark Johnson, *Superintendent of Public Instruction*

WWW.NCPUBLICSCHOOLS.ORG

2018 Charter Application Fee Payment Form.

***Form must accompany payment certified check or money order for processing.

(Please Type or Print Legibly)

Name: Adam Ezell

Phone: 9196224099

Name of Charter School: Alpha Academy of Laurinburg

E-mail: ezellas92@gmail.com

General Information

Non-Refundable Application Fee: \$1,000.00

The Office of Charter Schools must receive your application fee no later than 5:00 pm. (EST) September 28, 2018.
Confirmation will be provided through email only.

Payment Information

- Mail in Application Fee Payment Form with Certified Check or Money Order
- Facsimiles will NOT be accepted
- One registration form and fee per charter school

Payable To:
NC DPI
Office of Charter Schools
6307 Mail Service Center
Raleigh, NC 27699-6307

NOTE: *Applications submitted without the non-refundable fee, result in fee being declined by the bank as insufficient funds, or submitted after 5:00 pm EST on September 28, 2018, will be deemed incomplete.*

FOR DPI USE ONLY

Budget Code: : 0801 435100047 160049095000

OFFICE OF CHARTER SCHOOLS

Dr. Danielle J. Allen, Charter Schools Consultant | Danielle.Allen@dpi.nc.gov
6307 Mail Service Center, Raleigh, North Carolina 27699-6307 | (919) 807-3493 | Fax (919) 807-3496

AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

2016 Exempt Organization Business Tax Return

prepared by:

Darrell L. Keller, CPA, PA

P.O. Box 1028

Kings Mountain, NC 28086

Northeast Raleigh Charter Academy

3211 Bramer Drive

Raleigh, NC 27604

Return of Organization Exempt From Income Tax
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
 ▶ Do not enter social security numbers on this form as it may be made public.
 ▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

2016

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

A For the 2016 calendar year, or tax year beginning Jul 1 , 2016, **and ending** Jun 30 , 2017

B Check if applicable:	C Name of organization <u>Northeast Raleigh Charter Academy</u>	D Employer identification number
<input type="checkbox"/> Address change	Doing business as	<u>56-2160665</u>
<input type="checkbox"/> Name change	Number and street (or P.O. box if mail is not delivered to street address) Room/suite	E Telephone number
<input type="checkbox"/> Initial return	<u>3211 Bramer Drive</u>	<u>(919) 850-9960</u>
<input type="checkbox"/> Final return/terminated	City or town, state or province, country, and ZIP or foreign postal code	G Gross receipts \$ <u>5,077,838.</u>
<input type="checkbox"/> Amended return	<u>Raleigh NC 27604</u>	H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Application pending	F Name and address of principal officer:	H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If 'No,' attach a list. (see instructions)
I Tax-exempt status	<u>Donnie McQueen 3211 Bramer Drive Raleigh NC 27604</u>	H(c) Group exemption number ▶
<input checked="" type="checkbox"/> 501(c)(3)	501(c) () (insert no.)	
<input type="checkbox"/> 501(c)(2)	4947(a)(1) or	
<input type="checkbox"/> 501(c)(29)	527	
J Website: ▶ <u>www.torchlightacademy.org</u>		
K Form of organization:	<input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	L Year of formation: <u>1999</u> M State of legal domicile: <u>NC</u>

Part I Summary

	1	Briefly describe the organization's mission or most significant activities: <u>Operate a public charter school</u>	
Activities & Governance	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	3	Number of voting members of the governing body (Part VI, line 1a)	<u>3</u>
	4	Number of independent voting members of the governing body (Part VI, line 1b)	<u>4</u>
	5	Total number of individuals employed in calendar year 2016 (Part V, line 2a)	<u>5</u>
	6	Total number of volunteers (estimate if necessary)	<u>6</u>
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	<u>0.</u>
	7b	Net unrelated business taxable income from Form 990-T, line 34	<u>0.</u>
Revenue	8	Contributions and grants (Part VIII, line 1h)	<u>4,733,238.</u>
	9	Program service revenue (Part VIII, line 2g)	<u>5,006,580.</u>
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<u>57,917.</u>
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<u>71,258.</u>
	12	Total revenue — add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<u>4,791,155.</u>
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<u>240,916.</u>
	14	Benefits paid to or for members (Part IX, column (A), line 4)	<u>270,856.</u>
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<u>0.</u>
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	<u>4,827,082.</u>
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶	<u>5,017,613.</u>
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<u>5,067,998.</u>
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<u>5,288,469.</u>
	19	Revenue less expenses. Subtract line 18 from line 12	<u>-210,631.</u>
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	<u>552,982.</u>
	21	Total liabilities (Part X, line 26)	<u>84,933.</u>
	22	Net assets or fund balances. Subtract line 21 from line 20	<u>468,049.</u>

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	Date	<u>09/15/17</u>
	<u>Pam Banks-Lee</u>	Chair	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date
	<u>Darrell L. Keller</u>	<u>Darrell L. Keller</u>	<u>09/07/17</u>
	Firm's name	Firm's EIN ▶	Check <input type="checkbox"/> if self-employed
	<u>Darrell L. Keller, CPA, PA</u>	<u>51-1471443</u>	PTIN <u>P00153428</u>
	Firm's address	Phone no.	
	<u>P.O. Box 1028</u> <u>Kings Mountain NC 28086</u>	<u>(704) 739-0771</u>	

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:

Operate a public charter school

2 Did the organization undertake any significant program services during the year which were not listed on the prior

Form 990 or 990-EZ? Yes No

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If 'Yes,' describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4 a (Code:) (Expenses \$ 5,275,407. including grants of \$ 0.) (Revenue \$ 5,077,838.)

Operate a public charter school for the education of children in the community.

4 b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4 c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4 d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4 e Total program service expenses ▶ 5,275,407.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If 'Yes,' complete Schedule A.</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If 'Yes,' complete Schedule C, Part I.</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If 'Yes,' complete Schedule C, Part II.</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If 'Yes,' complete Schedule C, Part III.</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If 'Yes,' complete Schedule D, Part I.</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If 'Yes,' complete Schedule D, Part II.</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If 'Yes,' complete Schedule D, Part III.</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If 'Yes,' complete Schedule D, Part IV.</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If 'Yes,' complete Schedule D, Part V.</i>		X
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If 'Yes,' complete Schedule D, Part VI.</i>	X	
b Did the organization report an amount for investments — other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part VII.</i>		X
c Did the organization report an amount for investments — program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part VIII.</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part IX.</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If 'Yes,' complete Schedule D, Part X.</i>		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If 'Yes,' complete Schedule D, Part X.</i>		X
12 a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If 'Yes,' complete Schedule D, Parts XI and XII.</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI and XII is optional.</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If 'Yes,' complete Schedule E.</i>		X
14 a Did the organization maintain an office, employees, or agents outside of the United States?.		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If 'Yes,' complete Schedule F, Parts I and IV.</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If 'Yes,' complete Schedule F, Parts II and IV.</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If 'Yes,' complete Schedule F, Parts III and IV.</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If 'Yes,' complete Schedule G, Part I</i> (see instructions)		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If 'Yes,' complete Schedule G, Part II.</i>	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If 'Yes,' complete Schedule G, Part III.</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If 'Yes,' complete Schedule H</i>		X
b If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If 'Yes,' complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III</i>		X
23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If 'Yes,' complete Schedule J</i>		X
24 a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25a</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
25 a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If 'Yes,' complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If 'Yes,' complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If 'Yes,' complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Part II, III, or IV, and Part V, line 1</i>		X
35 a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2</i>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with columns for line numbers (1a-14b), descriptions of questions, and Yes/No columns. Includes sections for backup withholding, employee reporting, foreign accounts, prohibited transactions, and charitable contributions.

