

EXECUTIVE SUMMARY

The Math and Science Academy Charlotte's Request to Relocate and Expand

The Math and Science Academy ("TMSA") Charlotte has been open since 2015 with a focus on STEAM education, contributing to the broader success of the TMSA Public Charter Schools system. The TMSA Board is making two requests that require CSRB approval:

1. An expansion and relocation of the secondary campus from 9108 Mallard Creek Road in Charlotte to 7550 Ruben Linker Road in Concord, which is a distance of 8 miles. The existing campus is located in Mecklenburg County, while the proposed campus is in Cabarrus County.
2. An expansion of the elementary campus to 355 Poplar Crossing Drive NW in Concord (Cabarrus County). TMSA Charlotte Elementary will remain at its original location at 8701 Mallard Creek Road in Charlotte.

Background

The TMSA Public Charter Schools system governs four North Carolina schools, including Charlotte, Apex, Cary, and Greensboro campuses, serving approximately 5,200 students. TMSA is recognized as a leader in STEAM education and holistic child development. Key achievements include:

- TMSA Apex (93Y) and TMSA Triangle (92T) maintain A performance grades.
- TMSA Triad (41F) improved to a B performance grade in 2023-2024.
- TMSA Charlotte (61N) improved to a C performance grade and met growth expectations in 2023-2024.
- The TMSA system consistently receives clean financial audits.

Rationale

TMSA Charlotte's current facilities are inadequate to implement the STEAM-focused educational model fully. The existing facilities fall short of meeting the spatial and resource needs for advanced electives, AP courses, and extracurricular programs. Limited capacity restricts enrollment and prevents the development of a robust and competitive high school program. Insufficient numbers of students progressing from the elementary program into the secondary level exacerbate the enrollment challenges, making it difficult to offer the intended range of electives and courses necessary to support a high-quality secondary education.

Proposal

The TMSA Board has approved a strategic plan to address these challenges through the acquisition of two existing school facilities:

1. TMSA Charlotte - Secondary Campus: 7550 Ruben Linker Rd, Concord, NC 28027

A 94,000 sq. ft. building on 24 acres featuring 55 classrooms/labs, a gymnasium, and outdoor sports fields. This facility will serve as the new secondary campus for grades 6-12, relocating 230 students while minimizing family disruptions.

2. TMSA Charlotte - Concord Elementary Campus: 355 Poplar Crossing Dr. NW, Concord, NC 28027

A 70,000 sq. ft. building on 8.2 acres featuring 55 classrooms/labs, a gymnasium, and outdoor play fields to accommodate an expanded K-5 program. This move allows the elementary campus to maintain its community roots while addressing overcrowding and improving facilities.

Impact

TMSA Charlotte is projected to serve approximately 1,463 existing students from the current four campuses, including the TMSA Secondary Campus, which will be phased out next year if this proposal is approved. The attached maps indicate the impact to the student population.

Feasibility and Financial Viability

A detailed feasibility study completed in April 2024 supports this plan:

- Demographics: Cabarrus County's under-18 population has more than doubled over the past 30 years, indicating sustained demand for educational facilities.
- Community Support: Surveys reveal strong enthusiasm for enhanced facilities, particularly STEAM programs, athletic fields, and extracurricular offerings.
- Financial Strength: The proposed expansion is financially viable with planned bond financing and phased enrollment growth.

Strategic Goals

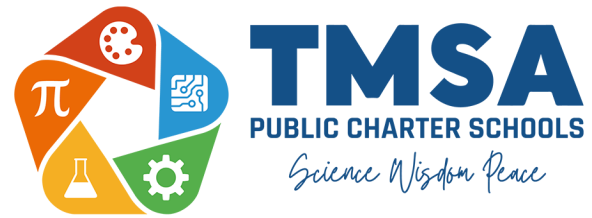
1. Enhance Secondary School Retention: TMSA Charlotte seeks to improve student retention from its K-5 pipeline by offering a broader range of electives, sports, and extracurricular activities. This approach aims to strengthen the secondary school program and provide students with a more engaging and well-rounded educational experience.
2. Expand Elementary Capacity: Maintaining the elementary campus within its current community ensures accessibility, alleviates overcrowding, and enhances operational efficiency. A new K-5 campus will serve as a feeder to the secondary campus, ensuring sufficient student enrollment to support the expanded electives and programs needed to achieve the secondary school retention goals.

Documents:

All required documents have been submitted to the Office of Charter Schools and are publicly available [here](#).

Input Process:

Triangle Math and Science Academy's Board of Directors, staff, and feasibility study participants.



November 25, 2024

Ashley Baquero, Director
Office of Charter Schools
6307 Mail Service Center
Raleigh, NC 27699-6303

Re: Secondary Campus Relocation and Elementary Campus Expansion Request for The Math and Science Academy of Charlotte (TMSA Charlotte) (61N)

Dear Ms. Baquero,

Since its inception in 2015, TMSA Charlotte has proudly served the community with a focus on STEAM education, contributing to the broader success of the TMSA Public Charter Schools system. While facing challenges, TMSA Charlotte has demonstrated resilience, achieving a C academic performance grade in 2023-2024 and meeting growth expectations. The TMSA Board approved the proposed expansion and relocation plan on April 23, 2024, contingent upon achieving this performance benchmark, underscoring the Board's commitment to enhancing educational opportunities.

TMSA System Achievements

The TMSA Public Charter Schools system governs four North Carolina schools, including Charlotte, Apex, Cary, and Greensboro campuses, serving approximately 5,200 students. TMSA is recognized as a leader in STEAM education and holistic child development. Key achievements include:

- **TMSA Apex (93Y)** and **TMSA Triangle(92T)** maintain A performance grades, exemplifying academic excellence.
- **TMSA Triad(41F)** improved to a B performance grade in 2023-2024, demonstrating significant progress in closing the achievement gap.
- **TMSA Charlotte(61N)** improved to a C performance grade in 2023-2024, demonstrating significant progress in closing the achievement gap.

- The TMSA system consistently receives flawless financial audits and holds a **BBB-investment grade** from S&P Global, a testament to the Board's robust fiscal management and strategic oversight.

The latest academic growth status and audited financial statements are in Appendix 6 and Appendix 7.

These successes highlight the effectiveness of the TMSA Board in fostering high standards across all campuses while ensuring financial stability and operational efficiency.

Current Challenges at TMSA Charlotte

Despite its steady progress, TMSA Charlotte's current facilities are inadequate to implement the STEAM-focused educational model fully:

- The existing facilities fall short of meeting the spatial and resource needs for advanced electives, AP courses, and extracurricular programs.
- Limited capacity restricts enrollment and prevents the development of a robust and competitive high school program.
- Insufficient numbers of students progressing from the elementary program into the secondary level exacerbate the enrollment challenges, making it difficult to offer the intended range of electives and courses necessary to support a high-quality secondary education.

Proposed Solution

The TMSA Board has approved a strategic plan to address these challenges through the acquisition of two existing school facilities:

1. 7550 Ruben Linker Rd, Concord, NC 28027 (TMSA Charlotte - Secondary Campus)

A 94,000 sq. ft. building on 24 acres featuring 55 classrooms/labs, a gymnasium, and outdoor sports fields. This facility will serve as the new secondary campus for grades 6-12, relocating 244 students while minimizing family disruptions.

2. 355 Poplar Crossing Dr. NW, Concord, NC 28027 (TMSA Charlotte - Concord Elementary Campus)

A 70,000 sq. ft. building on 8.2 acres featuring 55 classrooms/labs, a gymnasium, and outdoor play fields to accommodate an expanded K-5 program. This move allows the elementary campus to maintain its community roots while addressing overcrowding and improving facilities.

Feasibility and Financial Viability

A detailed feasibility study (Appendix 5) completed in April 2024 supports this plan:

- **Demographics:** Cabarrus County's under-18 population has more than doubled over the past 30 years, indicating sustained demand for educational facilities.
- **Community Support:** Surveys reveal strong enthusiasm for enhanced facilities, particularly STEAM programs, athletic fields, and extracurricular offerings.
- **Financial Strength:** The TMSA system's BBB- investment grade and seven consecutive years of flawless financial audits demonstrate fiscal prudence. The proposed expansion is financially viable with planned bond financing and phased enrollment growth.

Strategic Goals

1. **Enhance Secondary School Retention:** TMSA Charlotte seeks to improve student retention from its K-5 pipeline by offering a broader range of electives, sports, and extracurricular activities. This approach aims to strengthen the secondary school program and provide students with a more engaging and well-rounded educational experience.
2. **Expand Elementary Capacity:** Maintaining the elementary campus within its current community ensures accessibility, alleviates overcrowding, and enhances operational efficiency. A new K-5 campus will serve as a feeder to the secondary campus, ensuring sufficient student enrollment to support the expanded electives and programs needed to achieve the secondary school retention goals outlined in Goal 1.

Impact Analysis

Relocating the TMSA Charlotte Secondary Campus to a new facility 8 miles away in Cabarrus County is a feasible and minimally disruptive move for students and families. The proposed location aligns with the existing student distribution, as it overlaps with current commuting patterns. Out of 1,463 students, only 244 will be directly impacted by the relocation, with 20-25% of these students (approximately 50-60) living beyond a convenient car ride distance. However, existing bus routes servicing the future campuses will effectively mitigate this impact. Furthermore, the relocation will not affect the 518 elementary students, who will remain at their current location, nor the broader student population of 1,219 students within accessible commuting zones. Overall, the move will affect only 3-5% of the current student body,

demonstrating that the transition can be managed efficiently with minimal disruption. Details are provided in Appendix 4.

Conclusion

TMSA Charlotte's expansion and relocation proposal align with the TMSA Board's vision of delivering high-quality, inclusive STEAM education. With a proven track record of success across all campuses, the TMSA Board is confident in implementing this project while maintaining compliance and financial stability.

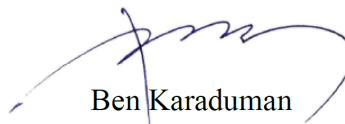
We respectfully request the Charter Schools Review Board approve the relocation of the secondary campus to 7550 Ruben Linker Rd and the elementary campus expansion to 355 Poplar Crossing Dr. NW.

Enclosed are supporting documents for your review, including 5-year enrollment projections (Appendix 1), 5-year budget projections (Appendix 2), board meeting minutes (Appendix 3), and feasibility reports (Appendix 5).

Sincerely,



Victor Ofori-Boadu
Board Chair



Ben Karaduman
Superintendent

Enclosures:

[Appendix 1: 2025-2030 Projected Enrollment](#)

[Appendix 2: 2025-2030 Projected Budget](#)

[Appendix 3: Board Meeting Minutes approving the proposal](#)

[Appendix 4: Current Student Distribution and Campus Location Maps](#)

[Appendix 5: Feasibility Report](#)

[Appendix 6: Latest Audited Financial Statements](#)

[Appendix 7: Latest Academic Growth Status](#)

TMSA Charlotte Enrollment

Current K-5

SUMMARY	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Kindergarten	93	100	100	100	100	100
Grade 1	88	100	100	100	100	100
Grade 2	99	100	100	100	100	100
Grade 3	90	100	100	100	100	100
Grade 4	81	100	100	100	100	100
Grade 5	67	100	100	100	100	100
Total	518	600	600	600	600	600

New K-5

SUMMARY	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Kindergarten		80	96	112	128	144
Grade 1		80	80	96	112	128
Grade 2		80	80	80	96	112
Grade 3		72	90	90	90	108
Grade 4		72	72	90	90	90
Grade 5		72	72	72	90	90
Total	0	456	490	540	606	672

NEW 6-12

SUMMARY	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Grade 6	58	110	110	154	176	198
Grade 7	52	110	110	110	154	176
Grade 8	51	110	110	110	110	154
Grade 9	39	88	110	110	110	110
Grade 10	25	88	88	110	110	110
Grade 11	10	66	88	88	110	110
Grade 12	9	44	66	88	88	110
Total	244	616	682	770	858	968

Grand Total	762	1672	1772	1910	2064	2240
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TMSA SCHOOLS FIVE YEAR FINANCIAL PROJECTIONS

THE MATH AND SCIENCE ACADEMY CHARLOTTE

SUMMARY	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Student Numbers	762	1,672	1,772	1,910	2,064	2,240
State Revenues	5,632,243	12,605,581	13,626,693	14,981,672	16,513,411	18,279,962
Local Revenues	3,083,209	6,810,562	7,362,250	8,094,320	8,921,890	9,876,325
Federal Revenues	595,510	1,332,817	1,440,782	1,584,047	1,746,001	1,932,782
Total Revenues	9,310,962	20,748,959	22,429,724	24,660,039	27,181,302	30,089,069
100. Salaries & Bonuses	4,475,876	10,017,504	10,828,970	11,905,755	13,123,010	14,526,867
200. Benefits	1,095,464	2,451,769	2,650,374	2,913,916	3,211,837	3,555,429
310. Professional and Technical Services	1,083,070	2,424,030	2,620,388	2,880,948	3,175,499	3,515,203
320. Rent & Lease	1,278,150	2,795,022	2,795,022	2,795,022	2,795,022	2,795,022
320. Other Property Services	301,850	675,574	730,298	802,916	885,007	979,682
330. Transportation Services	85,800	192,030	207,585	228,227	251,561	278,472
340. Communications	56,940	127,438	137,761	151,459	166,945	184,804
350. Tuition	10,000	22,381	24,194	26,600	29,319	32,456
360. Dues and Fees	54,754	122,545	132,472	145,645	160,536	177,709
370. Insurance	29,082	65,089	70,361	77,358	85,267	94,388
410 School and Office Supplies	190,500	426,360	460,897	506,727	558,535	618,285
420. Operational Supplies	8,875	19,863	21,472	23,607	26,021	28,805
450. Food Supplies	325,000	727,386	786,308	864,495	952,881	1,054,817
460. Non-Capitalized Equipment	100,271	224,418	242,596	266,719	293,989	325,439
570. Depreciation	83,068	185,915	200,975	220,959	243,551	269,605
Total Expenses	9,178,700	20,477,324	21,909,675	23,810,353	25,958,978	28,436,983
Net Income	132,262	271,635	520,049	849,686	1,222,324	1,652,086
Available for Lease Payment	1,410,412	3,066,658	3,315,071	3,644,708	4,017,346	4,447,108
Lease Amount	1,278,150	2,795,022	2,795,022	2,795,022	2,795,022	2,795,022
Lease Service Coverage Ratio	1.10	1.10	1.19	1.30	1.44	1.59
Rent /Revenue Rate	13.73%	13.47%	12.46%	11.33%	10.28%	9.29%



TMSA BOARD MEETING AGENDA

Agenda Item Details

Meeting	Apr 23, 2024 - TMSA April Board Meeting
Category	3. Information Items 20 min
Subject	3.05 TMSA PCS Future Campus Proposals
Access	Public
Type	Action, Discussion, Information

Public Content

Presented by: TMSA Charlotte Principal Adam Kaplan and TMSA Triangle HS Principal Adam Alden and Board Member Fahrudin Mekic

Email: akaplan@tmsacharlotte.org, aalden@tmsaapex.org, fmekic@tmsapcs.org

- TMSA Charlotte Relocation feasibility report
- Wake County New Campus Feasibility report

 [Feasibility Report for New TMSA in Wake County.pdf \(1,726 KB\)](#)

 [Feasibility Reports for TMSA Charlotte_WP.Version.02.pdf \(30,598 KB\)](#)

 [TMSA New School In Wake County.pdf \(438 KB\)](#)

Administrative Content

Executive Content

Motion & Voting

Motion to make a proposal to move forward with the Charlotte expansion project on the condition that TES buys the land and the project does not move forward without a C letter grade.

Motion by Fahrudin Mekic, second by Dzhovid Dzhuraev.

