

# **Exhibit 18**



# PUBLIC SCHOOLS OF NORTH CAROLINA

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

WWW.NCPUBLICSCHOOLS.ORG

September 5, 2013

**Certified Mail Receipt #: 7010 1870 0001 3420 5931**

Ms. Demyra McDonald-Hall, Board Chair  
Kinston Charter Academy  
2000 Martin Luther King, Jr. Blvd.  
Kinston, NC 28501

Mr. Ozie Hall, Principal  
Kinston Charter Academy  
2000 Martin Luther King, Jr. Blvd.  
Kinston, NC 28501

Dear Mr. Hall and Ms. McDonald-Hall:

The State Board of Education (SBE) at its regularly scheduled meeting on September 4, 2013 unanimously voted to accept the voluntary relinquishment of your school's charter primarily due to financial concerns. At 1:11 pm on September 4, 2013, the Office of Charter Schools received your resolution indicating Kinston Charter Academy's board of directors had voted to surrender the charter. Kinston Charter Academy (KCA) will effectively close its doors to students on Friday, September 6, 2013.

Per State Board of Education policy, Kinston Charter Academy has received one third of their State funding based on an estimated average daily membership of 366. This allotment equaled \$666,818 and the Division of School Business has notified the Office of Charter schools that KCA has drawn down 100% of the cash related to that allotment. Due to the unusual occurrence wherein KCA drew down 100% of the initial allotment less than two school weeks into the school year, careful attention will be paid during review of current year expenditures.

The Department of Public Instruction (DPI) will allow reasonable current year expenditures incurred from July 1, 2013 to September 6, 2013 to be charged to this initial allotment. Reasonable expenditures may include mortgage or rent payments for that period of time, salary payments for the employees on staff for that time period and other current year expenditures as deemed allowable by DPI. All unused funds shall be returned to the Department.

All payments after September 6, 2013 will be on a reimbursement basis, consistent with close out procedures. In order for expenditures to be covered by State funds, KCA must send to the Division of School Business justification of the expenditures and adequate supporting documentation. After review and approval, funds will be disbursed. Documentation must be sent to the attention of Curtis Terry at 6334 Mail Service Center Raleigh, NC 27699 or via fax to 919.807.3704

Although you have already received the close-out documents, I am providing them, once again, for your convenience. These closing procedures are to ensure a smooth transition for your students back to their assigned Local Education Agencies (LEA). It is important that you help your families select other public schools and ensure the student records are forwarded onto the appropriate location.

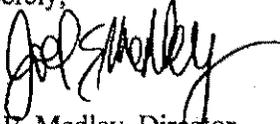
## OFFICE OF CHARTER SCHOOLS

Joel E. Medley, Ph.D., *Director* | joel.medley@dpi.nc.gov  
6303 Mail Service Center, Raleigh, North Carolina 27699-6303 | (919) 807-3491 | Fax (919) 807-3496  
AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

Ms. Cande Honeycutt, Consultant in the Office of Charter Schools, will act as my Office contact for closing the school. For the financial aspect, Ms. Leigh Ann Kerr, Assistant Director of School Business Administration at the Department of Public Instruction will also be in contact to review your progress in adhering to the close-out process.

Should you have any questions, please contact the Office of Charter Schools at 919-807-3491 or the Division of School Business at 919-807-3700.

Sincerely,



Joel E. Medley, Director  
Office of Charter Schools

JEM/pg

Attachment

c: June St. Clair Atkinson, Superintendent, NC Department of Public Instruction  
Philip Price, Chief Financial Officer, NC Department of Public Instruction  
Alexis Schauss, Director, School Business Services  
Katie Cornetto, State Board of Education Staff Attorney  
Laura Crumpler, Esq. Attorney General's Office