Part VI Governance, Management, and Disclosure For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI. [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body... 1b Enter the number of voting members included in line 1a... 2 Did any officer, director, trustee, or key employee have a family relationship... 3 Did the organization delegate control over management duties... 4 Did the organization make any significant changes to its governing documents... 5 Did the organization become aware during the year of a significant diversion of the organization's assets? 6 Did the organization have members or stockholders? 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: 8a The governing body? 8b Each committee with authority to act on behalf of the governing body? 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates? 10b If 'Yes,' did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990. 12a Did the organization have a written conflict of interest policy? If 'No,' go to line 13. 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this was done. 13 Did the organization have a written whistleblower policy? 14 Did the organization have a written document retention and destruction policy? 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? 15a The organization's CEO, Executive Director, or top management official. 15b Other officers or key employees of the organization. If 'Yes' to line 15a or 15b, describe the process in Schedule O (see instructions). 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? 16b If 'Yes,' did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed North Carolina
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
[] Own website [] Another's website [X] Upon request [] Other (explain in Schedule O)
19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records: Cynthia McQueen 3211 Bramer Drive Raleigh NC 27604 (919) 697-6398

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1 a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Pam Banks-Lee Chair	2.00	X		X						
(2) Claude Lee Director	1.00	X								
(3) Bennie Baker Vice Chair	1.00	X		X						
(4) Tyjuanna LaBennette Treas/Sec	1.00	X		X						
(5) James Montague Director	1.00	X								
(6) Diana Powell Director	1.00	X								
(7) Iyalu Moses Director	1.00	X								
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(15) -----	-----								
(16) -----	-----								
(17) -----	-----								
(18) -----	-----								
(19) -----	-----								
(20) -----	-----								
(21) -----	-----								
(22) -----	-----								
(23) -----	-----								
(24) -----	-----								
(25) -----	-----								

1 b Sub-total ▶ _____

c Total from continuation sheets to Part VII, Section A ▶ _____

d Total (add lines 1b and 1c) ▶ _____

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ _____

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If 'Yes,' complete Schedule J for such individual</i>	3	X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If 'Yes,' complete Schedule J for such individual</i>	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If 'Yes,' complete Schedule J for such person</i>	5	X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶ _____

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1 a				
	b Membership dues	1 b				
	c Fundraising events	1 c				
	d Related organizations	1 d				
	e Government grants (contributions) . .	1 e 5,006,580.				
	f All other contributions, gifts, grants, and similar amounts not included above . .	1 f				
	g Noncash contributions included in lines 1a-1f: \$					
	h Total. Add lines 1a-1f ▶		5,006,580.			
Program Service Revenue	2 a Business Code					
	b _____					
	c _____					
	d _____					
	e _____					
	f All other program service revenue . . .					
	g Total. Add lines 2a-2f ▶					
	Other Revenue	3 Investment income (including dividends, interest and other similar amounts) ▶				
4 Income from investment of tax-exempt bond proceeds . . ▶						
5 Royalties ▶						
6 a Gross rents		(i) Real				
		(ii) Personal				
		b Less: rental expenses				
		c Rental income or (loss) . .				
d Net rental income or (loss) ▶						
7 a Gross amount from sales of assets other than inventory		(i) Securities				
		(ii) Other				
		b Less: cost or other basis and sales expenses . . .				
		c Gain or (loss)				
d Net gain or (loss) ▶						
8 a Gross income from fundraising events (not including . . \$ _____ of contributions reported on line 1c). See Part IV, line 18.		a				
		b Less: direct expenses	b			
	c Net income or (loss) from fundraising events ▶					
9 a Gross income from gaming activities. See Part IV, line 19.	a					
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities ▶					
10 a Gross sales of inventory, less returns and allowances	a					
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory ▶					
11 a Miscellaneous Revenue		Business Code				
Other _____	900099	62,639.	62,639.	0.	0.	
b <u>Food Service</u> _____	900099	8,619.	8,619.	0.	0.	
c _____						
d All other revenue						
e Total. Add lines 11a-11d ▶		71,258.				
12 Total revenue. See instructions ▶		5,077,838.	71,258.	0.	0.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7 Other salaries and wages	244,850.	244,850.	0.	0.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	5,987.	5,987.	0.	0.
10 Payroll taxes	20,019.	20,019.	0.	0.
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)				
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	40,541.	27,959.	12,582.	0.
23 Insurance				
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <u>School Lunch Program</u>	15,862.	15,862.	0.	0.
b <u>Bank Fees</u>	480.	0.	480.	0.
c <u>Contracted Services</u>	4,960,730.	4,960,730.	0.	0.
d				
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e.	5,288,469.	5,275,407.	13,062.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash — non-interest-bearing	241,399.	1	114,399.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	148,158.	4	130,850.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	0.	9	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 416,742.		
	b Less: accumulated depreciation	10b 293,858.	163,425.	10c 122,884.
	11 Investments — publicly traded securities		11	
	12 Investments — other securities. See Part IV, line 11		12	
	13 Investments — program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	552,982.	16	368,133.	
Liabilities	17 Accounts payable and accrued expenses	84,933.	17	110,715.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	84,933.	26	110,715.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	304,624.	27	134,534.
	28 Temporarily restricted net assets	163,425.	28	122,884.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	468,049.	33	257,418.
	34 Total liabilities and net assets/fund balances	552,982.	34	368,133.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI.

1	Total revenue (must equal Part VIII, column (A), line 12)	1	5,077,838.
2	Total expenses (must equal Part IX, column (A), line 25)	2	5,288,469.
3	Revenue less expenses. Subtract line 2 from line 1	3	-210,631.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	468,049.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	257,418.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.		
2 a	Were the organization's financial statements compiled or reviewed by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2 b	Were the organization's financial statements audited by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
2 c	If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		X
3 a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3 b	If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

BAA

Form 990 (2016)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

Northeast Raleigh Charter Academy

Employer identification number

56-2160665

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
 - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants.')						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge.						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2015 Schedule A, Part II, line 14	15	%
16a 33-1/3% support test—2016. If the organization did not check the box on line 13, and line 14 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 33-1/3% support test—2015. If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2016. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2015. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants.')						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge.						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2015 Schedule A, Part III, line 15.	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2015 Schedule A, Part III, line 17	18	%

19a 33-1/3% support tests—2016. If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33-1/3% support tests—2015. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions.

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If 'No,' describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If 'Yes,' explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If 'Yes,' answer (b) and (c) below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If 'Yes,' describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If 'Yes,' explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ('foreign supported organization')? <i>If 'Yes' and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If 'Yes,' describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If 'Yes,' explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If 'Yes,' answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If 'Yes,' provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If 'Yes,' provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If 'Yes,' provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If 'Yes,' provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If 'Yes,' answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a	
b A family member of a person described in (a) above?	11b	
c A 35% controlled entity of a person described in (a) or (b) above? <i>If 'Yes' to a, b, or c, provide detail in Part VI.</i>	11c	

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If 'No,' describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>	1	
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If 'Yes,' explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>	2	

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If 'No,' describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>	1	

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1	
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If 'No,' explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>	2	
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If 'Yes,' describe in Part VI the role the organization's supported organizations played in this regard.</i>	3	

Section E. Type III Functionally Integrated Supporting Organizations

- 1** Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).
 - a** The organization satisfied the Activities Test. Complete **line 2** below.
 - b** The organization is the parent of each of its supported organizations. Complete **line 3** below.
 - c** The organization supported a governmental entity. Describe in **Part VI** how you supported a government entity (see instructions).

2 Activities Test. **Answer (a) and (b) below.**

	Yes	No
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If 'Yes,' then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>	2a	
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If 'Yes,' explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>	2b	
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>	3a	
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If 'Yes,' describe in Part VI the role played by the organization in this regard.</i>	3b	

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A – Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4).	8	

Section B – Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1 a	
b	Average monthly cash balances	1 b	
c	Fair market value of other non-exempt-use assets	1 c	
d	Total (add lines 1a, 1b, and 1c)	1 d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C – Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	

7 Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

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Schedule A (Form 990 or 990-EZ) 2016

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D – Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2016 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E – Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2016	(iii) Distributable Amount for 2016
1 Distributable amount for 2016 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2016 (reasonable cause required – explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2016:			
a			
b			
c From 2013			
d From 2014			
e From 2015			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2016 distributable amount			
i Carryover from 2011 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2016 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2016 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2016, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.			
6 Remaining underdistributions for 2016. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.			
7 Excess distributions carryover to 2017. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a			
b Excess from 2013			
c Excess from 2014			
d Excess from 2015			
e Excess from 2016			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.
(See instructions.)

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2016

Department of the Treasury Internal Revenue Service

Complete if the organization answered 'Yes' on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

Attach to Form 990.

Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Open to Public Inspection

Name of the organization

Employer identification number

Northeast Raleigh Charter Academy

56-2160665

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 6.

Table with 3 columns: Question number, (a) Donor advised funds, (b) Funds and other accounts. Includes questions 1-6 regarding donor advised funds and grantee information.

Part II Conservation Easements.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 7.

Table with 3 columns: Question number, description, and response options. Includes questions 1-9 regarding conservation easements and monitoring.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 8.

Table with 3 columns: Question number, description, and response options. Includes questions 1a-2 regarding art and historical treasures.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered 'Yes' on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1 a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If 'Yes,' explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1 c
d Additions during the year	1 d
e Distributions during the year	1 e
f Ending balance	1 f

2 a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No

b If 'Yes,' explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered 'Yes' on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1 a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment ▶ _____ %
 - b Permanent endowment ▶ _____ %
 - c Temporarily restricted endowment ▶ _____ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.