Final Resolution: Motion Carries

Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

Last Modified by Ryan Smith on April 23, 2024

TMSA April Board Meeting (Tuesday, April 23, 2024)

Generated by Ryan Smith on Wednesday, May 1, 2024

Members present

Marwa Cayli, Terrence Thomas, Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Meeting called to order at 7:02 PM

1. Opening/Recognition 60 mins

Procedural: 1.01 Roll Call

Procedural: 1.02 Pledge of Allegiance

Procedural: 1.03 Reading of the TMSAPCS Mission and Vision

Procedural: 1.05 Conflict of Interest Reminder

Action, Minutes: 1.06 Approval of March 5th TMSA Board Meeting Minutes

The Superintendent recommends that the TMSA Board approve the March 5th, 2024 TMSA Board Meeting Minutes as presented.

Motion by Salih Tuncer, second by Victor Ofori-Boadu.

Final Resolution: Motion Carries

Yea: Terrence Thomas, Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Action, Minutes: 1.07 Approval of March 12th TMSA Special Board Meeting Minutes

The Superintendent recommends that the TMSA Board approve the March 12th, 2024 TMSA Special Board Meeting Minutes as presented.

Motion by Salih Tuncer, second by Terrence Thomas.

Final Resolution: Motion Carries

Yea: Terrence Thomas, Victor Ofori-Boadu, Salih Tuncer, Brandon Frederick

Abstain: Dzhovid Dzhuraev, Fahrudin Mekic, Mir Nugmanov, Marwa Cayli

Action, Minutes: 1.08 Approval of March 20th TMSA Emergency Board Meeting Minutes

The Superintendent recommends that the TMSA Board approve the March 20th TMSA Emergency Board Meeting Minutes as presented.

Motion by Salih Tuncer, second by Terrence Thomas.

Final Resolution: Motion Carries

Yea: Terrence Thomas, Dzhovid Dzhuraev, Victor Ofori-Boadu, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli, Fahrudin Mekic, Mir Nugmanov

Information: 1.09 TMSA Monthly Updates

- Mr. Idil presented the TMSA updates along with the TMSA Principals.
- Ms. Burke presented TMSA Elementary slides on Student Leadership Day, Student led conferences, EVAAS bonus certificates, Sweet treat lottery,
- Mr. Kandil presented TMSA Triad Secondary slides on Annual multicultural festival is coming up on May 4 at TMSA Triad campus, TMSA Alumni dinner, TMSA TV studio, International Greenwich Olympiad from June 8-15, 2024, Black history program,
- Mr. Cobanli presented TMSA Triangle slides including Spelling bee regional championship, NC Charter school summit students sang national anthem, 22 students finalist at MathCon competition on May 11th, TMSA band earned gold rating at Southern Star Music festival, science olympiad students participated in state tournament.
- Mr. Kaplan and Ms. Saeed presented slides on TMSA Charlotte including outreach event, wellness wednesday, EOG/EOC bootcamp prep, art exhibition, hornets book mobile, career day, reading buddies, dress as favorite book character, and EVAAS bonus certificates.
- Mr. Alden presented slides on TMSA Apex/TMSA Triangle HS including TMS Spring fest on May 18, NC Science olympiad state tournament placed 1st, Naval research award at NC Science and engineering fair, TMSA Model UN Club wins awards again, TMSA FBLA places top 10 in state conference, TMSA Triangle HOSA also places top 10 in state tournament, 4 students awarded Congressional award bronze medal winners, TMSA Triangle College fair was a success.

Information: 1.10 Committee Meetings

Committee meetings:

- Finance committee met yesterday to review financial statements, took a look at revised budgets, and FY 2025 budgets preview as first reading at this board meeting. Got an update on the new ERP system
- Governance Committee Meeting met regarding revised bylaws, board retreat, and board assessment and evaluation. Second draft for PRR is being read in April meeting.
- Academic Excellence Committee Meeting met last week regarding hiring math instructional coach, academic bonus policy Phase II and evaluation forms for admin and staff.

2. Public Comment 10 mins

The board heard the public comments and the board will take them under advisement.

Person A made the public comment regarding the Policy O.17 waiver request encouraging the board to reject the proposal to keep school culture and less stress on the teachers.

Person B wrote a written comment regarding screen time, less time for their kid to eat their food during lunch, and to reconsider the Policy O.17 waiver request.

Person C wrote a written comment regarding the Policy O.17 waiver request and encouraged board members to ask questions and the principals to follow the existing policies.

3. Information Items 20 min

Information: 3.01 Financial Reports

- Financial reports were presented. All schools are in good position.
- Revised budgets will be presented to the board and the FY 2025 budgets are being presented as first reading.

- The Audit engagement letter is also being presented to the board as well.
- Investment Report is updated every month, it's unrestricted cash. We are meeting the current days cash on hand and the debt coverage ratio.
- Question was asked why total assets are not more broken down into individual items.
- Every year we calculate depreciation and have list of all items registered as assets.

Action, Discussion, Information: 3.02 TMSA PCS Procedures for Formatting, Adopting, and Publishing Policies, Regulations, and Rules. (PRR Policy)

This will replace the existing policy G.08 and will serve as foundational document regarding policies and regulations.

Motion to add revised bylaws as a first reading as Item 4.02

Motion by Salih Tuncer, second by Terrence Thomas.

Final Resolution: Motion Carries

Yea: Terrence Thomas, Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Information: 3.03 Employee Referral Regulation

- TMSA Public Charter Schools (TMSA PCS) aim to recruit high-quality teachers and employees by motivating current employees to refer qualified candidates with a monetary incentive. The talent acquisition strategic plan emphasizes attracting and hiring employees from underrepresented minority groups.
- HR team started this last year and being brought to the board as a new employee referral regulation.
- Updated regulation was given by the HR team.
- Question was raised regarding minority bonus and how we decided on this. We have a DEI committee but no board chair has been assigned.
- Board members requested justification to be made for the referral regulation item.

Action, Discussion, Information: 3.04 TMSA Triangle High School Construction Update

Important Dates:

- Project designed and bid June 2022
- Construction contract issued to LAI December of 2022
- Building plan approval February 2023
- Site plan approval June 2023
- Building permit issued June 2023

Upcoming milestone dates:

- Completion of Retaining Wall
- Continuation of Raising Grade in South Parking Lot
- Installation of Plumbing, Electrical, and Mechanical rough-in in the Classroom Building will continue
- Drywall installation starting in 1st Floor Atrium, Multipurpose Room, and 2nd Floor Administration
- Installation of Exterior Aluminum Doors will continue
- Removal of Casting Beds
- Placement of Transformer Pad
- Installation of Curtain Wall Glass at front Atrium Vestibule, and Gymnasium Vestibule
- Installation of Sanitary Main at South and West side of School
- Installation of Water Main at South and West side of School
- Installation of Traffic Signal at Hwy 64 estimated completion 2-3 weeks

Here are the milestone dates we are targeting for the project completion (TCO or CO):

- Early to the end of June, make the gym available for the school to stock FF&E.
- July 8th, have the school ready for FF&E distribution into the classrooms & Office.
- July 29th, allow the teachers into to school set up their classrooms.
- August 5th, school kickoff event in HS Gym.
- August 12th, first day of school.

Action, Discussion, Information: 3.05 TMSA PCS Future Campus Proposals

Mr. Alden presented Apex's feasibility report.

Summary:

- New campus for 900 students
- Within a 75,000 sq ft building area situated on a 7-12 acre lot.
- No Need for NC Charter School Review Board (CSRB) approval due to its proximity to existing campuses.
- A 6,000-student waitlist at Apex and Cary K-8 campuses
- Strengthens the TMSA Apex High School feeder system
 - Looking at feasibility report Apex applications are more than Cary.
 - Charlotte's feasibility report has different outcomes than Cary/Apex when you look at the SWOT analysis.
 - Concern was raised by the board that TMSA needs to make sure all schools are performing and that the model works before expanding schools. Charlotte has been neglected and has fall down and the board is responsible for raising all schools to the same level. Some board members want to grow schools and not miss the market, others are concerned with all schools on the same level.
- Charlotte's feasibility report was presented by Mr. Kaplan.
- Data and surveys were done and there are some contingencies.
 - Priorities are the students and their success and their overall well being.
 - The competitors in Charlotte are many.
 - Asking for TES to make investment
- Scenario 3 is the preferred one:
- 3.1. First building K-5 or K-6
- 3.2 Making secondary Schools only middle 7-8 Schools and
- 3.2. Opening a new campus for K-8 with 900 total capacity 9-12

- 3.3. To make it in 2026
- 3.4. New K-12 for 900 students
- 3.5. To open a third school in phase III
- Challenge: To get C school to avoid having a new Charter School application
- All current buildings are owned by TES

Dr. Thomas left the meeting at 9:00 pm.

Motion to make a proposal to move forward with the Charlotte expansion project on the condition that TES buys the land and the project does not move forward without a C letter grade.

Motion by Fahrudin Mekic, second by Dzhovid Dzhuraev.

Final Resolution: Motion Carries

Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

4. First Reading 5 min

Discussion, Information: 4.01 FY 2024-2025 Budgets (First Reading)

Discussion, Information: 4.02 Revised Bylaws

5. New Business Items 40 min

Action: 5.01 Approval of FY 2024 Revised Budgets

Amy presented this item.

- This is the final FY 2024 revised budgets.
- Budgets are here for your review.
- Budget meetings are ongoing throughout the year, paying special attention to
- staffing, actual expenses, changes in DPI Allotments, available grants, and
- changing school needs.
- Payroll expenses were updated on current actuals and projected amounts
- through the end of the fiscal year.

The Superintendent recommends that the TMSA Board approve the revised FY 2024 Budgets as presented.

Motion by Victor Ofori-Boadu, second by Brandon Frederick.

Final Resolution: Motion Carries

Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

Action: 5.02 Appointment of HR Committee Members

- Mr. Nadbitov has agreed to chair the HR committee and Mr. Frederick has declined to chair HR Committee.
- An official signature document can be made and prepared by the Central office.
- Committee Members: Wake Mr. Nadbitov and Mr. Tuncer, Guilford: Mr. Frederick

Action: 5.03 Approval of TMSA Charlotte Door Access Control, Visitor Management System & Security Cameras

- Safety Grant has given us this money and we are spending it.

The Superintendent recommends that the TMSA Board approve the proposal by Champion Systems Inc. to purchase Door Access Control, Visitor Management System & Security Cameras for TMSA Charlotte Elementary and Secondary Campuses in the total amount of \$100,858.77.

Motion by Victor Ofori-Boadu, second by Brandon Frederick.

Final Resolution: Motion Carries

Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

Action: 5.04 Approval of Waiver Request on Policy O.17

- On Friday, April 12th, during the principal's meeting, principals unanimously agreed to ask for a waiver from the Board to postpone the announcement of non-renewals until after the state tests are completed. Their primary concern was the potential negative impact on overall school culture and, consequently, the test results. The principals shared their belief that delaying the announcement until after the tests would allow the students and teachers to focus fully on the assessments, ultimately contributing to improved outcomes. They would like the new date to be no later than May 24th.
- Board chair brought up that this request should have been brought up at the beginning of the school year. Risk and Compliance Manager manager believes that no policy should be waived or altered. HR requested schools non renewals and justifications.
- Question was asked about 4/30 date and reasoning: Most schools hire in March/April and that date was previously set as a policy.

The TMSA Board denies the waiver request for Policy O.17 as presented.

Motion by Salih Tuncer, second by Victor Ofori-Boadu.

Final Resolution: Motion Carries

Yea: Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli, Dzhovid Dzhuraev

Not Present at Vote: Terrence Thomas

6. Consent Items 1 min

Action (Consent): 6.01 FF&E-Approval of Triangle Cary Smart Lab Project

Question was asked about the FF&E Loan. It was approved last month and the loan was given. RFP's were posted.

Resolution: The Superintendent recommends that the TMSA Board approve the Consent Agenda Items 6.01-6.13.

The Superintendent recommends that the TMSA Board approve the Consent Agenda Items 6.01-6.13.

Motion by Victor Ofori-Boadu, second by Dzhovid Dzhuraev.

Final Resolution: Motion Carries

Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

Action (Consent): 6.02 Approval of Triangle HS LAPTOPS FOR STAFF

Resolution: The Superintendent recommends that the TMSA Board approve the purchasing of the Laptops from Y&S Technologies (Lenovo Notebook ThinkPad L15 Gen 4 Intel) for Triangle HS in the total amount of \$67,353.00.

The Superintendent recommends that the TMSA Board approve the Consent Agenda Items 6.01-6.13.

Motion by Victor Ofori-Boadu, second by Dzhovid Dzhuraev.

Final Resolution: Motion Carries

Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

Action (Consent): 6.03 Approval of Triangle HS Voice Over IP Phone System

Resolution: The Superintendent recommends that the TMSA Board approve the purchasing of the Voice Over IP Phone System from Raycomm Inc. for TMSA Triangle HS in the total amount of \$20,993.12.

The Superintendent recommends that the TMSA Board approve the Consent Agenda Items 6.01-6.13.

Motion by Victor Ofori-Boadu, second by Dzhovid Dzhuraev.

Final Resolution: Motion Carries

Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

Action (Consent): 6.04 Approval of Triangle HS Interactive Flat Panels for Classrooms

Resolution: The Superintendent recommends that the TMSA Board approve the purchasing of the Interactive Touch Panel from Ricoh (Newline 75" Interactive Board) for TMSA Triangle HS in the total amount of \$148,831.90.

The Superintendent recommends that the TMSA Board approve the Consent Agenda Items 6.01-6.13.

Motion by Victor Ofori-Boadu, second by Dzhovid Dzhuraev.

Final Resolution: Motion Carries

Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

Action (Consent): 6.05 Approval of Triangle HS Computer Lab Desktops

Resolution: The Superintendent recommends that the TMSA Board approve the purchasing of the All-In-One from Y&S Technologies (Lenovo Desktop TC M90a Gen3 Intel) in the amount of \$33,429.83.

The Superintendent recommends that the TMSA Board approve the Consent Agenda Items 6.01-6.13.

Motion by Victor Ofori-Boadu, second by Dzhovid Dzhuraev.

Final Resolution: Motion Carries

Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

Action (Consent): 6.06 Approval of Triangle HS CHROMEBOOK DEVICES

Resolution: The Superintendent recommends that the TMSA Board approves the proposal by Y&S Technologies (Lenovo 300e) for purchasing 700 Chromebooks for TMSA Triangle HS in the total amount of \$231,215.99.

The Superintendent recommends that the TMSA Board approve the Consent Agenda Items 6.01-6.13.

Motion by Victor Ofori-Boadu, second by Dzhovid Dzhuraev.

Final Resolution: Motion Carries

Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

Action (Consent): 6.07 Approval of TMSA Apex Laptops for Staff

Resolution: The Superintendent recommends that the TMSA Board approve the purchasing of the Laptops from Dell (Dell Latitude 5540 13th Gen Intel® Core™ i7-1365U vPro® (12 MB cache, 10 cores, 12 threads, up to 5.2 GHz Turbo)) for TMSA Apex in the total amount of \$36,545.44.

The Superintendent recommends that the TMSA Board approve the Consent Agenda Items 6.01-6.13.

Motion by Victor Ofori-Boadu, second by Dzhovid Dzhuraev.

Final Resolution: Motion Carries

Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

Action (Consent): 6.08 Approval of Triangle HS IMAC PURCHASE

Resolution: The Superintendent recommends that the TMSA Board approve the purchasing of the iMac from Apple Inc. Education (24-inch iMac with Retina 4.5K display: Apple M3 chip with 8-core CPU and 10-core GPU, 512GB SSD - Blue) for TMSA Triangle HS in the total amount of \$55,276.65.

The Superintendent recommends that the TMSA Board approve the Consent Agenda Items 6.01-6.13.

Motion by Victor Ofori-Boadu, second by Dzhovid Dzhuraev.

Final Resolution: Motion Carries

Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

Action (Consent): 6.09 Approval of Triangle HS E-Rate Grant Equipment

Resolution: The Superintendent recommends that the TMSA Board approve the proposal for Switches (w/ license), Wi Fi Access, with E-rate Grant Application from Encore in the total amount of \$182,176.59 including tax.

The Superintendent recommends that the TMSA Board approve the Consent Agenda Items 6.01-6.13.

