

Exhibit 5



PUBLIC SCHOOLS OF NORTH CAROLINA

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DEPARTMENT OF PUBLIC INSTRUCTION June St. Clair Atkinson, Ed.D., *State Superintendent*

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February 27, 2012

MEMORANDUM

TO: Mr. Ozie Hall
CEO/Principal

Demyra McDonald-Hall, Chairman
Board of Directors Kinston Charter Academy

FROM: Alexis Schauss, Director *Alexis Schauss*
Division of School Business

Joel Medley, Director *JEM*
Office of Charter School

SUBJECT: FINANCIAL DISCIPLINARY STATUS – ALLOTMENT

On February 28, 2012 Joel Medley and I met with you concerning the financial status of Kinston Charter Academy. Having reviewed the documentation and discussing the corrective action plan, we are prepared to modify the allotment process from a reimbursement plan to a monthly allotment from February 29, 2012 thru May 23, 2012.

Kinston Charter Academy will receive the remaining State allotment in four equal parts on the following dates: February 29th, March 28th, April 25th and May 23rd. Kinston Charter Academy will remain on **FINANCIAL DISCIPLINARY** status until the school is in good financial standing.

We encourage you to continue to improve the financial management of the school and bring the school in to good financial standing.

AS/JM/dkm

OFFICE OF FINANCIAL AND BUSINESS SERVICES

DIVISION OF SCHOOL BUSINESS

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