3 a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If 'Yes' on line 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1 a Land				
b Buildings				
c Leasehold improvements		149,891.	65,544.	84,347.
d Equipment		266,851.	228,314.	38,537.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				122,884.

Part VII Investments – Other Securities.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total. (Column (b) must equal Form 990, Part X, column (B) line 12.) . . ▶		

Part VIII Investments – Program Related.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, column (B) line 13.) . . ▶		

Part IX Other Assets.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 25.) . . . ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	5,077,838.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
	a Net unrealized gains (losses) on investments	2 a		
	b Donated services and use of facilities	2 b		
	c Recoveries of prior year grants	2 c		
	d Other (Describe in Part XIII.)	2 d		
	e Add lines 2a through 2d		2 e	
3	Subtract line 2e from line 1		3	5,077,838.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b.	4 a		
	b Other (Describe in Part XIII.)	4 b		
	c Add lines 4a and 4b		4 c	
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5	5,077,838.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements.		1	5,288,469.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
	a Donated services and use of facilities	2 a		
	b Prior year adjustments	2 b		
	c Other losses	2 c		
	d Other (Describe in Part XIII.)	2 d		
	e Add lines 2a through 2d		2 e	
3	Subtract line 2e from line 1		3	5,288,469.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b.	4 a		
	b Other (Describe in Part XIII.)	4 b		
	c Add lines 4a and 4b		4 c	
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)		5	5,288,469.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SCHEDULE E
(Form 990 or 990-EZ)

Schools

OMB No. 1545-0047

▶ **Complete if the organization answered 'Yes' on Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.**
▶ **Attach to Form 990 or Form 990-EZ.**

2016

Department of the Treasury
Internal Revenue Service

▶ **Information about Schedule E (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.**

Open to Public Inspection

Name of the organization

Employer identification number

Northeast Raleigh Charter Academy

56-2160665

Part I

	YES	NO
1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	X	
2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	X	
3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe. If 'No,' please explain. If you need more space, use Part II	X	
<u>The policy is included in all print material, including any newspaper advertisements.</u>		
4 Does the organization maintain the following?		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
d Copies of all material used by the organization or on its behalf to solicit contributions?	X	
If you answered 'No' to any of the above, please explain. If you need more space, use Part II.		
5 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?		X
b Admissions policies?		X
c Employment of faculty or administrative staff?		X
d Scholarships or other financial assistance?		X
e Educational policies?		X
f Use of facilities?		X
g Athletic programs?		X
h Other extracurricular activities?		X
If you answered 'Yes' to any of the above, please explain. If you need more space, use Part II.		
6 a Does the organization receive any financial aid or assistance from a governmental agency?	X	
b Has the organization's right to such aid ever been revoked or suspended?		X
If you answered 'Yes' on either line 6a or line 6b, explain on Part II.		
7 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' explain on Part II	X	

Part II **Supplemental Information.** Provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable. Also provide any other additional information (see instructions).

Line 3 Explanation provided on page 1.
Line 6b Federal Grants as awarded annually.

SCHEDULE G
(Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No. 1545-0047

2016

Department of the Treasury
Internal Revenue Service

Complete if the organization answered 'Yes' on Form 990, Part IV, line 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Open to Public Inspection

Name of the organization

Northeast Raleigh Charter Academy

Employer identification number

56-2160665

Part I Fundraising Activities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a Mail solicitations
- b Internet and email solicitations
- c Phone solicitations
- d In-person solicitations
- e Solicitation of non-government grants
- f Solicitation of government grants
- g Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No

b If 'Yes,' list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in column (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total ▶						

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered 'Yes' on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

REVENUE	(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
	<u>Vehicle Sales</u> (event type)	_____ (event type)	<u>NONE</u> (total number)	(add column (a) through column (c))
1	Gross receipts			
2	Less: Contributions			
3	Gross income (line 1 minus line 2).			
DIRECT EXPENSES	4	Cash prizes		
	5	Noncash prizes		
	6	Rent/facility costs		
	7	Food and beverages		
	8	Entertainment		
	9	Other direct expenses		
	10	Direct expense summary. Add lines 4 through 9 in column (d) ▶		
11	Net income summary. Subtract line 10 from line 3, column (d) ▶			

Part III Gaming. Complete if the organization answered 'Yes' on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

REVENUE	(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming													
				(add column (a) through column (c))													
1	Gross revenue																
DIRECT EXPENSES	2	Cash prizes															
	3	Noncash prizes															
	4	Rent/facility costs															
	5	Other direct expenses															
	6	Volunteer labor	<table border="1"> <tr> <td>Yes</td> <td>_____ %</td> </tr> <tr> <td>No</td> <td></td> </tr> </table>	Yes	_____ %	No		<table border="1"> <tr> <td>Yes</td> <td>_____ %</td> </tr> <tr> <td>No</td> <td></td> </tr> </table>	Yes	_____ %	No		<table border="1"> <tr> <td>Yes</td> <td>_____ %</td> </tr> <tr> <td>No</td> <td></td> </tr> </table>	Yes	_____ %	No	
Yes	_____ %																
No																	
Yes	_____ %																
No																	
Yes	_____ %																
No																	
7	Direct expense summary. Add lines 2 through 5 in column (d) ▶																
8	Net gaming income summary. Subtract line 7 from line 1, column (d) ▶																

9 Enter the state(s) in which the organization conducts gaming activities: _____

a Is the organization licensed to conduct gaming activities in each of these states? Yes No

b If 'No,' explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No

b If 'Yes,' explain: _____

11 Does the organization conduct gaming activities with nonmembers? Yes No

12 Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? Yes No

13 Indicate the percentage of gaming activity conducted in:

a The organization's facility	13 a	%
b An outside facility	13 b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15 a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No

b If 'Yes,' enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____.

c If 'Yes,' enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

Director/officer Employee Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is
at www.irs.gov/form990.

OMB No. 1545-0047

2016

**Open to Public
Inspection**

Employer identification number

Northeast Raleigh Charter Academy

56-2160665

Pt VI, Line 15b Compared to other charter schools and if budget can work.
Pt VI, Line 11b The Executive Director and Board review prior to filing.
Pt VI, Line 12c Board members sign Conflict of Interest annually.
Pt VI, Line 15a Compared to other charter schools and if budget can work.

Form **8879-EO**

IRS e-file Signature Authorization for an Exempt Organization

OMB No. 1545-1878

For calendar year 2016, or fiscal year beginning Jul 1, 2016, and ending Jun 30, 202017

▶ Do not send to the IRS. Keep for your records.

▶ Information about Form 8879-EO and its instructions is at www.irs.gov/form8879eo.

2016

Department of the Treasury
Internal Revenue Service

Name of exempt organization

Employer identification number

Northeast Raleigh Charter Academy

56-2160665

Name and title of officer

Pam Banks-Lee Chair

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

1 a	Form 990 check here . . . ▶	<input checked="" type="checkbox"/>	b	Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1 b	<u>5,077,838.</u>
2 a	Form 990-EZ check here . . . ▶	<input type="checkbox"/>	b	Total revenue, if any (Form 990-EZ, line 9)	2 b	
3 a	Form 1120-POL check here . . . ▶	<input type="checkbox"/>	b	Total tax (Form 1120-POL, line 22)	3 b	
4 a	Form 990-PF check here . . . ▶	<input type="checkbox"/>	b	Tax based on investment income (Form 990-PF, Part VI, line 5)	4 b	
5 a	Form 8868 check here . . . ▶	<input type="checkbox"/>	b	Balance Due (Form 8868, line 3c)	5 b	

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2016 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize Darrell L. Keller, CPA, PA to enter my PIN 12345 as my signature

ERO firm name

Enter five numbers, but do not enter all zeros

on the organization's tax year 2016 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2016 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____

Date ▶ 09/15/2017

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN

69202033401
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2016 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ _____

Date ▶ 09/07/2017

**ERO Must Retain This Form – See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So**

BAA For Paperwork Reduction Act Notice, see instructions.

Form 8879-EO (2016)



Darrell L. Keller, CPA, PA

**TORCHLIGHT ACADEMY
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

(704) 739-0771

Torchlight Academy
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as of June 30, 2017

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Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Torchlight Academy
Raleigh, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Torchlight Academy, Raleigh, North Carolina as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Torchlight Academy's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Torchlight Academy, Raleigh, North Carolina, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

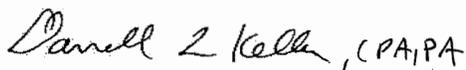
Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Torchlight Academy, Raleigh, North Carolina's basic financial statements. The combining and individual non-major fund financial statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Implementation Act* and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, budgetary schedules, other schedules, as well as the accompanying Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, budgetary schedules, other schedules, and the accompanying Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2017, on our consideration of Torchlight Academy, Raleigh, North Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Torchlight Academy, Raleigh, North Carolina's internal control over financial reporting and compliance.