Motion by Victor Ofori-Boadu, second by Dzhovid Dzhuraev.

Final Resolution: Motion Carries

Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

Action (Consent): 6.10 Approval of FY 2024 Audit Engagement Letter

Resolution: The Superintendent recommends that the TMSA Board approve the FY 2024 Audit Engagement Letter as presented.

The Superintendent recommends that the TMSA Board approve the Consent Agenda Items 6.01-6.13.

Motion by Victor Ofori-Boadu, second by Dzhovid Dzhuraev.

Final Resolution: Motion Carries

Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

Action (Consent): 6.11 Approval of TMSA Triad Elementary K-3 Summer Reading Program

Resolution: The Superintendent recommends that the TMSA Board approve the Triad Elementary K-3 Summer Reading Program for the 23-24 academic year not to exceed \$26,880.00.

The Superintendent recommends that the TMSA Board approve the Consent Agenda Items 6.01-6.13.

Motion by Victor Ofori-Boadu, second by Dzhovid Dzhuraev.

Final Resolution: Motion Carries

Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

Action (Consent): 6.12 Approval of TMSA Triad Elementary Rising Kindergarten Program

Resolution: The Superintendent recommends that the TMSA Board approve the Rising Kindergarten Program for the 23-24 academic year not to exceed \$16,000.00.

The Superintendent recommends that the TMSA Board approve the Consent Agenda Items 6.01-6.13.

Motion by Victor Ofori-Boadu, second by Dzhovid Dzhuraev.

Final Resolution: Motion Carries

Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

Action (Consent): 6.13 Approval of Participation of the International Science Technology Engineering Competition

Resolution: The Superintendent recommends that the TMSA Board approve the proposal by Qatar Airlines for the participation in the International Science Technology Engineering Competition in the total amount of \$8,975.20.

The Superintendent recommends that the TMSA Board approve the Consent Agenda Items 6.01-6.13.

Motion by Victor Ofori-Boadu, second by Dzhovid Dzhuraev.

Final Resolution: Motion Carries

Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

8. Adjournment 1 min

Action: 8.01 Adjournment

Having completed the agenda, TMSA Board President Mrs. Cayli declares the meeting adjourned at 9:33 pm.

Motion by Dzhovid Dzhuraev, second by Victor Ofori-Boadu.

Final Resolution: Motion Carries

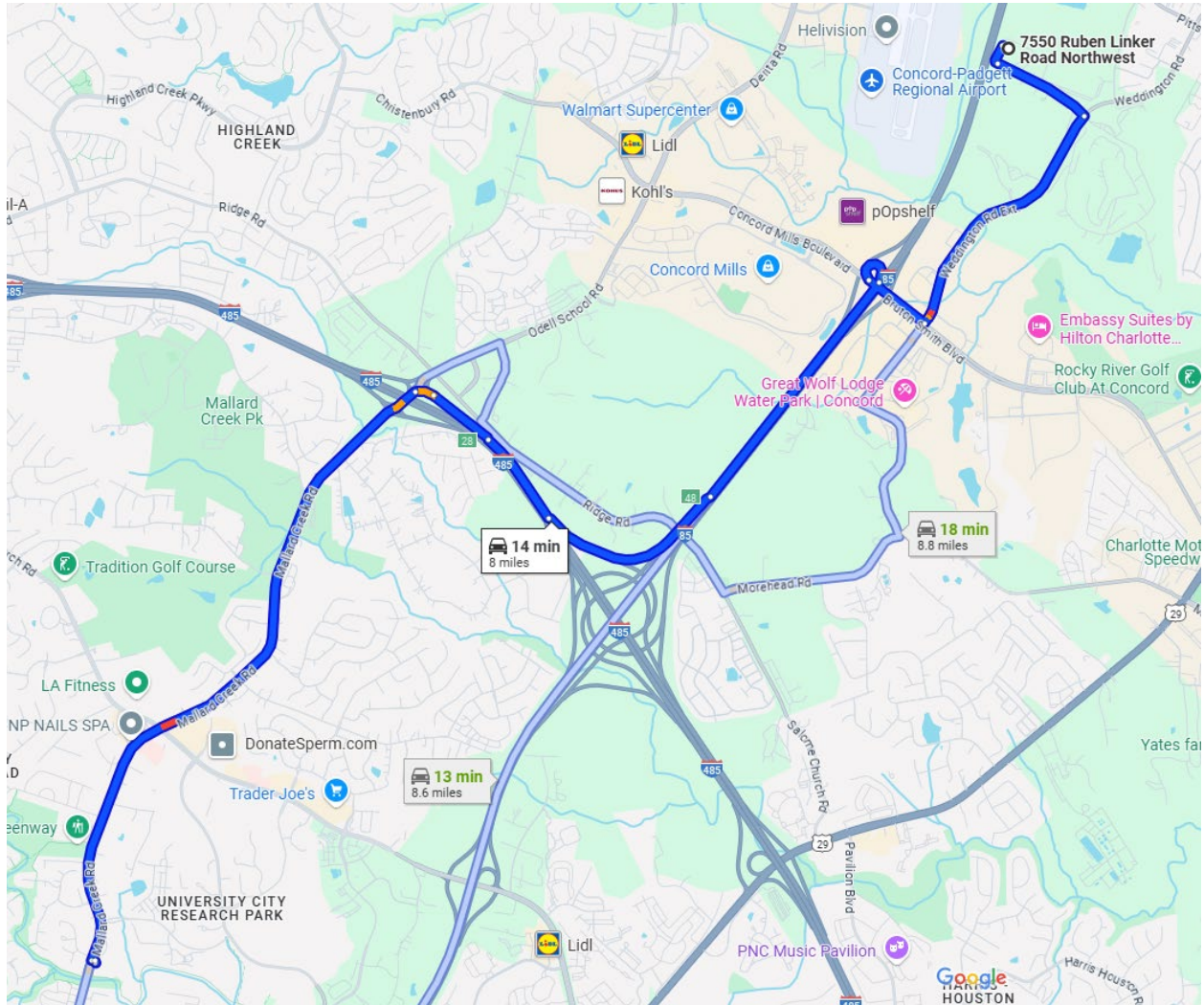
Yea: Dzhovid Dzhuraev, Victor Ofori-Boadu, Fahrudin Mekic, Mir Nugmanov, Salih Tuncer, Brandon Frederick

Abstain: Marwa Cayli

Not Present at Vote: Terrence Thomas

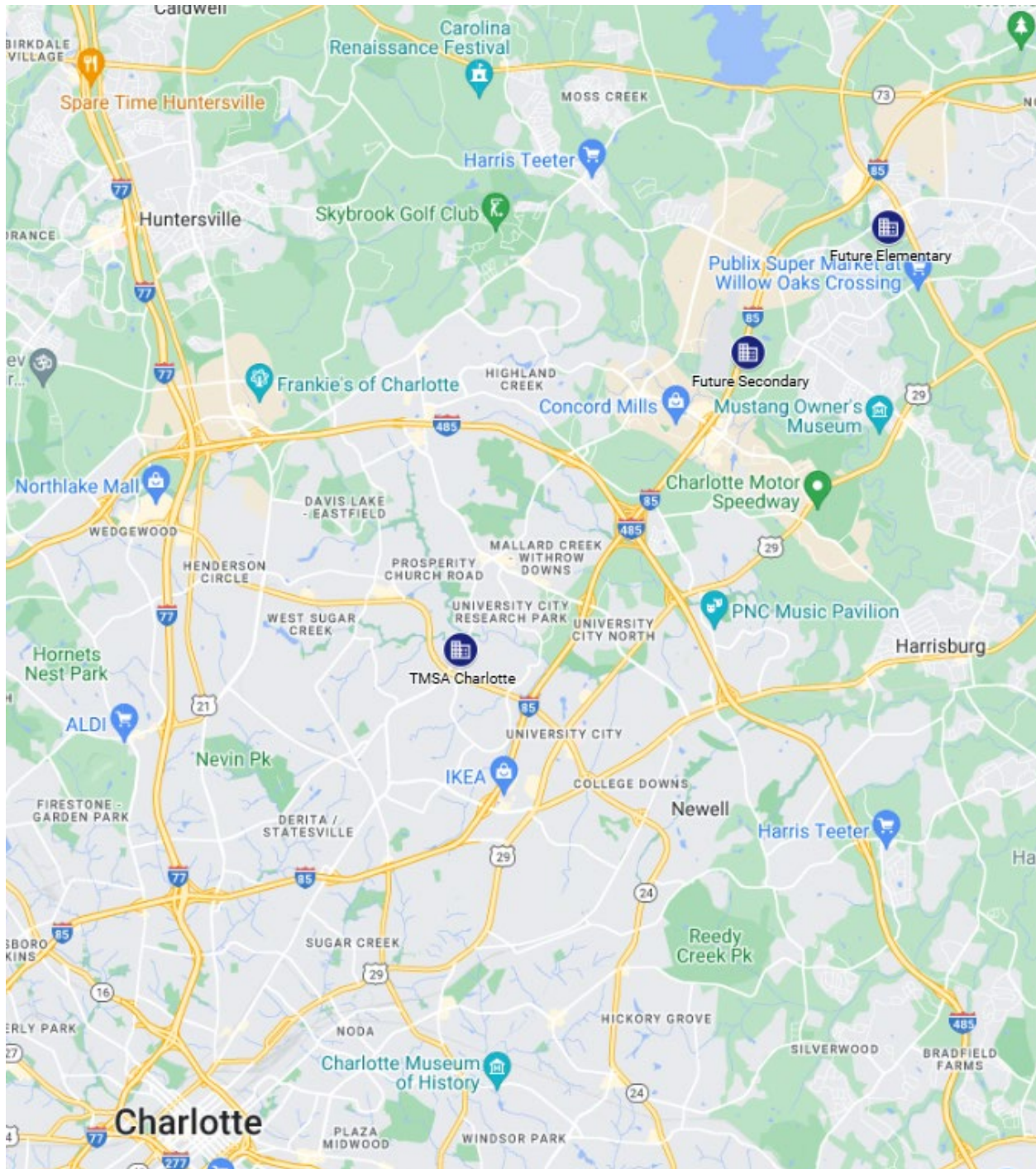
Campus Locations and Current Student Distribution Maps

1. The distance between the existing secondary campus and the proposed secondary campus is 8 miles. The existing campus is located in Mecklenburg County, while the proposed campus is in Cabarrus County.



Map 1: 9108 Mallard Creek Rd (Current Campus) and 7550 Ruben Linker Rd.

2. The map below illustrates the locations of the three campuses after relocating TMSA Charlotte Secondary to the new building and adding a second elementary campus. TMSA Charlotte Elementary will remain at its original location.

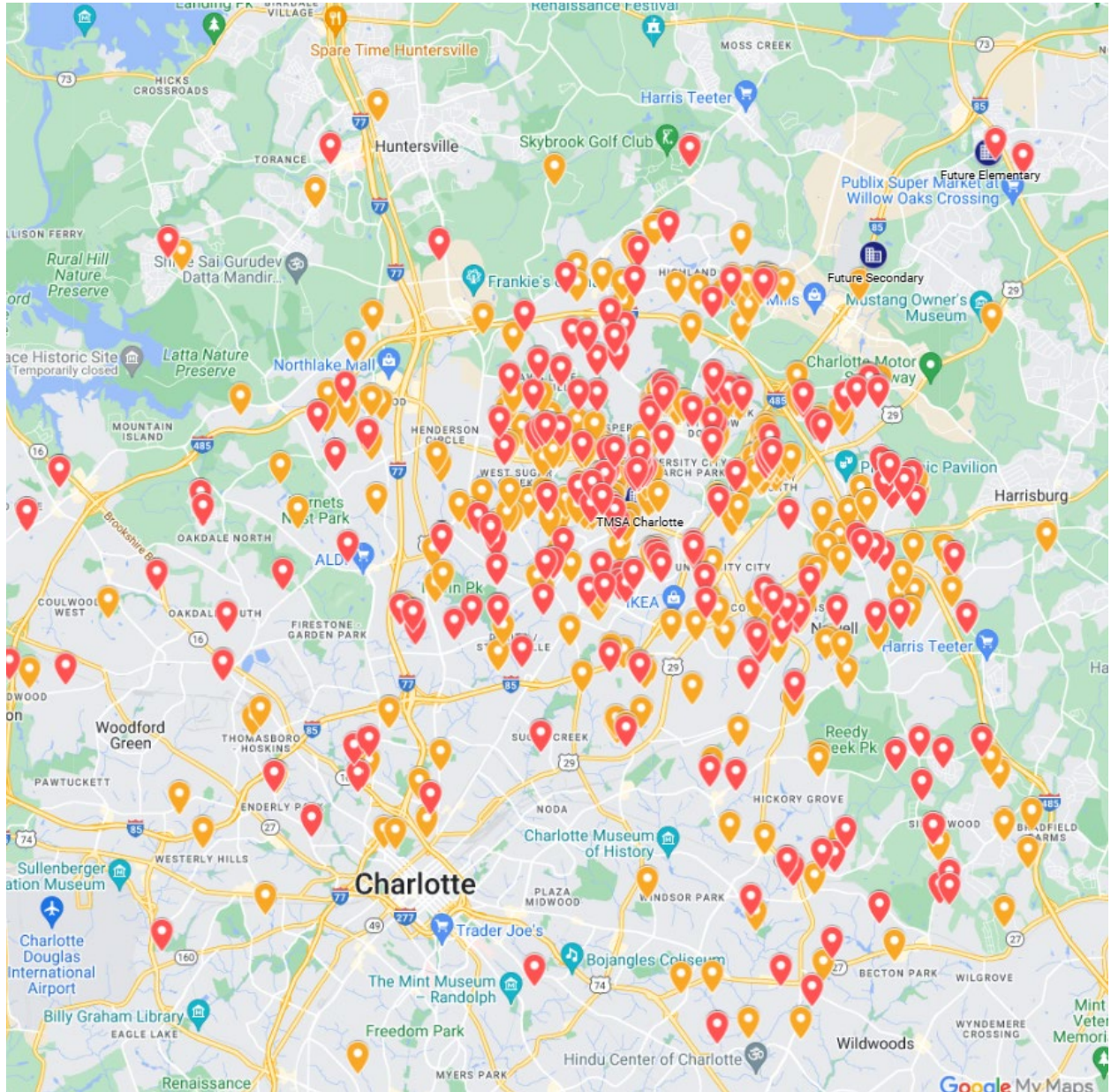


Map 2: Location of the 3 campuses after the relocation of TMSA Secondary and Elementary Expansion