Darrell L. Keller, CPA, PA
Kings Mountain, North Carolina
September 7, 2017

Management's Discussion and Analysis
Torchlight Academy
June 30, 2017

As management of Torchlight Academy, we offer readers of Torchlight Academy's audited financial statements this narrative overview and analysis of the financial activities of Torchlight Academy for the fiscal year ended June 30, 2017. We encourage readers to read the information presented herein in conjunction with additional information that we have furnished in the School's financial statements, which follow this narrative. Effective July 1, 2015 the School entered into a services agreement with Torchlight Academy School, LLC (TAS) which requires TAS to provide administration, strategic planning, and all labor, materials, equipment, and supervision necessary for the provision of educational services to students. TAS also provides the facility in which the school operates as a part of the fee received. The fee for this agreement is 100% of the school's revenue from whatever source derived.

Financial Highlights

- The assets of the Torchlight Academy exceeded its liabilities and deferred inflows at the close of the fiscal year by \$257,418 (*net position*).
- The school's total net position decreased by \$210,631.
- As of the close of the current fiscal year, Torchlight Academy's governmental funds reported combined ending fund balances of \$110,336 a decrease of \$209,732.
- The 2015-2016 ADM was 520 and the 2016-2017 ADM is 570.

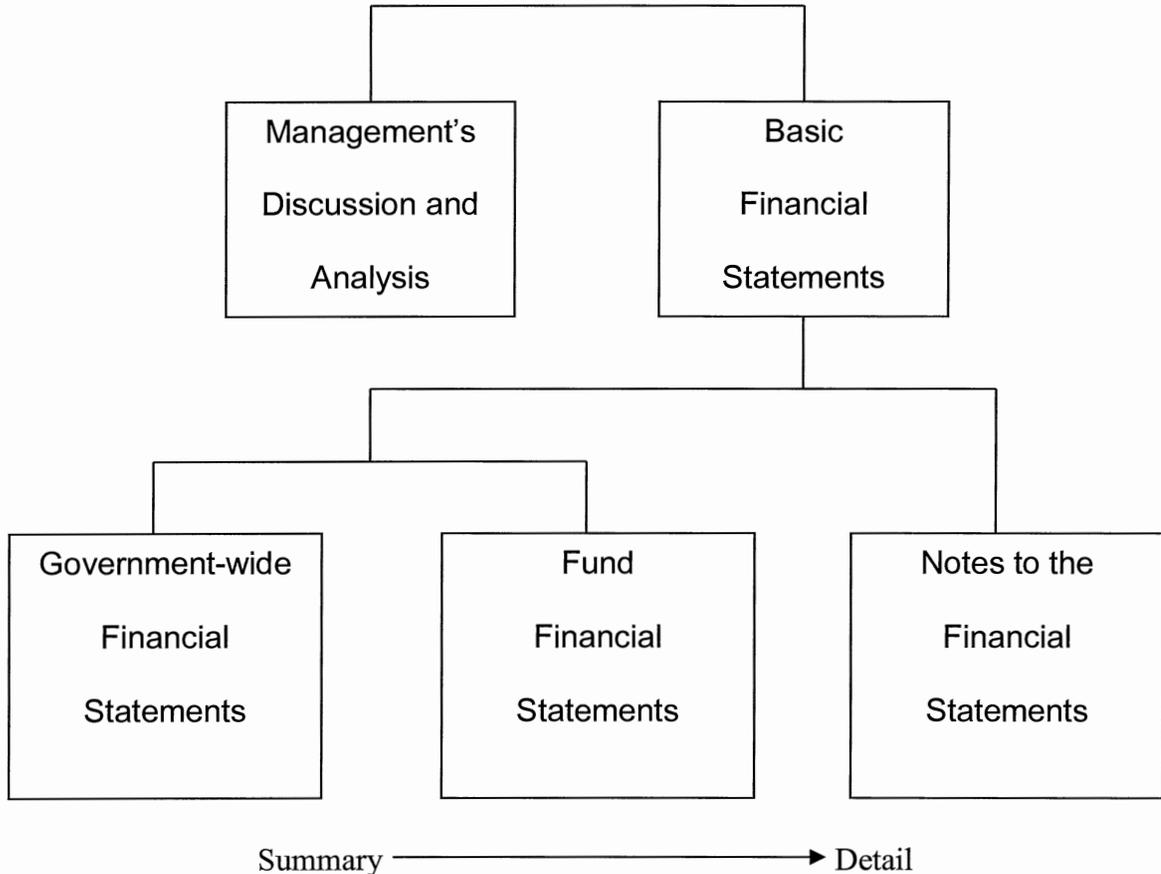
Overview of the Financial Statements

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

**Management's Discussion and Analysis
Torchlight Academy
June 30, 2017**

Figure 1

Required Components of Annual Financial Report



Basic Financial Statements

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

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

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

Management's Discussion and Analysis
Torchlight Academy
June 30, 2017

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

Management's Discussion and Analysis
Torchlight Academy
June 30, 2017

Torchlight Academy adopts an annual budget for each of its funds, although it is not required to do so by the General Statutes. Because the budget is not legally required by the Statutes, the budgetary comparison statements are not included in the basic financial statements, but are part of the supplemental statements and schedules that follow the notes. The budget is a legally adopted document that incorporates input from the faculty, management, and the Board of Directors of the School in determining what activities will be pursued and what services will be provided by the School during the year. It also authorizes the School to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for each of the funds demonstrates how well the School has complied with the budget ordinance and whether or not the School has succeeded in providing the services as planned when the budget was adopted.

Proprietary Funds – Torchlight Academy has one proprietary fund, which is an enterprise fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Torchlight Academy uses enterprise funds to account for the school lunch program.

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a school's financial condition. The assets of Torchlight Academy exceeded liabilities by \$257,418 as of June 30, 2017. As of June 30, 2016, the net position of Torchlight Academy stood at \$468,049. The School's net position decreased by \$210,631 for the fiscal year ended June 30, 2017, compared to a decrease of \$276,843 in 2016. One of the largest portions \$122,884 reflects the School's investment in capital assets (e.g. land, buildings and improvements, instructional equipment, and vehicles) less any related debt still outstanding that was issued to acquire those items. Torchlight Academy uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although Torchlight Academy's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The remaining balance of \$134,534 is unrestricted. In 2016, the amount of net investment in capital assets net of related debt was \$163,425. The remaining \$304,624 was unrestricted net position for that year.

Management's Discussion and Analysis
Torchlight Academy
June 30, 2017

Figure 2
Torchlight Academy's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 122,051	\$ 254,445	\$ 4,816	\$ 4,094	\$ 126,867	\$ 258,539
Due from other governments	99,000	94,587	31,850	48,899	130,850	143,486
Capital assets, net of depreciation	122,884	163,425	-	-	122,884	163,425
Total Assets	<u>343,935</u>	<u>512,457</u>	<u>36,666</u>	<u>52,993</u>	<u>380,601</u>	<u>565,450</u>
Other Liabilities	\$ 110,715	\$ 28,964	\$ 12,468	\$ 68,437	\$ 123,183	\$ 97,401
Long-term Liabilities Outstanding	-	-	-	-	-	-
Total Liabilities	<u>110,715</u>	<u>28,964</u>	<u>12,468</u>	<u>68,437</u>	<u>123,183</u>	<u>97,401</u>
Deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ -</u>
Net Position:						
Net investment in capital assets	\$ 122,884	\$ 163,425	\$ -	\$ -	\$ 122,884	\$ 163,425
Unrestricted	110,336	320,068	24,198	(15,444)	134,534	304,624
Total Net Position	<u>\$ 233,220</u>	<u>\$ 483,493</u>	<u>\$ 24,198</u>	<u>\$ (15,444)</u>	<u>\$ 257,418</u>	<u>\$ 468,049</u>

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

- The School applied for and was awarded several federal grants to assist with meeting the educational needs of the student population.
- The School paid for salaries and benefits of six employees from fund balance.
- The School entered into an agreement with a management company in the prior fiscal year.

Management's Discussion and Analysis
Torchlight Academy
June 30, 2017

Figure 3
Torchlight Academy's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Donations and Other Revenues	\$62,639	\$51,636	\$ -	\$ -	\$62,639	\$ 51,636
Charges for Services	-	-	8,619	6,281	8,619	-
Operating Grants and Contributions	-	-	420,324	419,498	420,324	419,498
County, State, and Federal Funds	4,586,256	4,313,740	-	-	4,586,256	4,313,740
Total revenues	4,648,895	4,365,376	428,943	425,779	5,077,838	4,784,874
Instructional Services	4,886,085	4,616,489	-	-	4,886,085	4,616,489
System-wide support services	13,083	25,730	-	-	13,083	25,730
School Lunch	-	-	389,301	425,779	389,301	425,779
Interest on long-term debt	-	0	-	-	-	0
Total expenses	4,899,168	4,642,219	389,301	425,779	5,288,469	5,067,998
Increase in net position	\$ (250,273)	-276,843	39,642	-	(210,631)	-276,843
Transfers	-	-	-	-	-	-
Net position, July 1	483,493	760,336	(15,444)	(15,444)	468,049	744,892
Net position, June 30	\$233,220	\$483,493	\$ 24,198	\$ (15,444)	\$257,418	\$468,049

Governmental activities. Governmental activities decreased the School's net position by \$250,273.

Business-type activities. Business-type activities of Torchlight Academy's net position increased the net position by \$39,642.

Financial Analysis of the School's Funds

As noted earlier, Torchlight Academy uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The general fund is the chief operating fund of Torchlight Academy. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$110,336.

Management's Discussion and Analysis
Torchlight Academy
June 30, 2017

Proprietary Funds. The School's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the School Food Service Fund at the end of the fiscal year amounted to \$24,198. Other factors concerning the finances of this fund have already been addressed in the discussion of the School's business-type activities.

Capital Asset and Debt Administration

Capital assets. Torchlight Academy's investment in capital assets for its governmental and business-type activities as of June 30, 2017, totals \$122,884 (net of accumulated depreciation). Capital assets include land, buildings and improvements, instructional equipment, and vehicles.

Figure 4
Torchlight Academy's Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Classroom Equipment	\$ 25,917	\$ 53,876	\$ -	\$ -	\$ 25,917	\$ 53,876
Computer Equipment	-	-	-	-	-	-
Leasehold Improvements	84,347	90,481	-	-	84,347	90,481
Security System	-	-	-	-	-	-
Vehicles	12,620	19,068	-	-	12,620	19,068
Total	\$ 122,884	\$163,425	\$ -	\$ -	\$ 122,884	\$ 163,425

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

Long-term Debt. As of June 30, 2017, Torchlight Academy had no outstanding debt.

Management's Discussion and Analysis
Torchlight Academy
June 30, 2017

Economic Factors

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

- The improving academic performance of Torchlight Academy student body has formed a reputation of excellence that ensures a solid foundation for maintained enrollment and consequent stream of funding per pupil amounts.
- The School has improved its facilities, which will not only cement excitement and a feeling of permanence in the community, but should also strengthen the school financially.
- The School received a ten year renewal of its charter effective July 1, 2014.

Requests for Information

This report is designed to provide an overview of the School's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Executive Director, Torchlight Academy, 3211 Bramer Drive, Raleigh, North Carolina 27604. (919) 850-9960

FINANCIAL STATEMENTS

Torchlight Academy
Statement of Net Position
June 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 109,583	\$ 4,816	\$ 114,399
Receivables (net)	-	-	-
Due from other governments	99,000	31,850	130,850
Due from (to) other funds	12,468	(12,468)	-
Prepaid expense	-	-	-
Capital assets (Note 1):			
Land, improvements, and construction in progress	-	-	-
Other capital assets, net of depreciation	122,884	-	122,884
Total capital assets	122,884	-	122,884
Total assets	343,935	24,198	368,133
LIABILITIES			
Accounts payable and accrued expenses	100,098	-	100,098
Bank line of credit	-	-	-
Payroll Taxes payable	10,617	-	10,617
Long-term liabilities:			
Due within one year	-	-	-
Due in more than one year	-	-	-
Total liabilities	110,715	-	110,715
DEFERRED INFLOWS OF RESOURCES			
	-	-	-
NET POSITION			
Net investment in capital assets	122,884	-	122,884
Unrestricted	110,336	24,198	134,534
Total net position	\$ 233,220	\$ 24,198	\$ 257,418

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

**Torchlight Academy
Statement of Activities
For the Year Ended June 30, 2017**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental Activities:							
Instructional services	\$ 4,886,085	\$ -	\$ -	\$ -	\$ (4,886,085)	\$ -	\$ (4,886,085)
System-wide support services	13,083	-	-	-	(13,083)	-	(13,083)
Interest on long-term debt	-	-	-	-	-	-	-
Total governmental activities	<u>4,899,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,899,168)</u>	<u>-</u>	<u>(4,899,168)</u>
Business-type activities:							
School Lunch	389,301	8,619	420,324	-	-	39,642	39,642
Total business-type activities	<u>389,301</u>	<u>8,619</u>	<u>420,324</u>	<u>-</u>	<u>-</u>	<u>39,642</u>	<u>39,642</u>
Total primary government	<u>\$ 5,288,469</u>	<u>\$ 8,619</u>	<u>\$ 420,324</u>	<u>\$ -</u>	<u>(4,899,168)</u>	<u>39,642</u>	<u>(4,859,526)</u>
General revenues:							
Unrestricted LEA appropriations					1,282,245	-	1,282,245
Unrestricted State appropriations					3,003,087	-	3,003,087
Unrestricted Federal appropriations					300,924	-	300,924
Donations - general					-	-	-
Miscellaneous, unrestricted					62,639	-	62,639
Loss on abandonment of assets					-	-	-
Total general revenues, special items, and transfers					<u>4,648,895</u>	<u>-</u>	<u>4,648,895</u>
Change in net position					(250,273)	39,642	(210,631)
Net position-beginning					483,493	(15,444)	468,049
Net position-ending					<u>\$ 233,220</u>	<u>\$ 24,198</u>	<u>\$ 257,418</u>

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

**Torchlight Academy
Balance Sheet
Governmental Funds
June 30, 2017**

	Major Funds			Total Governmental Funds
	General	State Public School	Federal Grants Fund	
ASSETS				
Cash and cash equivalents	\$ 109,583	\$ -	\$ -	\$ 109,583
Accounts Receivable	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other governments	99,000	-	-	99,000
Due from other funds	12,468	-	-	12,468
Total assets	<u>\$ 221,051</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221,051</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 100,098	\$ -	\$ -	\$ 100,098
Bank line of credit	-	-	-	-
Payroll Taxes Payable	10,617	-	-	10,617
Total liabilities	<u>110,715</u>	<u>-</u>	<u>-</u>	<u>110,715</u>
DEFERRED INFLOWS OF RESOURCES				
	-	-	-	-
Fund balances:				
Nonspendable:				
Prepaid expenses	-	-	-	-
Unassigned	110,336	-	-	110,336
Total fund balances	<u>110,336</u>	<u>-</u>	<u>-</u>	<u>110,336</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 221,051</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	122,884
Liabilities for earned but unavailable revenues in fund statements.	-
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds (Note 5).	-
Net position of governmental activities	<u>\$ 233,220</u>

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

Torchlight Academy
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2017

	Major Funds			Total Governmental Funds
	General	State Public School	Federal Grants Fund	
REVENUES				
State of North Carolina	\$ -	\$ 3,003,087	\$ -	\$ 3,003,087
Cumberland County	781	-	-	781
Durham County Schools	12,884	-	-	12,884
Franklin County Schools	5,351	-	-	5,351
Wake County Schools	1,255,473	-	-	1,255,473
Johnston County Schools	5,837	-	-	5,837
Orange County	1,919	-	-	1,919
U.S. Government	-	-	300,924	300,924
Contributions and donations	-	-	-	-
Other	62,639	-	-	62,639
Total revenues	1,344,884	3,003,087	300,924	4,648,895
EXPENDITURES				
Current:				
Instructional services:	1,554,115	3,003,087	300,924	4,858,126
System-wide support services	501	-	-	501
Capital outlay:	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	1,554,616	3,003,087	300,924	4,858,627
Excess (deficiency) of revenues over expenditures	(209,732)	-	-	(209,732)
OTHER FINANCING SOURCES (USES)				
Issuance of capital lease	-	-	-	-
Loan proceeds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(209,732)	-	-	(209,732)
Fund balances-beginning	320,068	-	-	320,068
Fund balances-ending	\$ 110,336	\$ -	\$ -	\$ 110,336