-

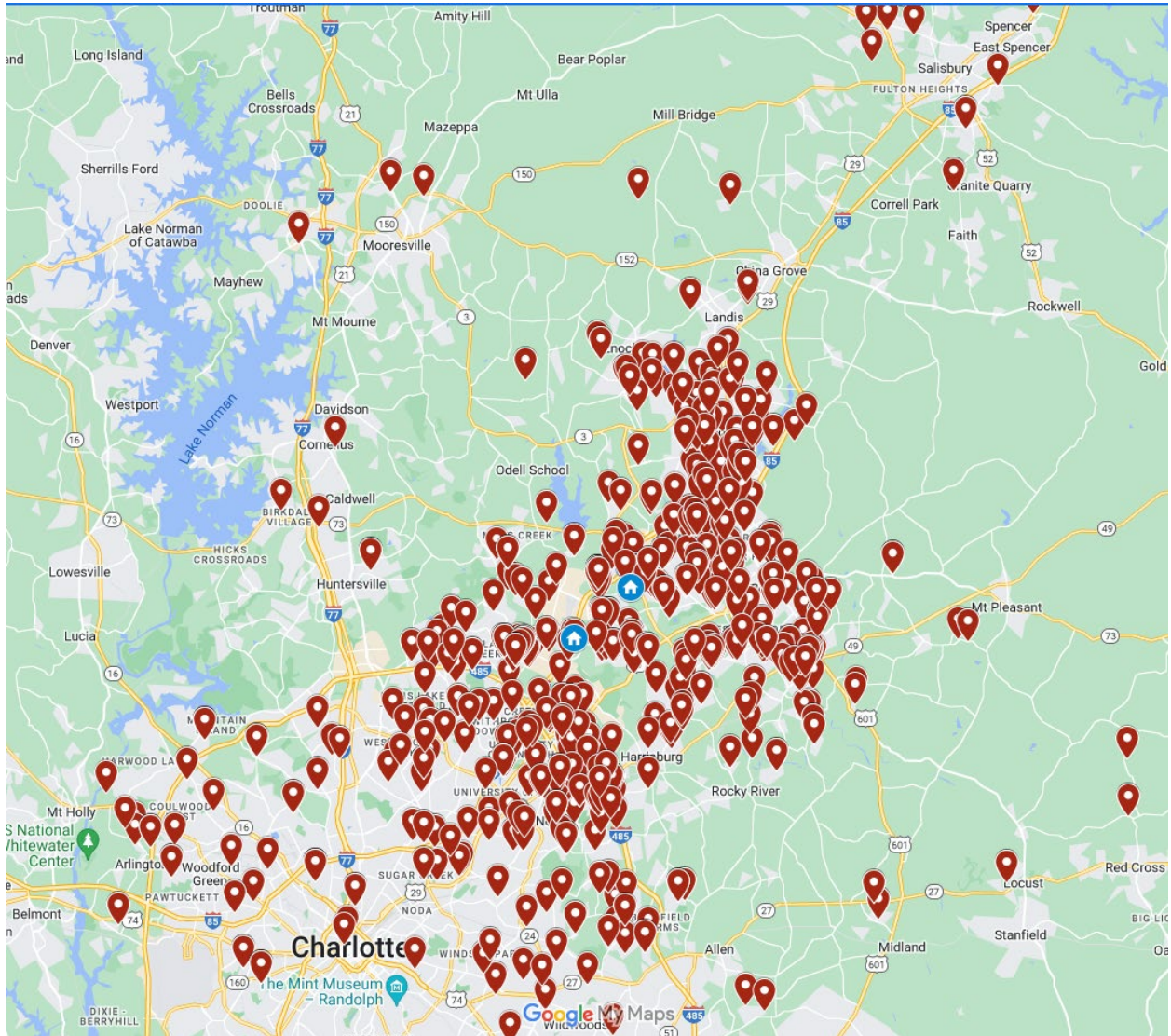
Map 3: Existing TMSA Charlotte Secondary Students

4. All 760 TMSA students (Elementary and Secondary) are shown in the map below. Of these, 518 elementary students (indicated in orange) will not be affected at all by the relocation.



Map 4: Location of the 3 campuses after the relocation of TMSA Secondary and Elementary Expansion

5. Both proposed campuses are located in Cabarrus County and are 4.2 miles apart. Over 700 students currently commute to these buildings from a 15-20 mile radius, which overlaps with the existing TMSA population areas (see Map 4).



Map 5: Heat Map for the current students of the future campuses

Conclusion:

New Buildings			TMSA Charlotte		
Elementary Campus	Kinder	74	353	93	518
	1st	77		88	
	2nd	45		99	
	3rd	60		90	
	4th	49		81	
	5th	48		67	
Secondary Campus	6th	46	348	58	244
	7th	69		52	
	8th	63		51	
	9th	57		39	
	10th	50		25	
	11th	34		10	
	12th	29		9	
Total			701		762

TMSA Charlotte is projected to serve approximately 1,463 existing students from the current four campuses, including the TMSA Secondary Campus, which will be phased out next year if this proposal is approved. Among these students, 244 (highlighted in blue) may be impacted by the relocation. Based on the heat map, 20-25% of these 244 students, approximately 50-60 students, appear to live beyond a convenient car-ride distance. However, as illustrated in Map 3, the majority of these students will still have access to the current bus routes serving the future campuses.

Overall, only 3-5% of the total student body will experience an impact due to this relocation. All grade levels highlighted in green, representing a total of 1,219 students, will remain at their current locations.

Feasibility Report on TMSA Charlotte's Next Chapter Cabarrus Campus & High School Relocation Project



April 2024

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Executive Summary

The feasibility study for the TMSA Charlotte’s next chapter involves evaluating the current state of Charlotte Elementary and Secondary School. The study aims to address existing limitations, enhance educational quality, and meet future community and student needs.

Key Findings

Commute Distance for K-5 Students: Commute distance for elementary students is critical, with most living within a 5-mile radius of the school. This geographic consideration significantly impacts school accessibility and family choices.

Infeasibility of K-5 Relocation: Relocation of the existing K-5 facility is deemed infeasible due to its critical role in the community and logistical challenges that could disrupt the current student body's stability.

Secondary School Building Insufficiencies: The building housing the secondary school is inadequate, particularly for a STEAM-focused curriculum. Its limitations include inadequate space for required electives and AP classes and a capacity far below optimal levels for high school operations.

New Enrollment Cap: In accordance with the North Carolina Department of Public Instruction (NCDPI) enrollment regulations, charter schools have the opportunity to expand to new locations under certain conditions based on the [new legislation](#). Unlike the standard requirement of maintaining a distance of at least five miles between charter school locations, a charter school with a C school status and no enrollment cap may open a new location without adhering to this distance rule. This exception allows for greater flexibility in the expansion of charter schools, enabling them to better meet the educational needs of students in various communities. By providing opportunities for growth without the constraints of geographical limitations, this provision promotes the continued development and accessibility of high-quality educational options across North Carolina.

Proposed Strategy

The optimal strategy involves maintaining both the existing elementary and secondary school buildings. The secondary school would transform into a middle school serving grades 6-8. Simultaneously, a new K-12 campus would be developed, initially enrolling K-8 students and gradually expanding to include high school grades.

Implementation Steps

Land Acquisition: Secure suitable land for the new school in Cabarrus County, where land values are continuously appreciating, presenting a low-risk investment. The chosen land should meet size and community accessibility requirements.

Regain 'C' School Status: Implement quality improvements to regain the 'C' school rating, which is essential for maintaining community trust and support.

Community Engagement: Actively involve the community through discussions and transparent sharing of plans and visions, ensuring alignment with community needs and securing broad support.

Approval and Development: Pursue necessary approvals for relocation of the high school and new constructions. If approvals are granted, proceed with the development of the new campus based on the community's feedback and educational requirements.

Scenario Analysis

[Scenario 3](#) is identified as the preferable option, offering a balanced approach with lower risks compared to complete relocation or partial adjustments. This scenario supports educational continuity and community stability while addressing the infrastructural deficiencies of the current secondary school.

Financial and Risk Considerations

The financial analysis underscores the need for prudent financial management, with considerations for construction costs, potential revenues from increased enrollments, growth grants, and the strategic sale of any surplus property. Risk analysis highlights the dependency on enrollment numbers and suggests strategies for mitigation, including phased expansion and conservative financial planning.

Conclusion

The study recommends proceeding with Scenario 3, which involves enhancing the existing facilities and gradually developing a new K-12 campus. This approach minimizes disruption, leverages existing assets, and provides a scalable framework to address long-term educational and community growth needs. The next steps involve securing land, regaining a favorable school rating, and continuing to engage the community to ensure the project's success aligns with TMSA's strategic educational goals and community expectations.

1. Introduction

This Report has been prepared to evaluate the existing situation in Charlotte Elementary School and Charlotte Secondary School, identifying key challenges with their root cause and also propose options to tackle these challenges. The report aims to provide comprehensive insights to guide decision-making processes, ensuring that the proposed options align with our objectives of enhancing educational quality, addressing current limitations, and meeting the future needs of our students and community.

This Report was initiated by the TMSA Board on Tuesday, February 6, 2024.

1.1. Background information on TMSA Charlotte Elementary and Secondary School.

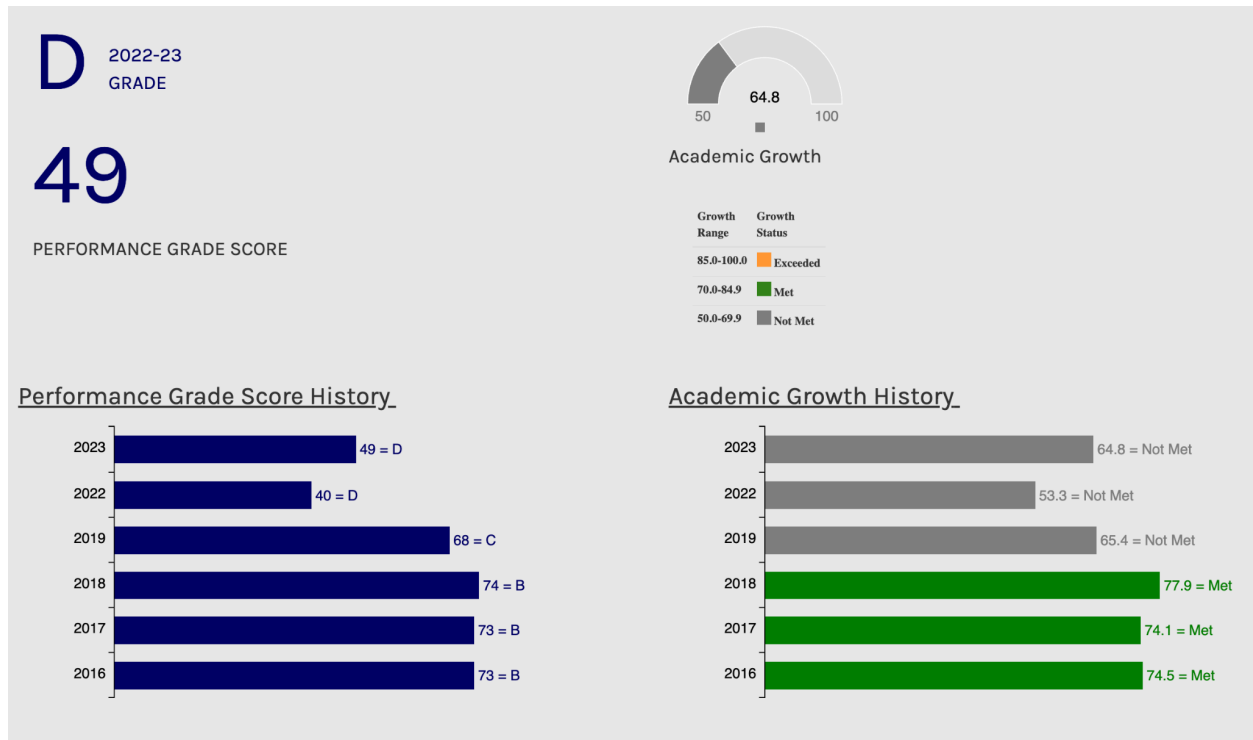
In 2013, three members of the TMSA Board joined with others to incorporate Charlotte Education Foundation, a North Carolina nonprofit corporation, to obtain a charter and operate the Queen City STEM School (QCSS)¹. The QCSS opened in the Fall of 2015 as a charter school serving students in grades K-8.

Right after opening, the school achieved a 'B' rating and maintained this grade for three years. This achievement attracted the attention of the community, and many students applied for enrollment. In 2019, the School requested to amend the Charter to the Department of Public Instruction (DPI) to increase the maximum enrollment number from 489 to 775 in the 2019-2020 School year and 950 in the 2023-2024 School year.

However, during the COVID-19 pandemic, the school's academic achievements declined, resulting in a 'D' rating in 2022, with a score of 40. In 2023, the school began to regain its academic success, improving its score to 49.

Graph: Academic Achievement of TMSA Charlotte 2016-2023

¹ In 2022, Charlotte! Queen City STEM School joined the TMSA as The Math and Science Academy of Charlotte - TMSA Charlotte!



1.3 Applications vs. Enrolments.

The enrollment numbers show a generally upward trend from the 2015-2016 academic year through the 2023-2024 academic year. Here's a closer look at the pattern:

Table: Charlotte Total Enrollment 2015-2025

Year	Period	Total Enrollment During the School Year	Average Daily Member DM -1 (Y.Beginning)	Average Daily Member -9 (Y. End)	ADM -9 (Y. End)
2015-2016	7/1-6/1	377	301	270	(Only K-6)
2016-2017	7/1-6/1	505	355	368	(Only K-7)
2017-2018	7/1-6/1	798	523	489	(Only K-8)
2018-2019	7/1-6/1	605	502	486	K-12
2019-2020	7/1-6/1	1017	702	649	K-12
2020-2021	7/1-6/1	1006	797	752	K-12
2021-2022	7/1-6/1	1192	708	690	K-12
2022-2023	7/1-6/1	1223	801	637	K-12
2023-2024	7/1-6/1	1284	722	661	K-12
2024-2025	7/1-6/1	XXX	722	XXX	K-12

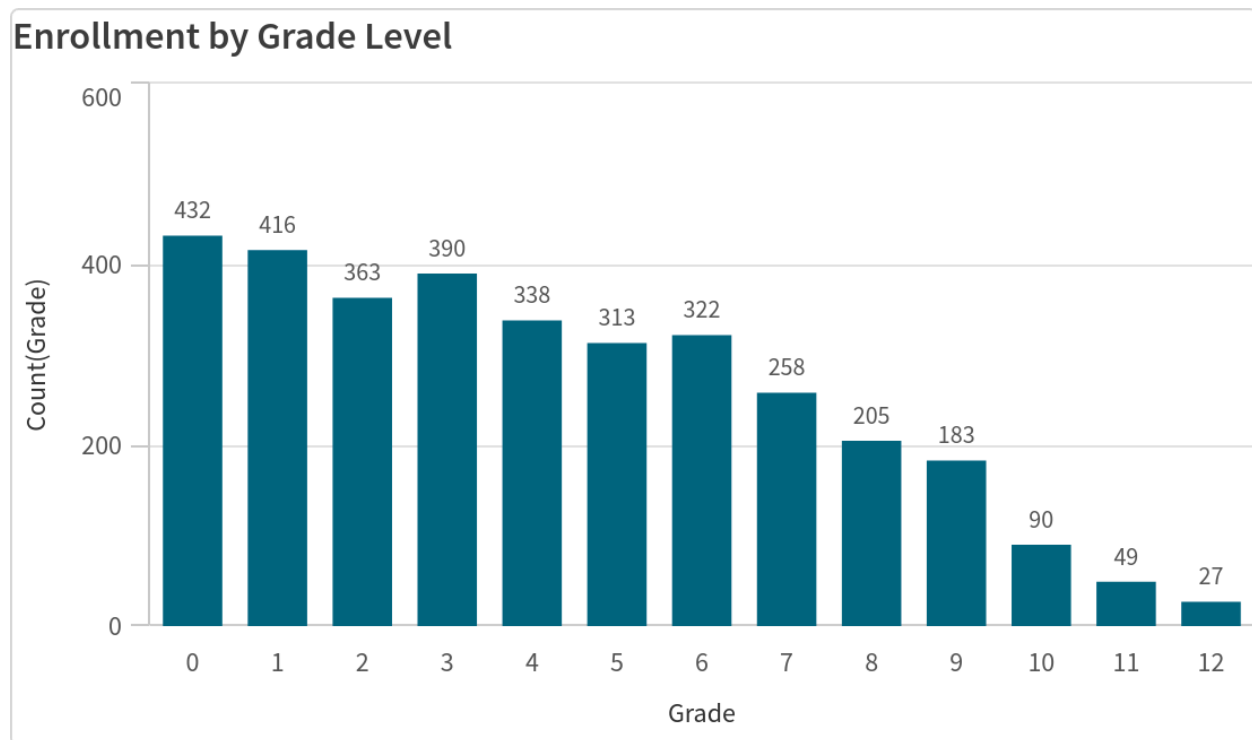
Initial Growth (2015-2018): Starting with 377 students in 2015-2016, there was a significant increase in enrollment over the next three years, peaking at 798 students in 2017-2018. This period shows a robust growth pattern, more than doubling the enrollment numbers in just three years.

Temporary Decline (2018-2019): A noticeable drop occurred in the 2018-2019 academic year, with enrollment decreasing to 605 students. This decline could be attributed to various factors, such as changes in school policies, local demographic shifts, or other external influences.