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

Torchlight Academy
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2017

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

Net changes in fund balances - total governmental funds	\$ (209,732)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period	(40,541)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Proceeds from sale of assets	-
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	-
Difference in accrued interest payable and interest expensed on fund statements	-
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Other	-
Loss on disposal of assets	-
	-
Total changes in net position of governmental activities	<u>\$ (250,273)</u>

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

**Torchlight Academy
Statement of Net Position
Proprietary Fund
June 30, 2017**

	School Lunch
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 4,816
Due from other governments	31,850
Total current assets	36,666
Noncurrent assets:	
Capital assets:	
Furniture and office equipment, net	-
Computer equipment, net	-
Total noncurrent assets	-
Total assets	\$ 36,666
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	\$ -
Due to other funds	12,468
Total current liabilities	12,468
Long-term liabilities:	
Due within one year	-
Due in more than one year	-
Total long-term liabilities	-
Total liabilities	12,468
NET POSITION	
Net investment in capital assets	-
Unrestricted	24,198
Total net position	\$ 24,198

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

Torchlight Academy
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2017

	School Lunch
OPERATING REVENUES	
Food Sales	\$ 8,619
Total operating revenues	8,619
OPERATING EXPENSES	
Contracted services	373,460
Materials and supplies	15,841
Other	-
Total operating expenses	389,301
Operating income (loss)	(380,682)
NONOPERATING REVENUES (EXPENSES)	
Capital contributions	-
Federal reimbursements	420,324
Change in net position	39,642
Total net position - beginning	(15,444)
Total net position - ending	\$ 24,198

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

Torchlight Academy
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2017

	School Lunch
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 8,619
Cash paid for goods and services	(428,221)
Net cash provided (used) by operating activities	(419,602)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal reimbursements	420,324
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Transfers in (out)	-
Net cash provided (used) by capital and related financing activities	-
Net increase (decrease) in cash and cash equivalents	722
Balances-beginning of the year	4,094
Balances-end of the year	\$ 4,816
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ (380,682)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	-
Changes in assets and liabilities:	
(Increase) Decrease in due from other governments	17,049
Increase (decrease) in accounts payable and accrued liabilities	(55,969)
Increase (decrease) in due to other funds	-
Total adjustments	(38,920)
Net cash provided by operating activities	\$ (419,602)

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

The Torchlight Academy, North Carolina

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2017

I. Summary of Significant Accounting Policies

The accounting policies of the Torchlight Academy, North Carolina (School) conform to generally accepted accounting principles (GAAP) as applicable to governments. Charter schools are established by non-profit entities. Because of the authority of the State Board of Education (SBE) to unilaterally abolish a school with all the assets reverting to a local education agency, the charter schools in North Carolina follow the governmental reporting model, as used by local education agencies. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Torchlight Academy is a public school operated by a local non-profit corporation, serving approximately 540 students. The School operates under an approved charter received from the SBE, and applied for under the provisions of General Statute (G.S.) 115C-238.29B. G.S. 115C-238.29F(f)(1) states that a charter school shall be subject to the audit requirements adopted by the SBE, which includes the audit requirements established by G.S. 115C-447 of the School Budget and Fiscal Control Act (SBFCA). G.S. 115C-447 also requires financial statements to be prepared in accordance with GAAP.

B. Basis of Presentation

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

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

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

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

The School reports the following major governmental funds:

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

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

Federal Grants Fund. The Federal Grants Fund includes grants from the federal government passed through the Department of Public Instruction for specifically identified programs.

The School reports the following major enterprise fund:

School Lunch. The School Lunch Fund is used to account for the school lunch program within the school system.

C. Measurement Focus and Basis of Accounting

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

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

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

D. Budgetary Data

An annual budget is adopted on a unit-wide level rather than by individual funds. All budgets are prepared using the modified accrual basis of accounting.

The governing board has voluntarily established the policy, as a sound business practice, that expenditures may not exceed appropriations, for all of the School's funds, based on the adopted budget and subsequent amendments. During the year, several amendments to the original budget were necessary, the effects of which were not material. The budget presented in these financial statements represents the budget of the School at June 30, 2017. All appropriations lapse at year end.

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

1. Deposits and Investments

All deposits of the School are made in a local bank, whose accounts are FDIC insured. Also, the School may establish time deposit accounts such as NOW and SuperNOW accounts, and certificates of deposit. The School does not have a custodial risk policy.

2. Cash and Cash Equivalents

The School pools money from several funds to facilitate disbursement and investment and to maximize investment income. All cash and investments with original maturities of three months or less are considered cash and cash equivalents. The School does not have a deposit policy for custodial credit risk.

3. Capital Assets

The School's donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

It is the policy of the School to capitalize all capital assets costing more than \$5,000 with an estimated useful life of three or more years. In addition, other items which are purchased and used in large quantities such as student desks and office furniture are capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. All depreciable assets are

depreciated using the straight-line method of depreciation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated over the following estimated useful lives:

	<u>Years</u>
Leasehold improvements	7-39
Classroom furniture and equipment	7
Motor vehicles	5
Security system	5
Computer equipment	5

4. Deferred outflows/inflows of resources

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

5. Long-term obligations

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

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

Torchlight Academy has no long term debt.

6. Compensated Absences

Employees do not accumulate vacation pay. The policy of the School provides for five days of sick leave for teachers and they can carryover. Unused time is not compensated.

7. Net Position/Fund Balances

Net Position

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

Fund Balance

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

The governmental fund types classify fund balances as follows:

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

Prepaid items - portion of fund balance that is not an available resource because it represents the year-end balance of prepaid fuel which is not a spendable resource.

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

Committed Fund Balance-portion of fund balance that can only be used for specific purpose imposed by majority vote of School's governing body (highest level of decision-making authority). Any changes or removal of the specific purpose requires majority action by the governing bodies that approved the original action.

Assigned Fund Balance-portion of fund balance that Torchlight Academy intends to use for specific purposes.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the Finance Officer to modify the appropriations by resource or appropriation within funds up to \$2,500.

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

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

8. The governmental fund balance sheet includes a reconciliation between governmental funds' total fund balance and governmental activities' net position as reported in the government-wide statement of net position. The net adjustment of \$122,884 consists of several elements as follows:

<u>DESCRIPTION</u>	<u>AMOUNT</u>
Capital assets used in governmental activities are not financial resources are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column).	\$416,742
Less accumulated depreciation	(293,858)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	-
Proceeds from sale of assets	-
Accrued interest payable	-
Total adjustment	<u>\$122,884</u>

F. Revenues, Expenditures, and Expenses

1. Funding

The Torchlight Academy is funded by the State Board of Education, receiving (i) an amount equal to the average per pupil allocation for the average daily membership (ADM) from the local school administrative unit allotments in which the school is located (i.e. Wake County Board of Education) for each child attending the School except for the allocation for children with special needs and (ii) an additional amount for each child attending the School who is a child with special needs [G.S. 115C-238.29H(a)]. Additionally, the appropriate local school administrative unit(s) transfers to the School, for each student who resides in the local administrative unit and attends the charter school, an amount equal to the per pupil local current expense appropriation to the respective local school administrative unit for the fiscal year. [G.S. 115C-238.29H(b)]. For the fiscal year ended June 30, 2016, the Torchlight Academy received funding from the Board of Education for Wake County Schools, Durham County, Franklin County, Orange County, and Johnston County.

Furthermore, Torchlight Academy has received donations of cash and/or equipment from private organizations. The cash has been used for the purchase of new equipment for the School's facilities.

2. Reconciliation between government-wide and fund statements

The governmental fund statement of revenues, expenditures, and changes in fund balance is followed by a reconciliation between the change in governmental funds' fund balance and the change in governmental activities' net position as reported on the government-wide statement of activities. The net difference of (\$40,541) between the two amounts consists of the following elements:

<u>DESCRIPTION</u>	<u>AMOUNT</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets on the statement of activities.	\$-
Depreciation expense that is recorded on the statement of activities but not in the fund statements.	(40,541)
New debt issued during the year is recorded as a source of funds on the fund statements but has not effect on the statement of activities, only the statement of net position.	-
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements.	-
Expenses reported on the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Other	-
Loss on sale of assets	-
Total	<u>(\$40,541)</u>

II. Stewardship, Compliance, and Accountability

A. Violation of Finance Related Provisions

None

III. Detail Notes on All Funds

A. Assets

1. Deposits

At June 30, 2017, the School had deposits with banks and savings and loans with a carrying amount of \$114,399. The bank balance with the financial institutions was \$122,765, of which \$122,765 was covered by federal depository insurance. The School does not have a deposit policy for custodial credit risk.

2. Capital Assets

Capital asset activity for the year ended June 30, 2017, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Capital assets being depreciated:				
Equipment & furniture	222,870	-	16,844	206,026
Computer equipment	24,993	-	24,993	-
Security system	13,335	-	13,335	-
Vehicles	115,616	-	54,791	60,825
Leasehold improvements	161,032	-	11,141	149,891
Total capital assets being depreciated	537,846	-	121,104	416,742
Less accumulated depreciation for:				
Equipment & furniture	168,994	27,959	16,844	180,109
Computer equipment	24,993	-	24,993	-
Security system	13,335	-	13,335	-
Vehicles	96,548	6,448	54,791	48,205
Leasehold improvements	70,551	6,134	11,141	65,544
Total accumulated depreciation	374,421	\$ 40,541	\$ 121,104	293,858
Total capital assets being depreciated, net	163,425			122,884
Governmental activity capital assets, net	\$ 163,425			\$ 122,884

Depreciation expense was charged to governmental functions as follows:

Instructional programs	\$ 27,959
Supporting services	12,582
	<u>\$40,541</u>

B. Liabilities

1. Pension Plan Obligations

a. Retirement Plan

The School has adopted a 401(K) defined contribution plan for the benefit of the employees. The School matches employee contributions up to 25% of employee contributions up to 4% of compensation. At June 30, 2017, all eligible employees of the School were included in the plan. For the year ended June 30, 2017, the pension cost to the School was \$0.

Effective July 1, 2015, all employees except for six that hold HB1 Visa's became employees of the management company. As these employees obtain green cards, they will become employees of the management company as well.

b. Post Employment Benefits

Torchlight Academy does not offer post-employment benefits.

2. Risk Management

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

The School carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and claims have not exceeded coverage in any of the past two fiscal years. Because the School is not in a flood plain area that has been designated by FEMA, the School does not carry flood insurance.

3. Claims and Judgments

At June 30, 2017, the School was not involved in any legal proceedings.

4. Long-Term Obligations

The School has no long term debt.

5. Related Party Transactions

During the year ended June 30, 2017, the School engaged in the following related party transactions:

Employees and Officers:

The Chair of the board of directors is also the spouse of one of the members of the board of directors. No monetary transactions with these individuals occurred.

C. Interfund Balances and Activity

Due to the General Fund from the Proprietary Fund to reimburse the fund for food purchased during the prior fiscal year.

\$12,468

D. Fund Balance

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

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation.

<i>Total fund balance</i>	\$ 110,336
Less:	
Prepaid expenses	-
Appropriated Fund Balance in 2018 budget	-
Remaining Fund Balance	\$ 110,336

IV. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

V. Commitments and Contingencies

The School has entered into a services agreement (the agreement) with Torchlight Academy School, LLC (TAS) effective July 1, 2015 which requires TAS to provide administration, strategic planning, and all labor, materials, equipment, and supervision necessary for the provision of educational services to students. As part of the consideration received under the agreement, TAS also provides the facility in which the School operates. The fee for these services are 100% of all revenues received by the School. The agreement will continue until termination of charter, inclusive of any charter renewals, unless at least 90 days written notice of intent to terminate or renegotiate is given by either the School or TSA.

VI. Contracted Service Fee

TAS has informed the School that the contracted service fee recognized in the Statement of Activities for the year ended June 30, 2017, includes payment of the following:

Instructional services:	
Regular Instructional Services	\$ 1,604,672
Special Population Services	126,794
Alternative Programs and Services	380,575
School Leadership Services	144,119
School Based Support Services	<u>1,977</u>
Total instructional services	<u>\$ 2,258,137</u>
System-wide support services:	
Technology Support Services	80,753
Operational Support Services	673,360
Financial and Human Resource Services	51,839
Policy, Leadership, and Public Relations Services	552,835
Management Fee	<u>939,102</u>
Total system-wide support services	<u>2,297,889</u>
Nutritional Services	<u>404,704</u>
Total Contracted Service Fee	\$ 4,960,730

Contracted Service Fee reconciliation to Statement of Activities:

Contracted Service Fee	\$ 4,960,730
School Expense	
Instructional	258,775
System-wide Support	12,582
Nutritional Services	<u>15,841</u>
Total Primary Government Expenses per Statement of Activities	<u>\$ 5,247,928</u>

Torchlight Academy
All Fund Types
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	2017		Favorable (Unfavorable) Variance
	Final Budget	Actual	
Revenues:			
State of North Carolina	\$ 2,931,485	\$ 3,003,087	\$ 71,602
Board(s) of Education:			
Cumberland County		781	
Durham County Schools	5,144	12,884	7,740
Franklin County Schools	-	5,351	5,351
Wake County Schools	1,244,147	1,255,473	11,326
Johnston County Schools	12,872	5,837	(7,035)
Orange County	-	1,919	1,919
U.S. Government	281,301	300,924	19,623
Donations	-	-	-
Food sales	-	8,619	8,619
Others	30,111	62,639	32,528
Total	<u>4,505,060</u>	<u>4,657,514</u>	<u>151,673</u>
Expenditures:			
Current:			
Instructional services:			
Regular curricular services	-	4,447,002	-
Special populations services	-	80,982	-
Alternative programs and services	-	274,832	
School leadership services	-	55,310	
Co-Curricular Services	-	-	
School-Based Support Services	-	-	-
Total instructional programs	<u>-</u>	<u>4,858,126</u>	<u>(4,858,126)</u>
System-wide support services:			
Support and development services		-	
Special population support and development services		-	
Technology support services		-	
Operational support services		-	
Financial and human resource services		480	
Policy, leadership and public relations services		-	
Nutritional services		21	
Total support services	<u>-</u>	<u>501</u>	<u>(501)</u>

Torchlight Academy
All Fund Types
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	2017		Favorable (Unfavorable) Variance
	Final Budget	Actual	
School Lunch Fund			
Contracted Services	-	373,460	(373,460)
Food purchases	-	15,841	(15,841)
Other	-	-	-
Total school lunch fund	<u>-</u>	<u>389,301</u>	<u>(389,301)</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,570,564</u>	<u>5,247,928</u>	<u>(677,364)</u>
Other financing sources (uses):			
Loan proceeds	-	-	-
Federal reimbursements	<u>282,572</u>	<u>420,324</u>	<u>137,752</u>
Total other financing sources and (uses)	<u>282,572</u>	<u>420,324</u>	<u>137,752</u>
Excess of revenue over expenditures	<u>\$ 217,068</u>	<u>\$ (170,090)</u>	<u>\$ (387,939)</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Torchlight Academy
Raleigh, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, of Torchlight Academy, Raleigh, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Torchlight Academy, Raleigh, North Carolina's basic financial statements and have issued our report thereon dated September 7, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Darrell L. Keller, CPA, PA". The signature is written in a cursive style with a loop at the end of the last name.

Darrell L. Keller, CPA, PA
Kings Mountain, North Carolina
September 7, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE
AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

To the Board of Directors
Torchlight Academy
Raleigh, North Carolina

Report on Compliance for Each Major State Program

We have audited Torchlight Academy, Raleigh, North Carolina's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Torchlight Academy, Raleigh, North Carolina's major state programs for the year ended June 30, 2017. Torchlight Academy, Raleigh, North Carolina's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Torchlight Academy, Raleigh, North Carolina's compliance.

Opinion on Each Major State Program

In our opinion, Torchlight Academy, Raleigh, North Carolina, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

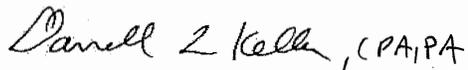
Management of Torchlight Academy, Raleigh, North Carolina, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Torchlight Academy, Raleigh, North Carolina's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of

expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Torchlight Academy, Raleigh, North Carolina's internal control over compliance.

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

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

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



Darrell L. Keller, CPA, PA
Kings Mountain, North Carolina
September 7, 2017

TORCHLIGHT ACADEMY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- | | | |
|--|--------|------------------|
| * Material weaknesses(es) identified? | ___Yes | _X_No |
| * Significant Deficiency(s) identified that are not considered to be material weaknesses | ___Yes | _X_None Reported |
| Noncompliance material to financial statements notes | ___Yes | _X_No |

Federal Awards

There were no major federal programs.