Rapid Recovery and Growth (2019-2024): Following the temporary decline, there was a sharp increase in enrollment in 2019-2020, reaching 1,017 students. The trend continued upward in the following years, with slight fluctuations but maintaining overall growth, culminating in 1,284 students in 2023-2024.

This trajectory indicates a solid interest in the Charter schools in our neighborhood.

Graph: Charlotte Total Enrollments by Grade Level 2015-2025



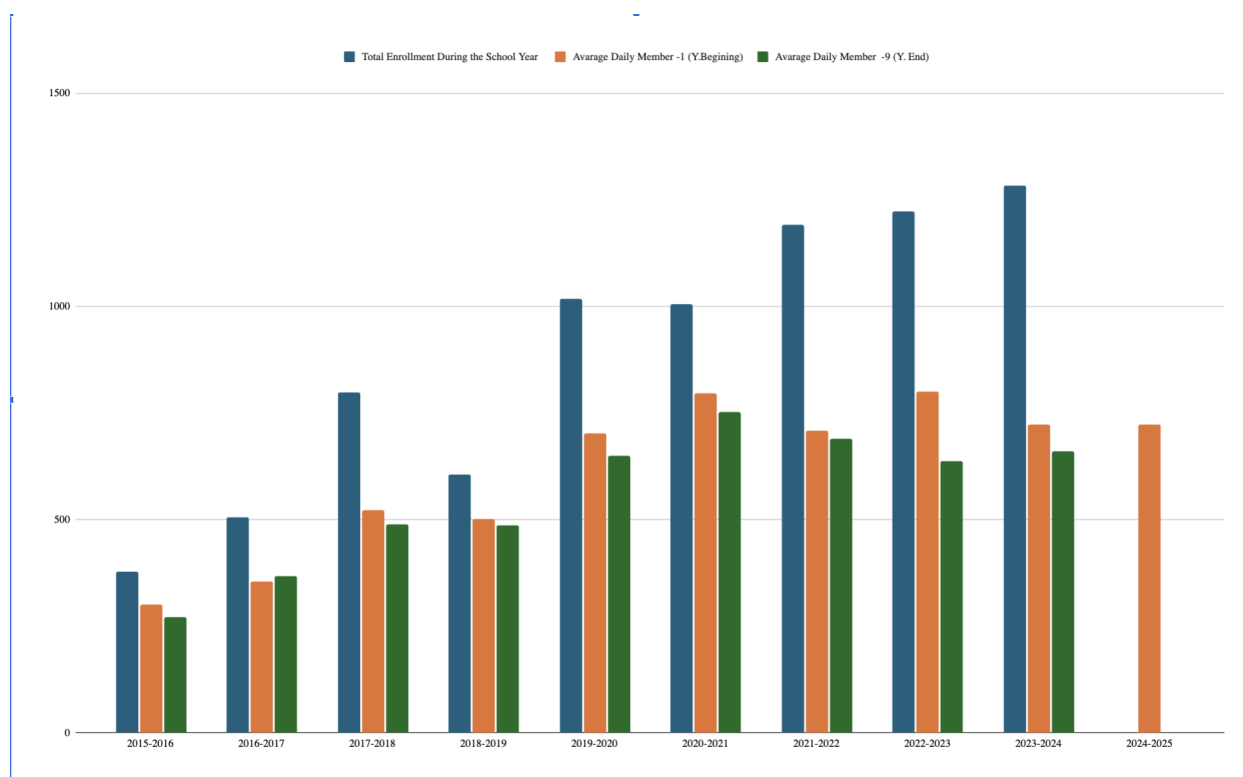
1.4. Retaining the Enrolled Students

The main challenge in Elementary and Secondary Schools 70 % of the students leave after enrollment.

Graph: Enrolment Numbers of TMSA Charlotte 2020-2025

As you can see in the table below, the retaining rate of the students for TMSA Charlotte was around 65% for the three school years 2019-20, 2020-21, and 2021-22. It is evident that facility restrictions and being behind the competition for our competitors, who offer better facilities and amenities within a 5-10 mile radius, have played a significant role in this decline. The lack of adequate facilities and amenities may have influenced families' decisions to explore alternative educational options, resulting in decreased student retention rates. Therefore, addressing these facility limitations and enhancing our offerings will be crucial in improving student retention and ensuring the long-term success and sustainability of TMSA Charlotte.

Table: Retaining Percentage of Existing Students



<https://qcs.powerschool.com/admin/DSM/EnrollmentSearch/home.html>

These numbers show that the school does not have an enrolment problem. The problem is to retain enrolled students.

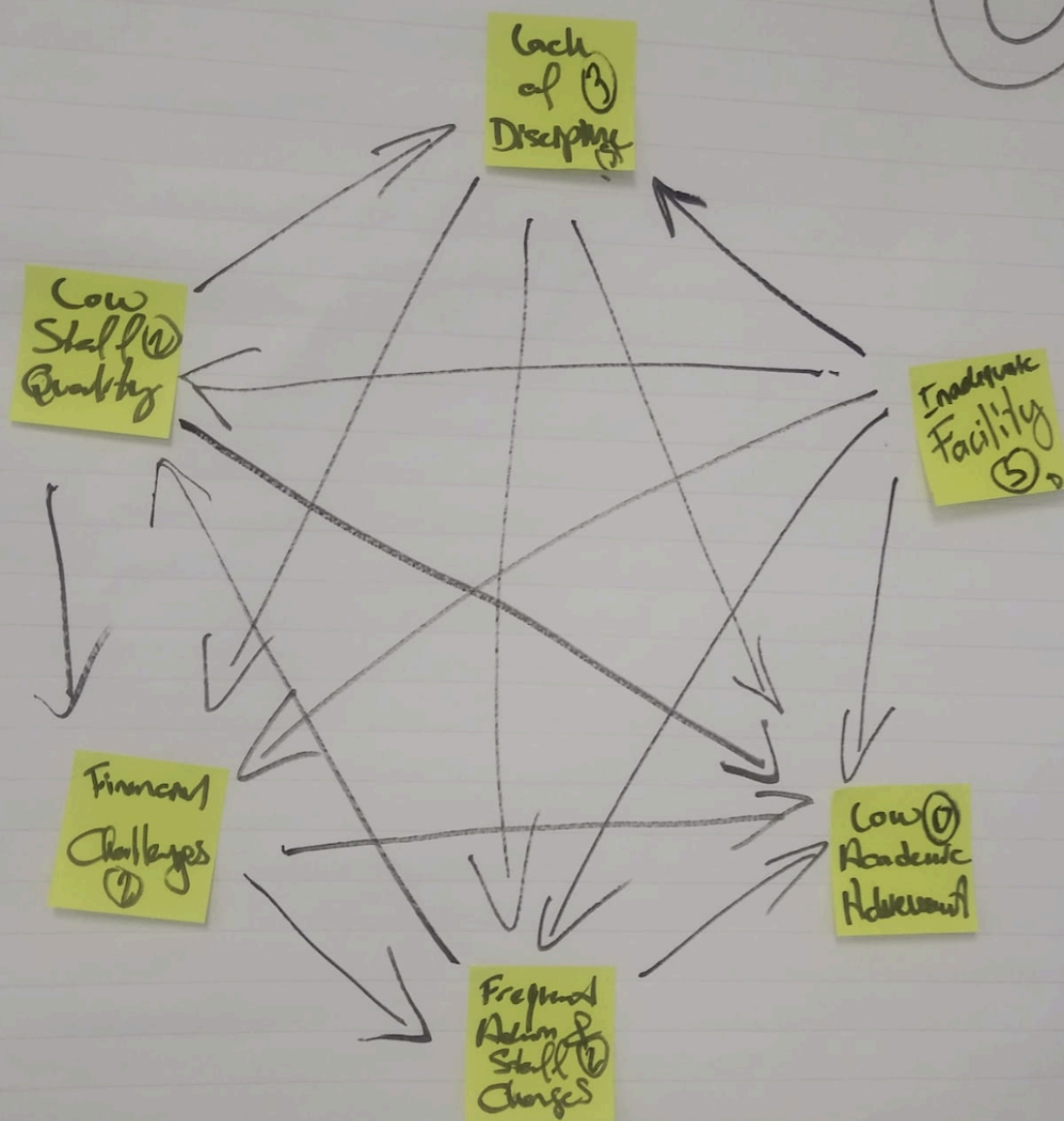
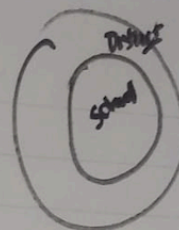
Reviewing the staff turnover and student retention rates during the same periods reveals a notable trend: a significant number of teachers left during the 2020-2021 and 2022-2023 school years, which corresponded with the lowest student retention rates.

The data indicates that attracting new applications isn't the issue; rather, the challenge lies in enrolling and retaining students. Therefore, our strategic focus should be on maintaining the administrative team, keeping teachers, and re-engaging students to improve overall retention.

Here, we need to find the root causes of the low retention rate despite the high level of enrollments or applications. On the following pages, we will explore three components: administration, teachers, facilities, and competition from other charter schools.

1.5. Search for the Root Cause of the Problem

Not Retaining ^{CLT} Students



1.5.1 Administration:

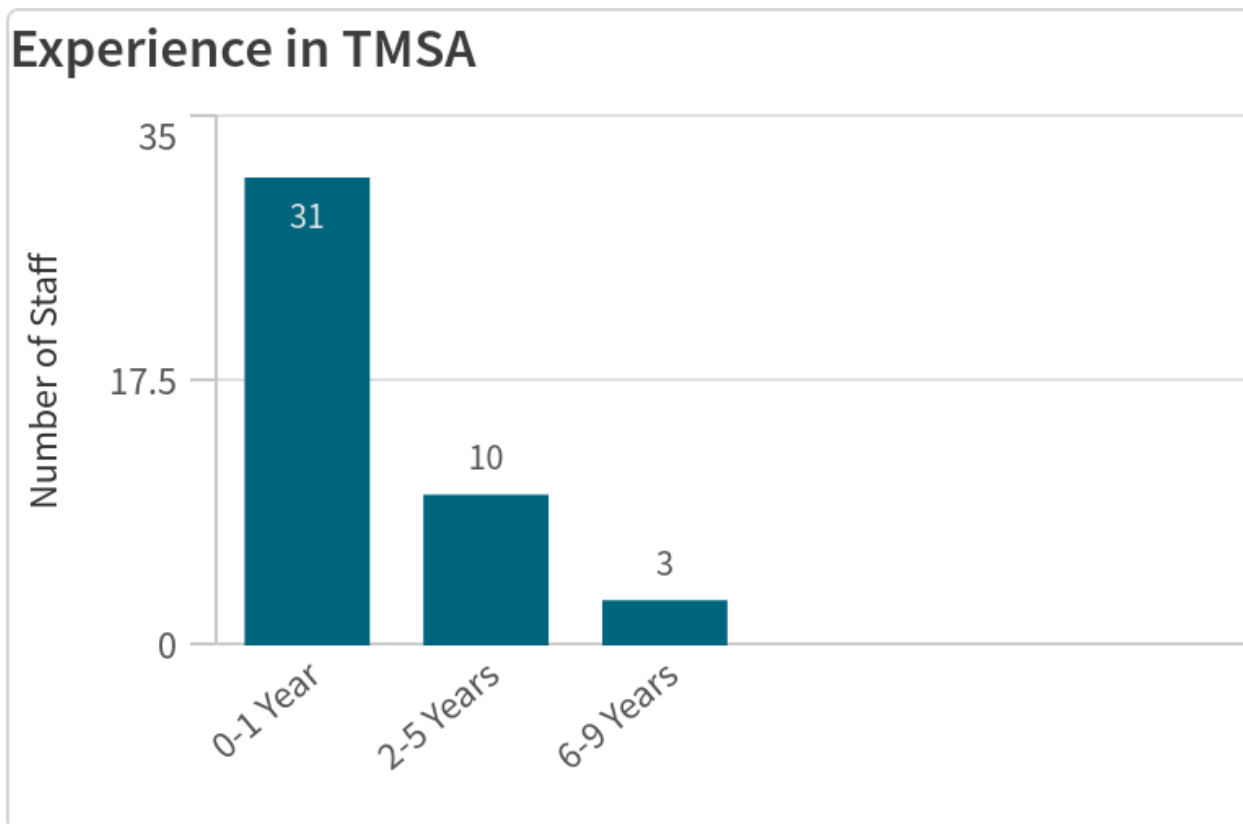
1.5.2. Teaching Staff

This data suggests a potential correlation between teacher departures and student attrition, indicating that student departures may be influenced by their teachers leaving.

Table: Number of Staff Leaving the TMSA Charlotte 2019-2024

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Number of Leaving Staff	18	13	43	49	11

Graph: Experience of Staff in Charlotte Elementary



As you can see in the graph above, 31 out of 44 staff members in Charlotte have only 0-1 years of experience in TMSA. Only 29 % of the teachers have been working for TMSA Charlotte Elementary.

1.5.3. Facilities

1.5.2.1. Elementary School Campus

The elementary campus is located at 8701 Mallard Creek Rd, Charlotte, NC. This building previously housed The Ben Craig Center, an incubator on the University of North Carolina campus. It was constructed in 1990 as a two-story building on 7.28 acres with 48,672 sq ft of space.

Overall, the building is in fair condition for its size, age, past use, and current use. It houses 32 classrooms totaling 20,755 sqft, includes two science labs and one smart lab, Music Room, Art Room, and has an average classroom size of 648 sqft. This setup allows it to accommodate up to 800 students, indicating a well-utilized space designed to support various educational activities.

It has enough parking space for staff and students, and also a playground in the backyard.

TMSA Elementary School Building at 8701 Mallard Creek Rd Charlotte NC





1.5.2.2. Limitations of Elementary School Building

"Drop-off and Pick-up Lanes:

The elementary school building, not originally designed as a school, complicates the drop-off and pick-up processes, requiring a significant amount of time. Some parents arrive up to 2 hours before the designated pick-up time.

Lack of Auditorium:

The absence of an auditorium poses additional challenges. Currently, the school uses a space combined of two classrooms. To organize a meeting with parents, staff must transport many chairs back and forth to set up the meeting space and then rearrange it back into a gym. This situation discourages the school administration from organizing frequent meetings with parents, which significantly affects the parent-school relationship."

2.2. Secondary School Campus

TMSA Charlotte Secondary School Campus is located In 2019, 9108 Mallard Creek Rd. Charlotte, NC 28262. It was purchased in June 2019 by issuing 2019 A and 2019B Bonds. The campus has two buildings containing classrooms, office space, and a gymnasium at the address. The total land of the campus is 4.98 acre.

The school building, constructed in 1989, is a two-story structure with a total usable area of 9,212 sqft. A second building, completed in 1994, serves as a one-story gym with a usable area of 21,792 sqft. In this school, we are able to accommodate 12 classrooms (8

middle, and eight high school class sections), and six shared classrooms (music, robotics, EC, computer Spanish, art room) with a maximum capacity of 375 students.

This building served for a long time as a Montessori School under the Brand Name of COUNTRYSIDE MONTESSORI SCHOOL.

9108 Mallard Creek Rd. Charlotte, NC 28262



Limitations of the Secondary School Building

The maximum capacity of the secondary school is 200 for middle school and about 175 for high school. The optimum number of students for running a high school with a STEAM (Science, Technology, Engineering, Arts, and Mathematics) program efficiently can vary widely depending on multiple factors such as the goals of the program, available resources, faculty expertise, facilities, and the desired student-to-teacher ratio.

The enrollment capacity for high school students is restricted due to limitations in our current building capacity. Within the high school program, it is imperative to provide a diverse range of elective classes, including Advanced Placement (AP) and Honors courses, in addition to standard curriculum offerings.

Very small classes will not ensure the cost of the teaching staff is covered. The average student number of High Schools in the US is Between 600-1200.

A STEAM program, which is a crucial part of the TMSA Model, often requires specialized resources, including laboratories, technology, and equipment. The number of students should align with the capacity to provide these resources without compromising quality.