State Awards

Internal control over major State programs:

- | | | |
|--|--------|------------------|
| * Material weakness(es) identified? | ___Yes | _X_No |
| * Significant deficiency(s) identified that are not considered to be material weaknesses | ___Yes | _X_None Reported |

Type of auditor's report issued on compliance for major State programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act	___Yes	_X_No
--	--------	-------

Identification of major State programs:

Program Name

State Public School Fund

TORCHLIGHT ACADEMY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

Section II – Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None reported

Section IV-State Award Findings and Questioned Costs

None reported

TORCHLIGHT ACADEMY
SUMMARY SCHEDULE OF PRIOR AUDITING FINDINGS
YEAR ENDED JUNE 30, 2017

Finding: None

Status: N/A

INSURANCE PEOPLE

Below are the estimated annual premiums: **Lighthouse Charter Academy**

Property Premium Estimate **\$725**

Building	\$500,000
Contents	\$15,000
Deductible	\$1,000
Form	Special
Equipment Breakdown Included	

General Liability Premium Estimate **\$1,220**

Rating Basis:	Students	120
	Faculty	12

Limits:

Per Occurrence Limit	\$1,000,000
Annual Aggregate	\$3,000,000
Sexual Abuse & Molestation	\$1,000,000 per occurrence \$3,000,000 aggregate
Employee Benefits	\$1,000,000 per occurrence \$3,000,000 aggregate

School District & Educators Legal Liability (D&O/ E&O)

Premium Estimate **\$3,057**

	\$1,000,000 per occurrence
	\$2,000,000 aggregate
Additional Defense	\$100,000/\$50,000/\$100,000

Named insured includes the insured Organization (School Entity), it's school board, School Committee, Board of Trustees, Board of Governors or similar governing body, elected or appointed members of the Board of Education, Board of Trustees, School Directors, School Committee, Board of Governors or similar governing board, Employees, Student Teachers, School Volunteers, and students while serving in a supervised internship program sponsored by the "educational institution".

Wrongful Act to include any actual or alleged act, error, omission, misstatement, misleading statement, neglect, or breach of duty by or on behalf of the Insured Organization, including educational malpractice or failure to educate, negligent instruction, failure to supervise, inadequate or negligent academic guidance of counseling, improper or inappropriate academic placement or discipline.

INSURANCE PEOPLE

Fidelity Bond Estimate		\$332
Limit	\$250,000	
Auto Premium Estimate		\$181
Hired & Non Owned Autos Only		
Limit of Liability	\$1,000,000	
Head of Class Endorsement		\$82
Workers Compensation Premium Estimate		\$2,399
Statutory State - NC		
Employers Liability	\$500/ \$500/ \$500	
Payroll Estimate	\$369,500	
Umbrella Premium Estimate		\$2,387
Limit of Liability	\$1,000,000	
TOTAL ESTIMATED PREMIUM		\$10,383
Student Accident Coverage		\$7.00/ student

These premiums are subject to change based on Underwriter review and approval of completed applications.

Disclaimer: The abbreviated outlines of coverages used throughout this proposal are not intended to express legal opinion as to the nature of coverage. They are only visuals to a basic understanding of coverages. The policy terms, conditions, and exclusions will prevail. Please read the policy forms for specific details of coverage

09/27/2018

VII AGREEMENT PAGE

Application Fee:

Pursuant to § 115C-218.1(c) the charter school applicant must submit a \$1000 application fee to the Office of Charter Schools. The applicant must submit their application fee by the September 28, 2018 5:00 pm EST deadline. Payments will be accepted in the form of a certified check. Cash is not accepted.

*Application Note: The applicant must mail the certified check along with a letter indicating the name of the proposed charter school, contact information and the enclosed payment amount to be received before or on the due date of September 28, 2018 5:00 pm EST. Failure to submit payment by the stipulated timeline to the Office of Charter Schools will deem the application incomplete.

Payments should be made payable to North Carolina Department of Public Instruction

North Carolina Department of Public Instruction
Office Of Charter Schools
6307 Mail Service Center
Raleigh, NC 27699-6307

I understand the requirements pursuant to G.S. 115C-218.1(c).

Date:

Applicant Signature:

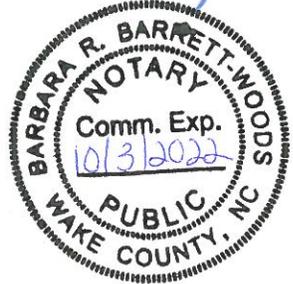
The foregoing application is submitted on behalf of Lighthouse Charter Academy (name of non-profit corporation or individuals submitting application). The undersigned has read the application and hereby declares that the information contained in it is true and accurate to the best of his/her information and belief. The undersigned further represents that the applicant has read the Charter School Law and agrees to be governed by it, other applicable laws, and SBE regulations. Additionally, we understand the final approval of the charter is contingent upon successful completion of a mandatory planning year. Per SBE policy "Planning Year for New and Preliminary Charter Schools – CHTR 013, formerly "TCS-U-013," all new nonprofit boards receiving a charter must participate in a year-long planning program prior to the charter school's opening for students. The planning year provides an applicant time to prepare for the implementation of the school's curricular, financial, marketing, and facility plans. During this planning year, regular meetings are held with the Board of Directors and consultants from the Office of Charter Schools to provide information on the following topics: school opening plans, staff development, finance, governance, board training, marketing, policies and procedures, securing a school site, and hiring a school administrator. Final approval of the charter will be contingent upon successfully completing all of the planning program requirements.

Print/Type Name: Kevin M. Sheppard

Board Position: Board Chair

Signature: [Handwritten Signature]

Date: 09/30/18



Sworn to and subscribed before me this 30 day of September, 2018.
Barbara R. Barrett-Woods
Notary Public Official Seal
My Commission Expires: 10/3/2022

Appendix P:

Charter School Required Signature Certification

Note: Outlined below is a list of areas that must be certified by the proposed Board of Directors. Any forms Not Applicable to the proposed charter school indicate below with N/A and provide a brief explanation for providing such response.

Serving on a public charter school board is a position of public trust and board members of a North Carolina public charter school; you are responsible for ensuring the quality of the school's entire program, competent stewardship of public funds, the school's fulfillment of its public obligations, all terms of its charter, and understanding/overseeing all third party contracts with individuals or companies.

- ❖ The selected Board Attorney that he/she has reviewed with the full Board of Directors, listed within the application, all the governance documents and liabilities associated with being on the Board of a Non Profit Corporation.

- Name of the Selected Board Attorney: STEPHON BOWENS
- Date of Review: SEPT 13 2018
- Signature of Board Members Present (Add Signature Lines as Needed):
 - [Signature] Board Chair
 - [Signature] Sec Secretary
 - [Signature]
 - [Signature]
 - _____
 - _____
 - _____
 - _____
 - _____

- ❖ The selected Board Auditor that he/she has reviewed with the full Board of Directors, listed within the application, all the items required for the annual audit and 990 preparations.

- Name of the Selected Board Auditor: DARRELL KELLER
- Date of Review: SEPT 20 2018
- Signature of Board Members Present (Add Signature Lines as Needed):
 - [Signature] Board Chair
 - [Signature] Sec Secretary
 - [Signature]
 - [Signature]
 - _____
 - _____
 - _____
 - _____
 - _____

❖ If contracting with a CMO/EMO, that the selected management company has reviewed with the full Board of Directors, listed within the application, all the items required and the associated management contract and operations.

○ Name of the Contact for Selected EMO/CMO: DON M S QUEEN

○ Date of Review: JULY 31ST 2018

○ Signature of Board Members Present (Add Signature Lines as Needed):

■ [Signature] Board Chair
■ [Signature] Secretary
■ [Signature]
■ [Signature]
■ _____
■ _____
■ _____

❖ If contracting with a financial management service provider that the selected financial service provider has reviewed with the full Board of Directors, listed within the application, all the financial processes and services provided.

○ Name of the Contact: DON M S QUEEN

○ Name of the Selected Financial Service Provider: TORCHLIGHT ACADEMY SCHOOLS LLC

○ Date of Review: JULY 31ST 2018

○ Signature of Board Members Present (Add Signature Lines as Needed):

■ [Signature] Board Chair
■ [Signature] Secretary
■ [Signature]
■ [Signature]
■ _____
■ _____
■ _____

❖ If the proposed Board of Directors, listed within the application, is contracting with a service provider to operate PowerSchool that the service provider has reviewed all of the financial processes and services provided.

○ Name of the Contact: DON M S QUEEN

○ Name of the Selected PowerSchool Service Provider: TORCHLIGHT ACADEMY SCHOOLS LLC

○ Date of Review: JULY 31, 2018

○ Signature of Board Members Present (Add Signature Lines as Needed):

■ [Signature] Board Chair
■ [Signature] Secretary
■ [Signature]
■ [Signature]
■ _____
■ _____
■ _____

Certification

I, Kevin Sheppard, as Board Chair, certify that each Board Member has reviewed and participated in the selection of the individuals and vendors attached to this document as evidenced by the full Board of Director signatures outlined above. The information I am providing to the North Carolina State Board of Education as Lighthouse Charter School is true and correct in every respect.

[Signature]
Signature

07/31/18
Date