Faculty Expertise: The availability of teachers with specialized knowledge in STEAM fields is crucial. The optimum number of students should ensure manageable class sizes that allow for personalized instruction and hands-on learning experiences, which are key components of effective STEAM education.

Student-to-Teacher Ratio is also an essential element in STEAM-oriented programs: A lower ratio is preferable for STEAM education to facilitate hands-on experiments, project-based learning, and individualized support. Ratios around 15:1 to 20:1 are often cited as beneficial for such interactive learning environments.

Extracurricular and Specialized Programs: If the school aims to offer extracurricular STEAM activities (e.g., robotics clubs, science fairs), the optimum size should also consider the capacity to support these activities alongside the formal curriculum.

Given these factors, a high school with a STEAM program might operate efficiently with anywhere from several hundred to over a thousand students, depending on how well it can balance these considerations.

The school invested approximately \$2.2 million to transform the daycare center into a middle and high school facility. However, despite being converted, the building still has limitations that challenge our program's offerings. As such, it functions as a temporary facility during the transitional phase for our expanding Charter School.

Regarding the growing enrollment for the HS is not promising.

According to student data, from 2015, we enrolled in total of 3386 students. In the graph below, you see the breakdown of the students in classes. The distribution for these students is 67% in elementary school, 23% in middle school, and 10% in high school.

Table: Enrollment by School

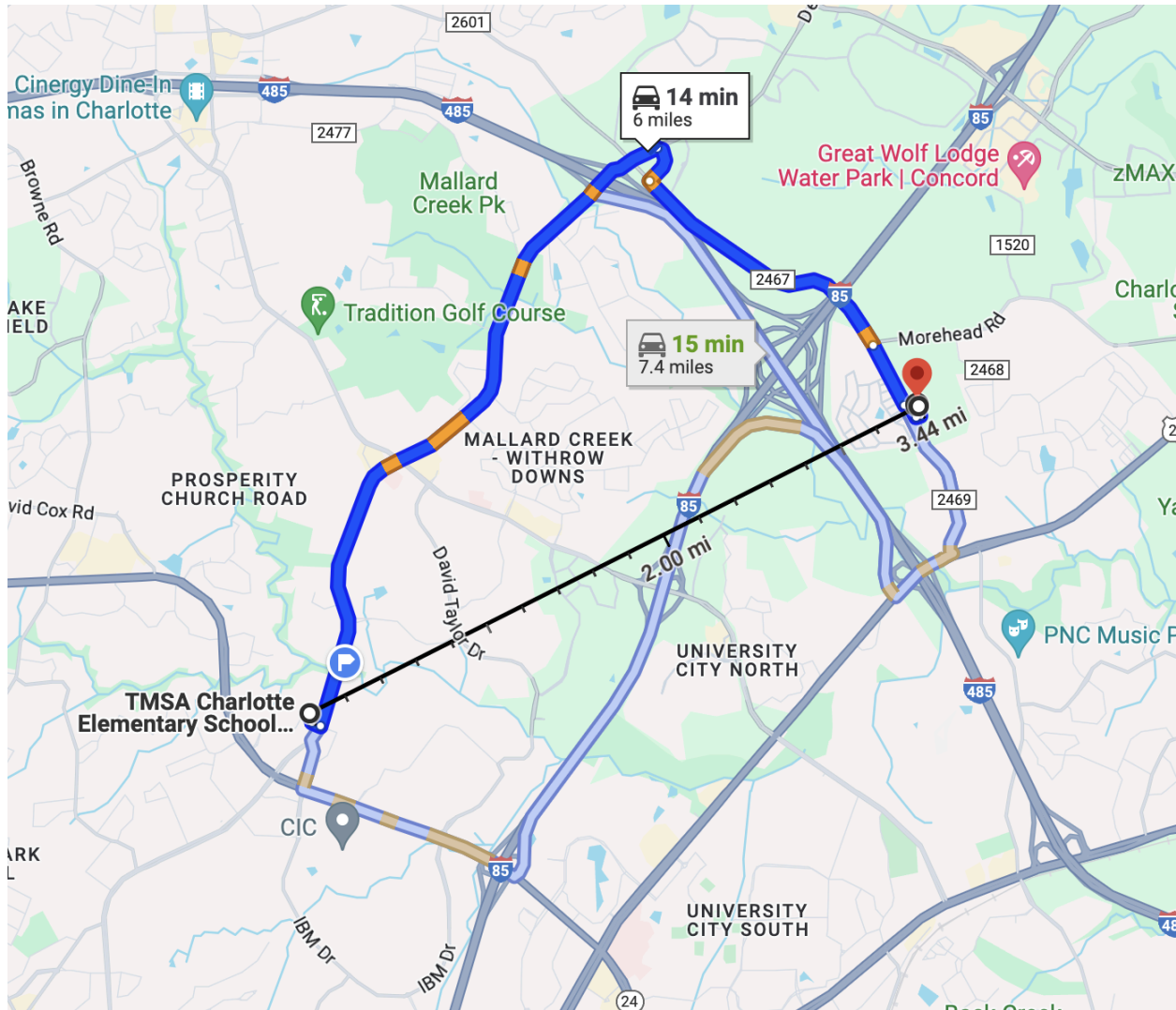
Enrollment by Schools	Total	In Percentage	
Elementary School	2,252	67%	
Middle School	785	23%	
High School	349	10%	

As you can see in the table above, since 2015 we have enrolled only 349 HS Students.

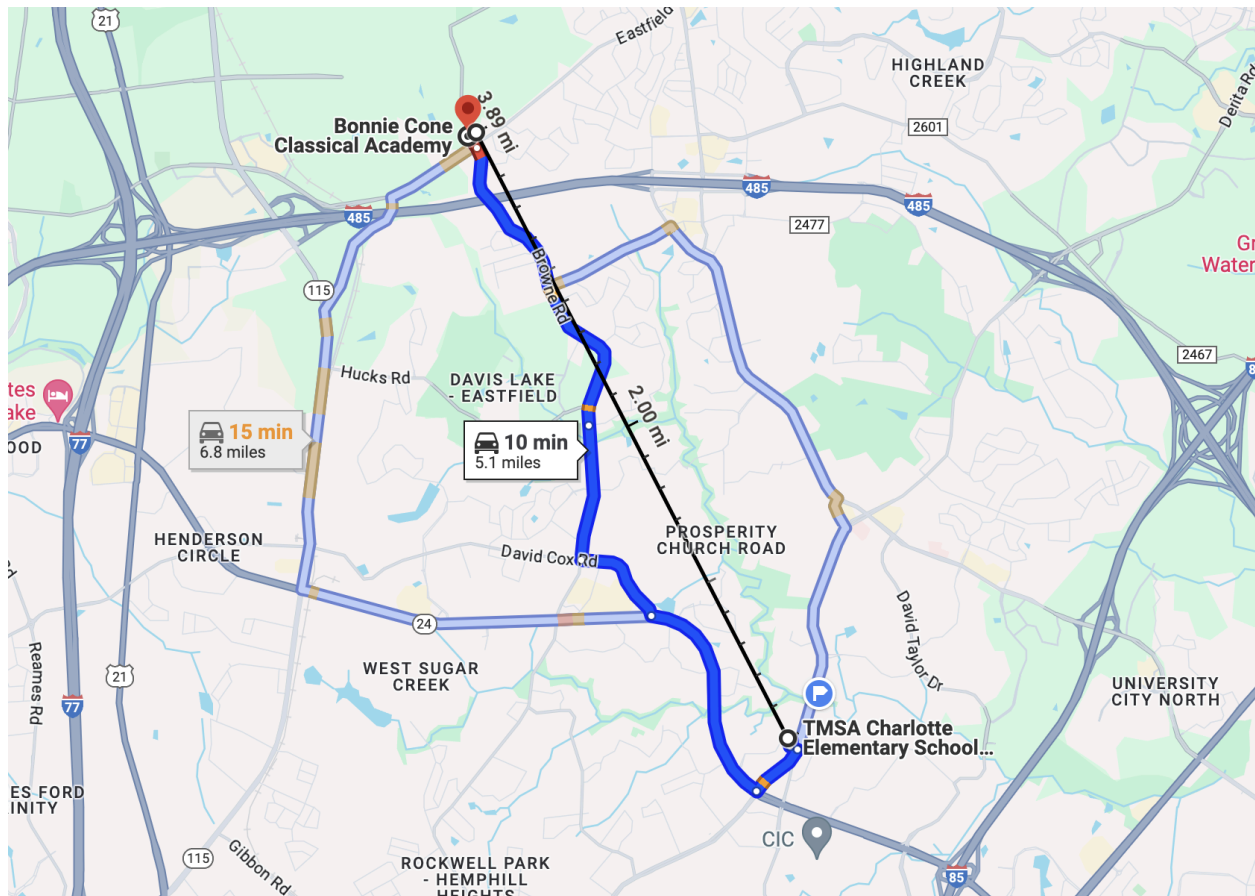
These numbers show us to make HS we need to feed the HS from our own K-8 Schools, which we are now trying to do. In other words, opening an HS in Charlotte was a premature birth without a solid foundation.

1.5.4. Competitions from Other Charter Schools

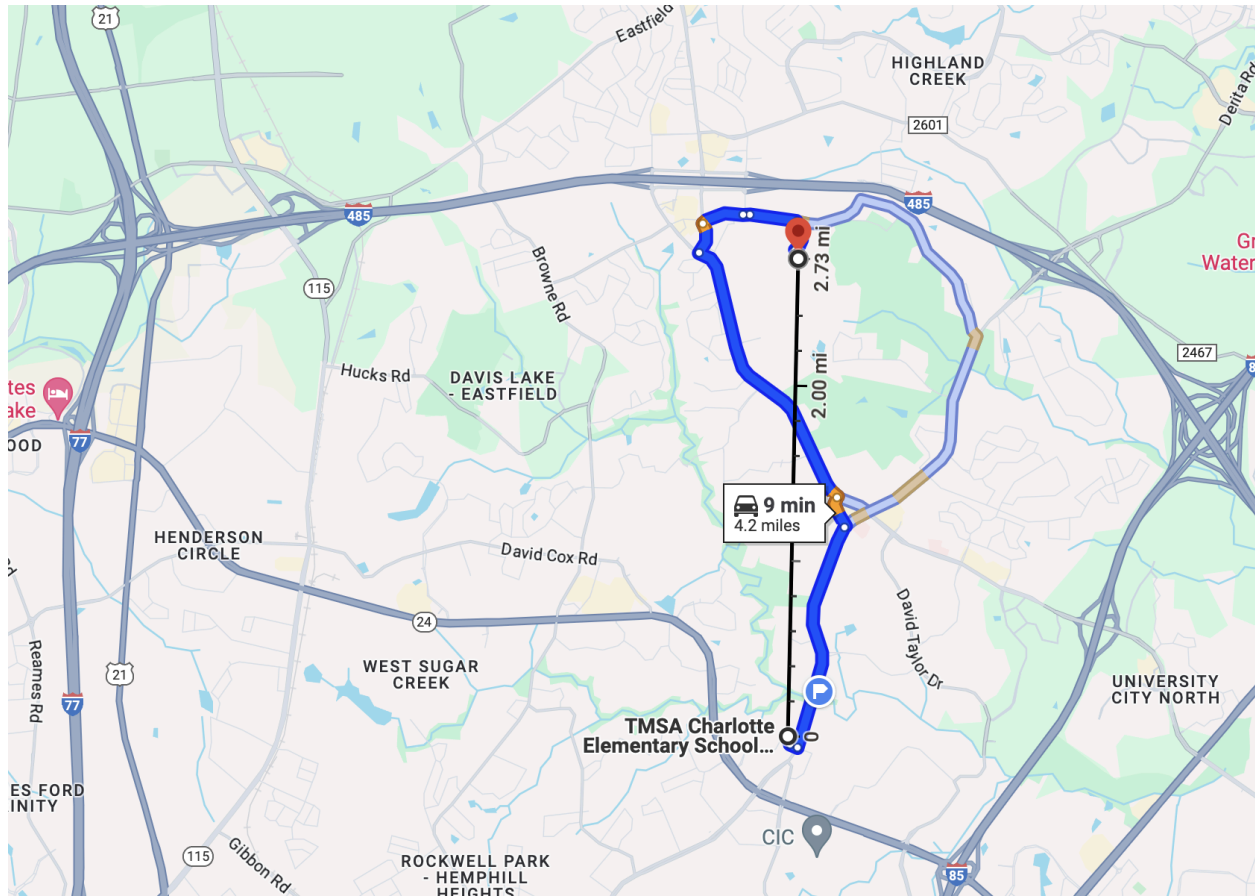
Bradford Prep Academy

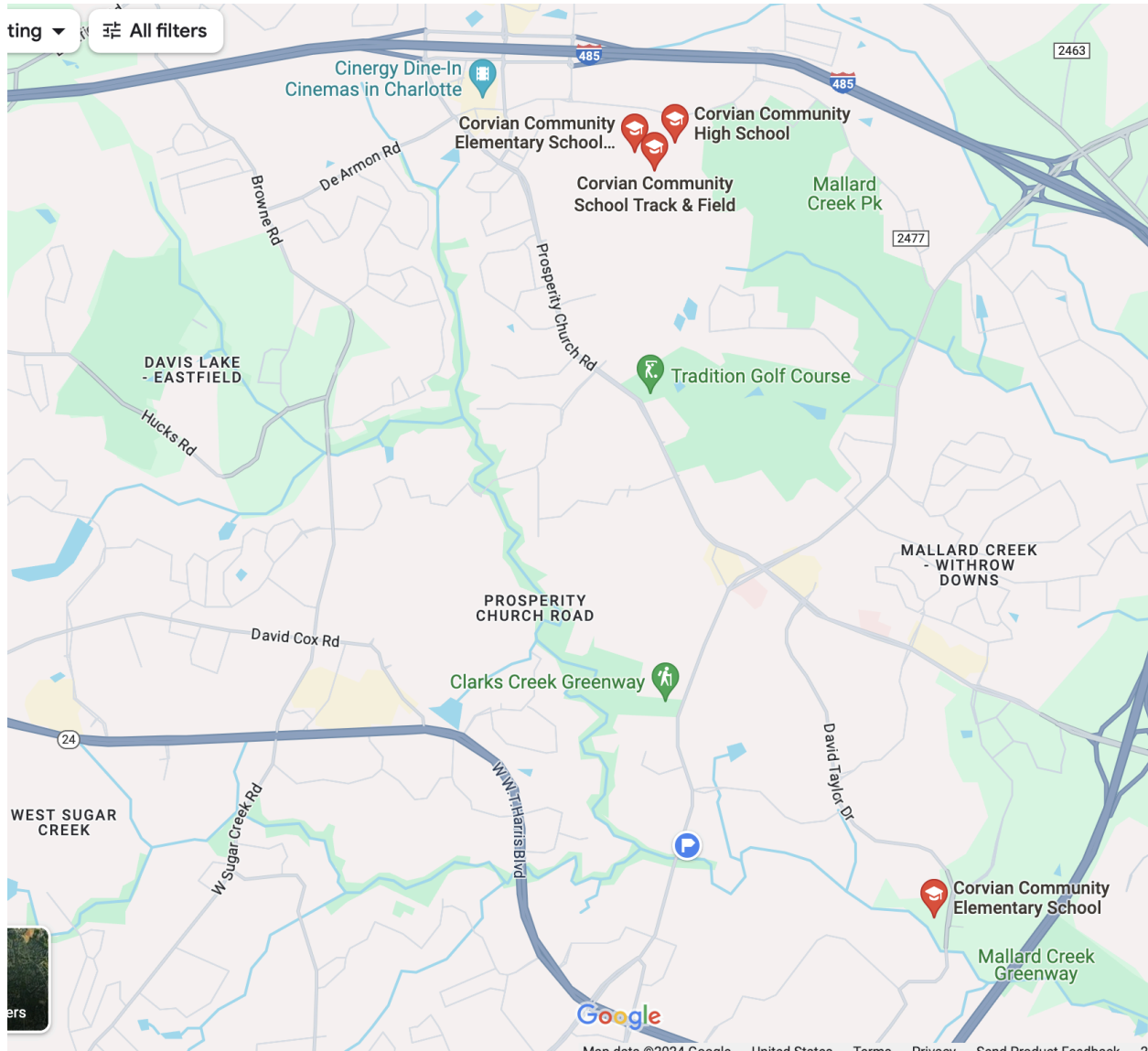


Bonnie Cone Classical Academy



Corvian Community School





- Current enrollment numbers, capacity constraints, and growth trends.

	Bradford Prep Academy	Bonnie Cone Classical Academy	Corvian Community School	TMSA Charlotte Elementary	TMSA Charlotte Secondary
Outdoor Sports Field	YES	YES	YES	NO	NO

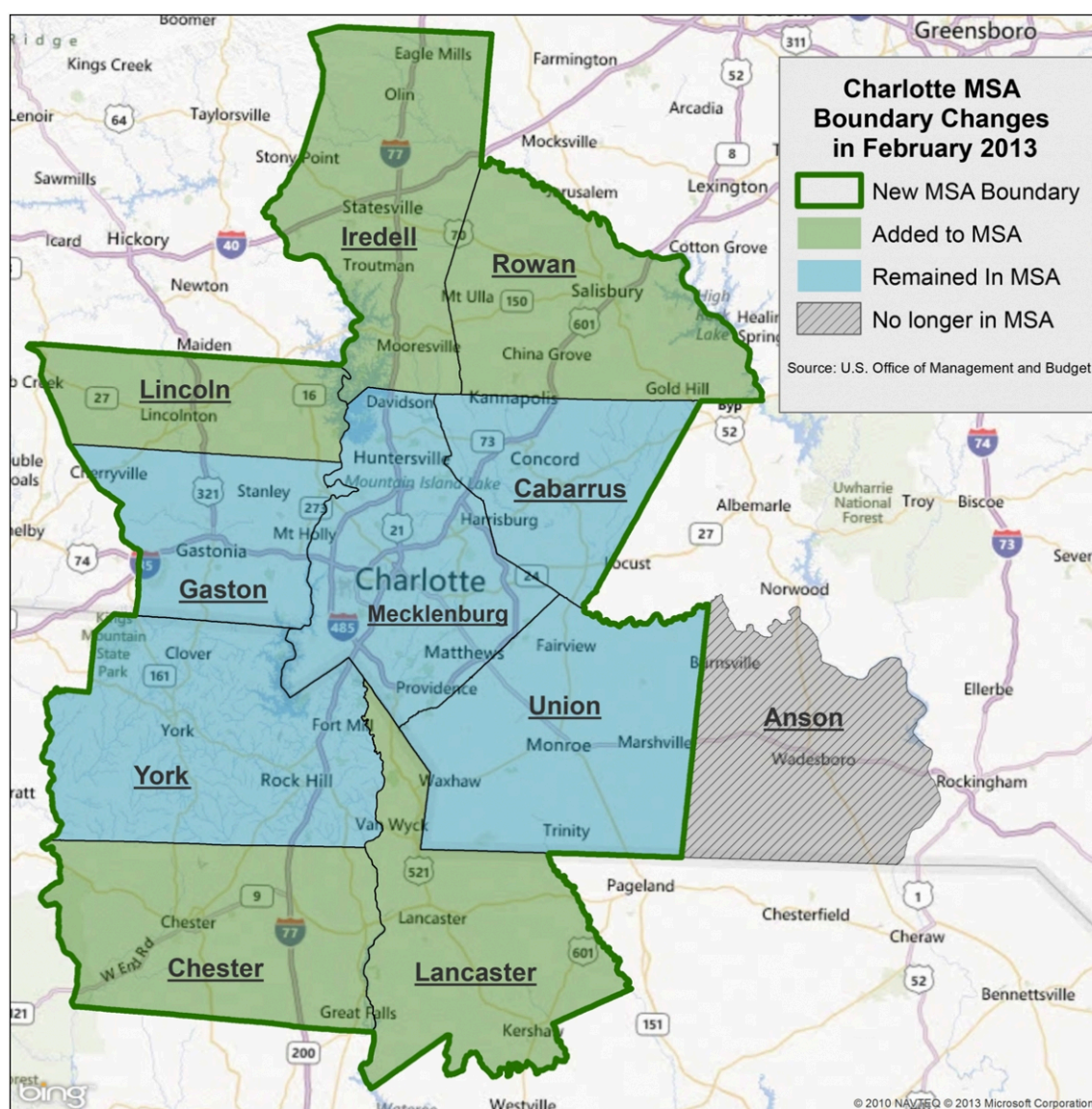
Suitable Classroom Size	YES	YES	YES	YES	NO
Enough Classrooms for Electives and Specials	YES	YES	YES	YES	NO
Enough Parking Space	YES	YES	YES	YES	NO
Gym	YES	YES	YES	NO	YES
Low Maintenance Cost	YES	YES	YES	NO	NO
Suitable Pick-up/Drop off	YES	YES	YES	NO	NO

- Analysis of how the current facilities impact educational delivery and school operations.

4. Demographic Analysis

We analyze demographics in the Charlotte Metropolitan Statistical area to the democratic trends up future estimations: Mecklenburg County, Gaston County, Union County, Cabarrus County, Iredell County, Rowan County, and Lincoln County. We also used Wake County data to benchmark since we have a successful example of TMSA Apex K-8 and HS in this county.

Map. 1 Charlotte Metropolitan Statistical Area



According to U.S. Census data, as illustrated in the table below, the population of Mecklenburg County increased from 511,481 in 1990 to 1,115,482 in 2020. Similarly, the population of Cabarrus County rose from 98,935 in 1990 to 225,804 in 2020. These figures clearly demonstrate that the Charlotte MSA has experienced consistent and significant demographic growth.

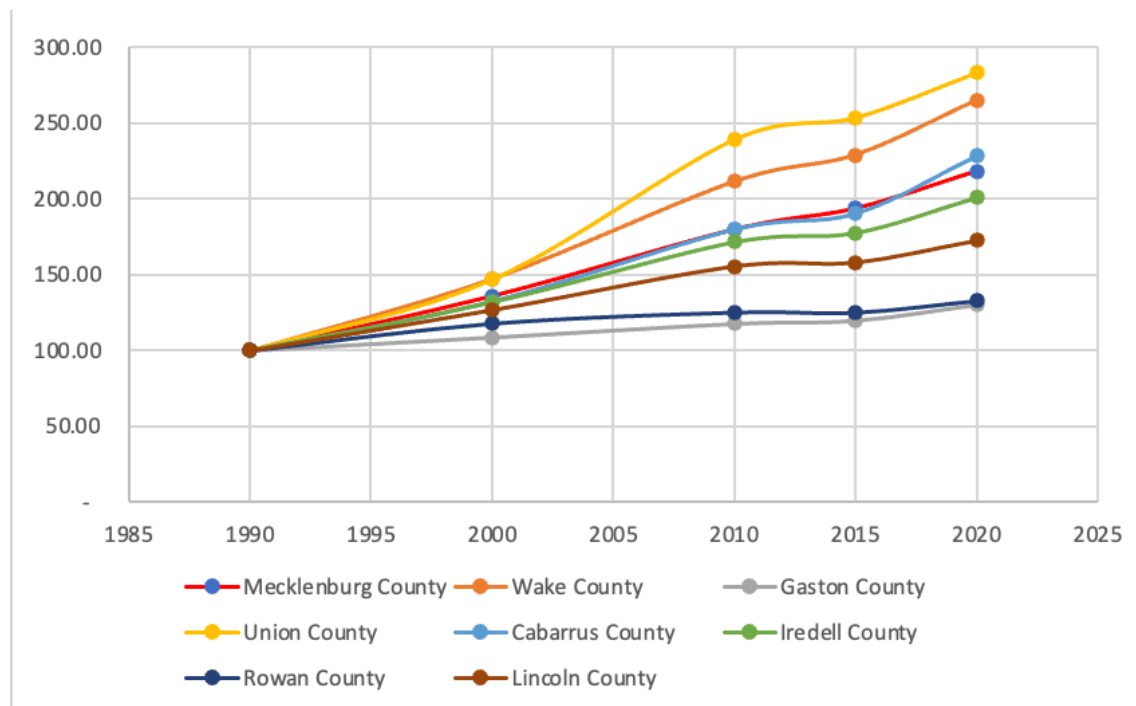
Table: 1. Population of Counties unde Charlotte MSA 1990-2020

Counties	1990	2000	2010	2015	2020
Mecklenburg County	511,481.00	695,370.00	919,628.00	990,288.00	1,115,482.00
Wake County	426,301.00	627,846.00	900,993.00	976,019.00	1,129,410.00
Gaston County	175,093.00	190,336.00	206,086.00	209,807.00	227,943.00
Union County	84,210.00	123,772.00	201,292.00	213,422.00	238,267.00
Cabarrus County	98,935.00	131,063.00	178,011.00	188,375.00	225,804.00
Iredell County	92,935.00	122,660.00	159,437.00	165,066.00	186,693.00
Rowan County	110,605.00	130,340.00	138,428.00	138,361.00	146,875.00
Lincoln County	50,319.00	63,780.00	78,265.00	79,578.00	86,810.00

U.S Census Data: N.C. Office of Budget and Management <https://linc.osbm.nc.gov>

As you can see in the graph below, the total population of Mecklenburg County increased 2.18 times between 1990 and 2020. This number is 2.28 times for Cabarrus County. In this period, the population of Wake Count increased by 2.65 times.

Graph 1. Population Growth Speed by Counties 1990-2020



As you see in the graph 1. The population growth rate is the highest in Union, Mecklenburg, and Cabarrus counties.

The Charlotte-Concord-Gastonia and Raleigh-Durham metropolitan areas are among the top 10 fastest-growing large metro areas in the US from 2023 to 2028. Both regions are expected to experience significant population growth over this five-year period, highlighting their appeal and economic vitality. This trend reflects broader growth patterns across certain US regions, particularly in areas offering a combination of economic opportunities, quality of life, and infrastructure development.

In our feasibility study, the population segment under 18 years old is of particular significance, as it encompasses school-age children—table 2. The total population in the targeted area is between 1900 and 2020 (Table 2).

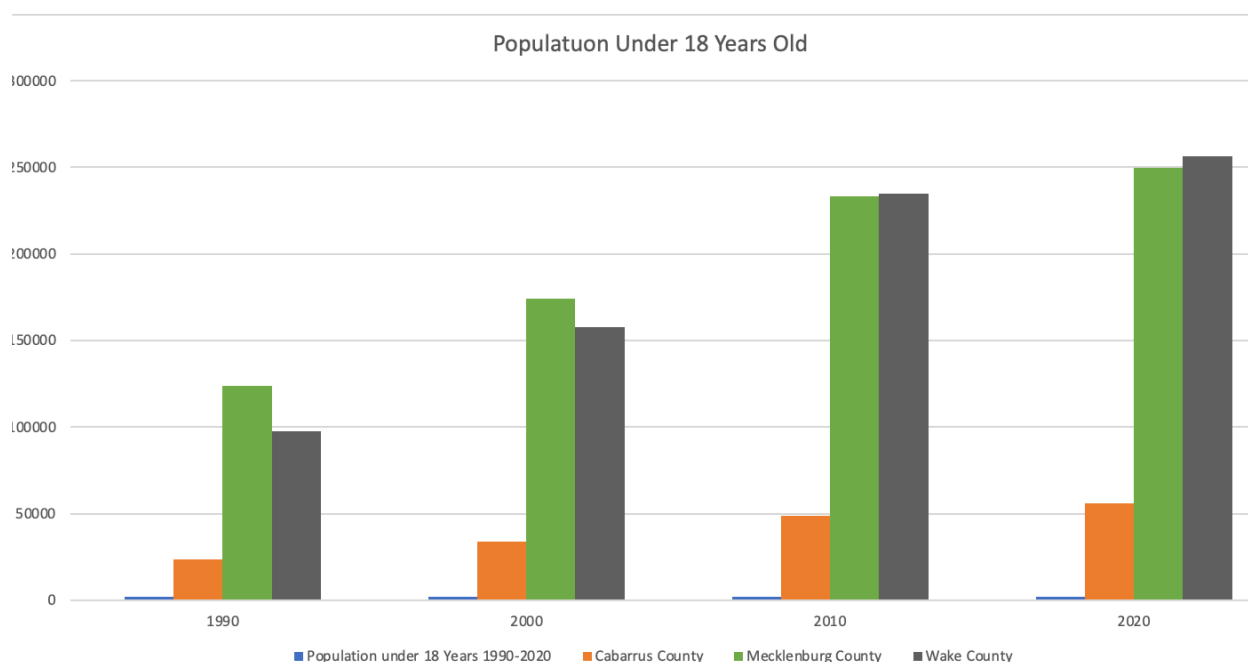
Population under 18 Years Old

Counties	1990	2000	2010	2020
Cabarrus County	23,807.00	33,782.00	48,781.00	55,999.39
Gaston County	44,408.00	46,874.00	49,241.00	50,375.40
Iredell County	22,509.00	31,322.00	40,585.00	41,072.46

Lincoln County	12,589.00	15,875.00	18,481.00	17,709.24
Mecklenburg County	123,726.00	174,249.00	233,338.00	249,867.97
Rowan County	26,216.00	32,175.00	32,942.00	31,871.88
Union County	23,015.00	34,754.00	60,880.00	60,043.28
Wake County	97,496.00	157,597.00	234,613.00	256,376.07

As you see in the table the population under 18 years old in Mecklenburg and Cabarrus Counties increased more than two times during the 30 years prior to 2020 Census. Between 2010 and 2020, the population under 18 years old increased by 7,218 in Cabarrus County, by 16,530 in Mecklenburg County, and by 21,763 in Wake County.

If we take the last three years' trend, we see the following. From 2020 to 2023, the population under 18 years old increased by 2,478 in Cabarrus County, by 6,700 in Mecklenburg County, and by 10,354 in Wake County. These statistics show a consistent long-term increase in both the total population and the school-age population.



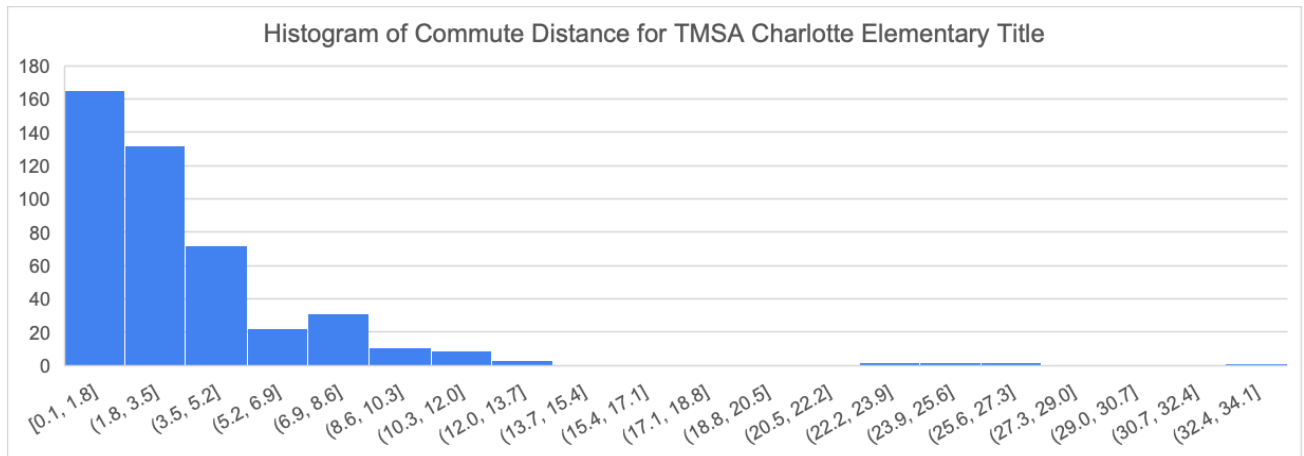
According to the Department of Public Instruction (DPI), North Carolina has approximately 2,500 public schools and 200 charter schools. With a population of 2,318,795 individuals under 18 years of age, this equates to one school for every 858 people under 18. These figures suggest that there is a need for approximately one in Cabarrus County and around three other schools in Mecklenburg County annually.

4.1. Student Commute Analysis

Here, we would like to analyze the data related to the distance of students from the school. The geographical distribution of your student population their commuting patterns affects school accessibility and enrollment trends. Using this data we can also underscore the impact of the school's location on its demographic reach and the logistical considerations for current and prospective students.

Table. TMSA Charlotte Elementary Average Commute Distance per Grade

Grade	Commute of Distance (mile)
0	3.3
1	3.3
2	3.2
3	3.7
4	3.8
5	3.9
Avarage	3.5



Approximately 80% of the elementary school students reside within a 5-mile radius of the school, with half of these students living within a 2.4-mile radius. Additionally, 16% of the students are located within a 5 to 10-mile radius, and about 4% live more than 10 miles away.

6. Survey data or community feedback for the project

6.1. [Survey](#) for Existing Families (Data)

The survey data provides insights into the community's perspective regarding the new TMSA campus in Charlotte. Here's a summary of the findings based on the data:

Excitement Level: Respondents generally show high excitement about the prospect of a new state-of-the-art TMSA campus, with many ratings at the highest level of excitement (5 out of 5).

Transportation Concerns: There is a notable concern about transportation to the new location, as indicated by several respondents rating their concern at the highest level (5 out of 5). This suggests that accessibility and the convenience of getting to the new campus are significant considerations for families.

Desired Features and Amenities:

Athletic Facilities: Many respondents desire athletic opportunities and facilities, which include gyms and sports fields.

Academic and Extracurricular Facilities: Requests include larger and more equipped classrooms, computer labs, science labs, libraries, and spaces for arts.

Safety and Convenience: Safe pick-up and drop-off areas, better parking solutions, and bus routes for more distant locations are frequently mentioned.

Specialized Spaces: An auditorium for performances and events, as well as dedicated areas for STEAM activities like robotics, are popular requests.

Location Preference:

A mix of responses is seen here, with some preferring to keep their child at the current location, while others are open to or prefer the new location, reflecting a division in community preference that needs careful consideration in planning.

Willingness to Participate in Follow-Up Discussions: There is a high willingness among respondents to participate in focus groups to discuss the relocation project further, indicating active community engagement and interest in being involved in the decision-making process.

6.2. Survey for Residents' Target Area

6.3. [Survey](#) for Staff

7. Site Selection and Evaluation

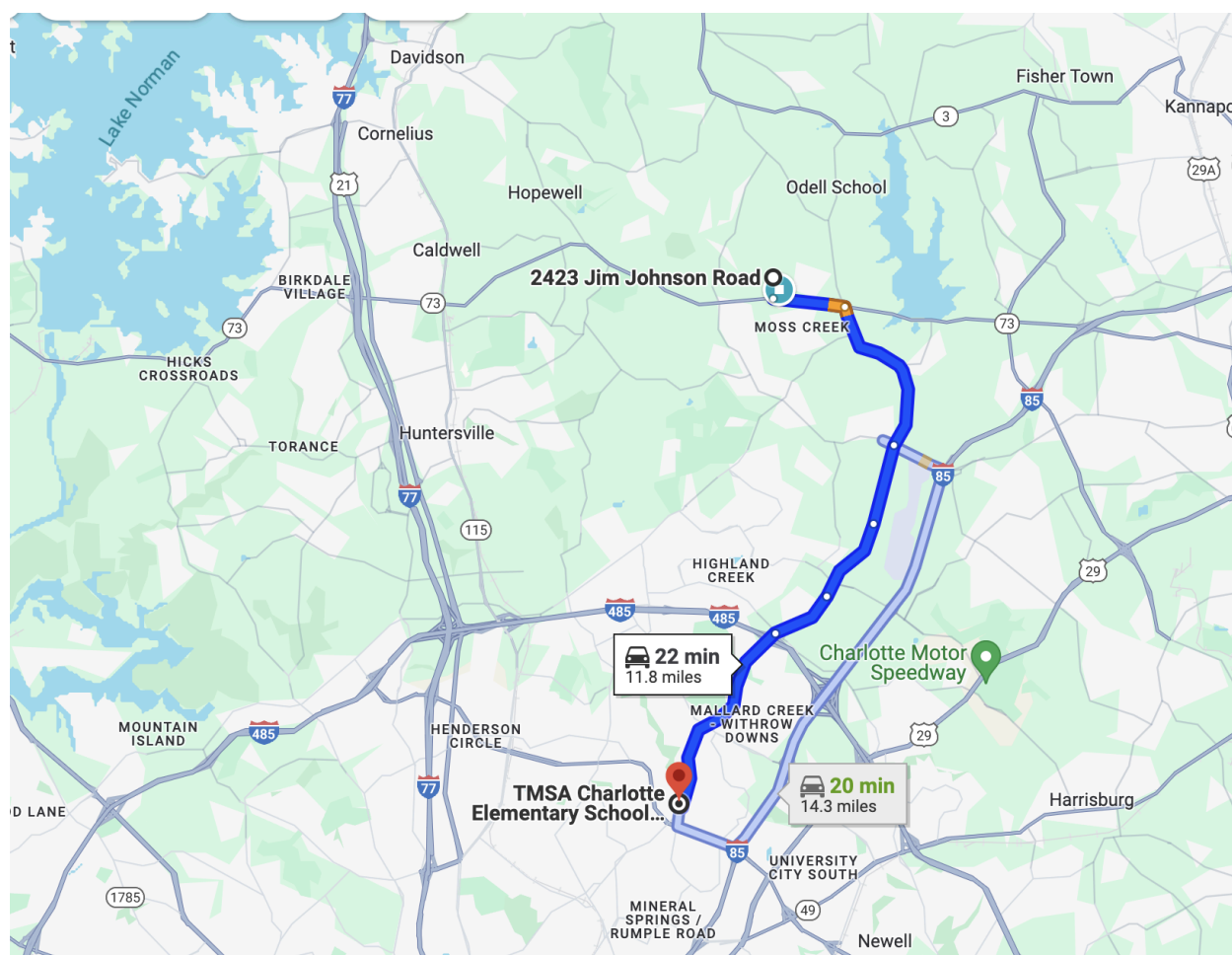
Criteria for selecting a new location (e.g., accessibility, safety, proximity to community, room for expansion).

The land for the new location should be between 8 and 12 acres with proper zo analysis of potential sites, including the advantages and disadvantages of each.

Environmental and zoning considerations for the new site.

7.1. Possible Sites for The New School

7.1.1. 2423 Jim Johnson Road



Accessibility and transportation considerations.

Analysis of the neighborhood (safety, community services, etc.).

7.1.1.1. Charter Schools in 5 miles Radius. (WIP)

7.1.1.1.1. Public Schools in 5 miles Radius.

7.1.1.1.2. Waitlists for Charter Schools in 5 miles Radius.

7.1.1.2. Opinion of Existing Students (WIP)

7.1.1.3. Project Feasibility (WIP)

7.1.1.4 TMSA Board Approval (WIP)

Why should the TMSA Board approve this option?

7.1.1.5. DPI Charter School Review Board Approval (WIP)

Why should the DPI Charter School Review Board approve this option?

7.1.2. 9102 Beatties Ford Rd

<https://www.loopnet.com/Listing/9102-Beatties-Ford-Rd-Huntersville-NC/22934268/>

7.1.2.1. Charter Schools in 5 miles Radius. (WIP)

7.1.2.1.1. Public Schools in 5 miles Radius.

7.1.2.1.2. Waitlists for Charter Schools in 5 miles Radius.

7.1.2.2. Opinion of Existing Students (WIP)

7.1.2.3. Project Feasibility (WIP)

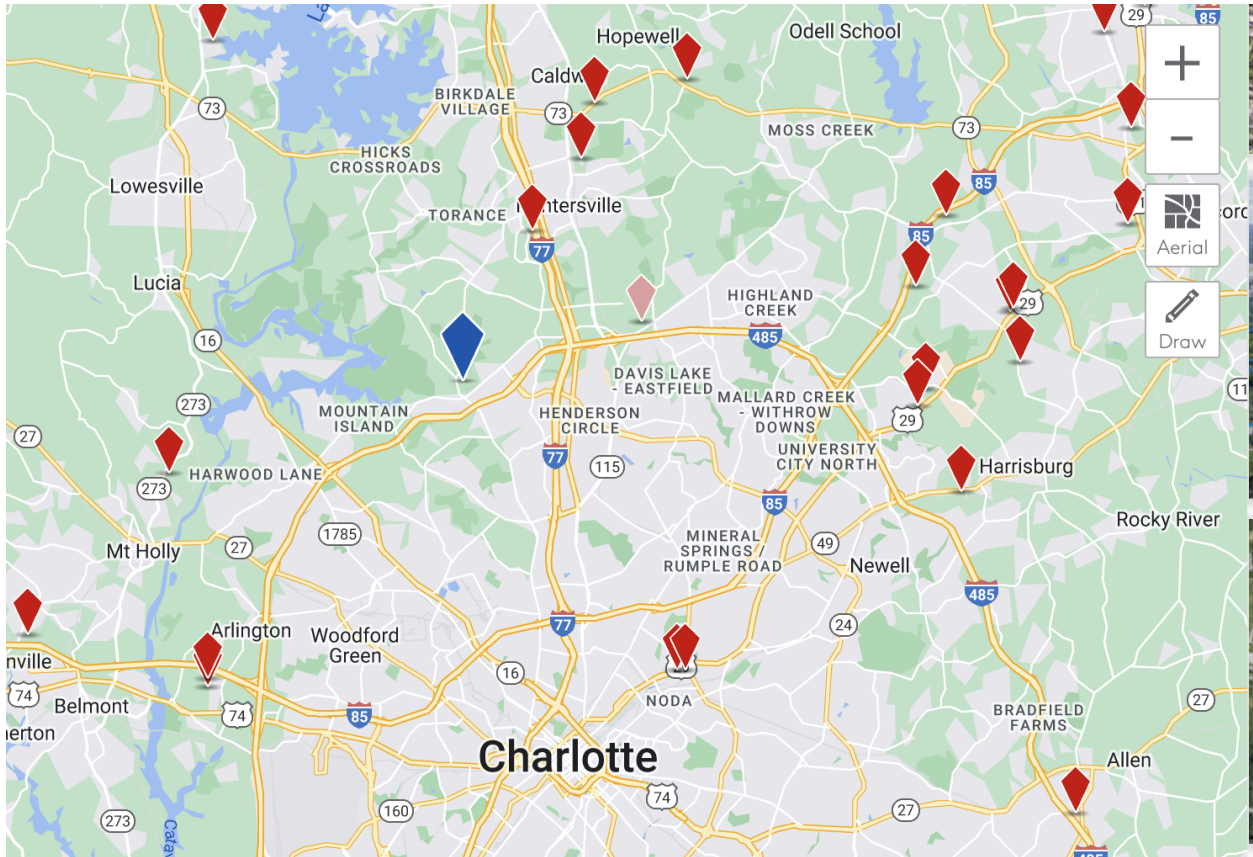
7.1.2.4 TMSA Board Approval. (WIP)

Why should the TMSA Board approve this option?

7.1.2.5. DPI Charter School Review Board Approval (WIP)

Why should the DPI Charter School Review Board approve this option?





Lot

Price \$2,050,000 Lot Size 9.85 AC

Price Per AC \$208,122

9.85 +/- acres. Zoning: R. Utilities: Water is available on Beatties Ford Road; sewer is via an approved adjacent neighborhood project—convenient location for townhomes site, senior housing, or neighborhood center.

7.1.3. 6120 Caldwell Park Dr

<https://www.loopnet.com/Listing/6120-Caldwell-Park-Dr-Charlotte-NC/30587933/>

7.1.3.1. Charter Schools in 5 miles Radius.

7.1.3.1.1. Public Schools in 5 miles Radius.

7.1.3.1.2. Waitlists for Charter Schools in 5 miles Radius.

7.1.3.2. Opinion of Existing Students

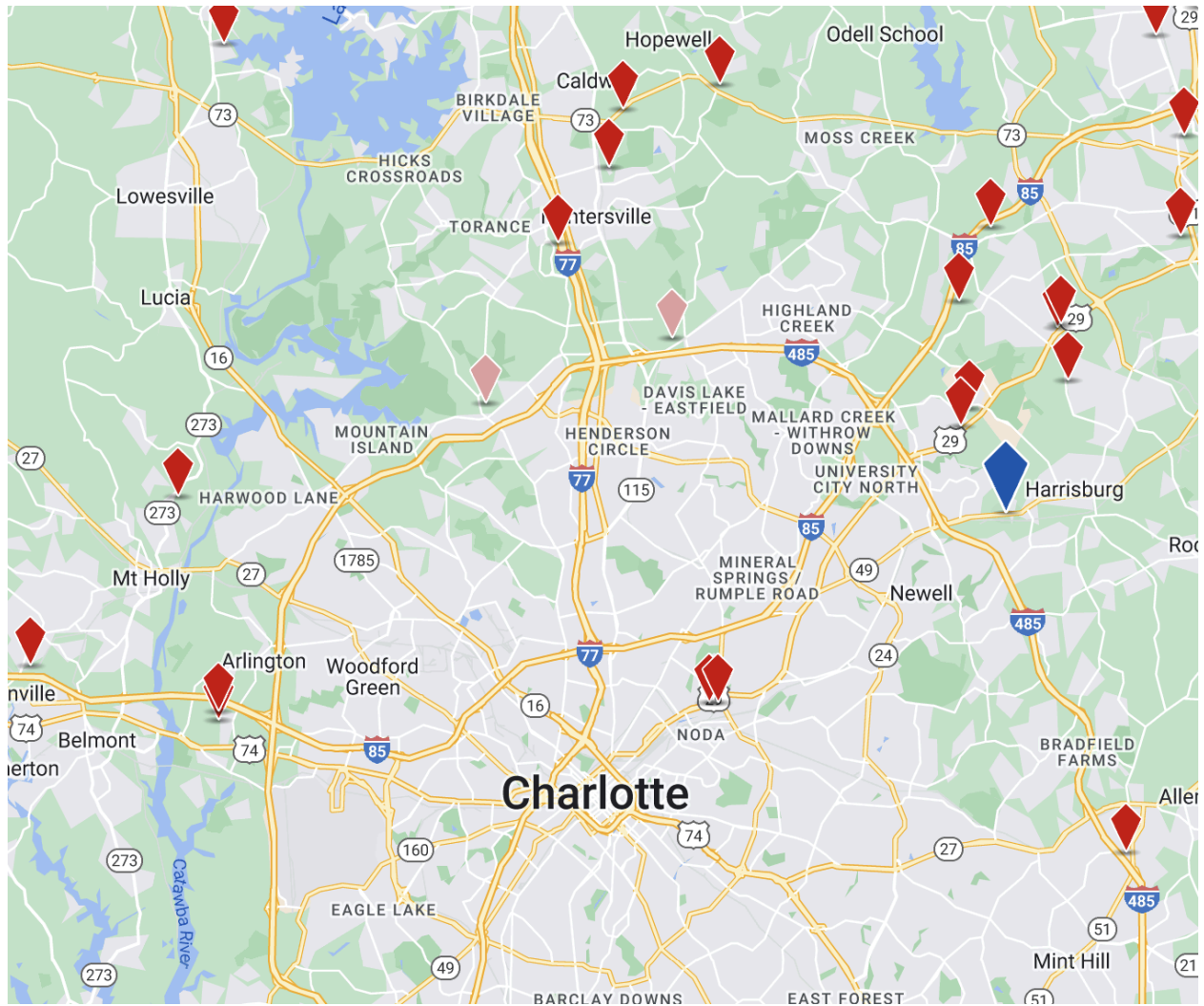
7.1.3.3. Project Feasibility

7.1.3.4 TMSA Boars Approval.

Why should the TMSA Board approve this option?

7.1.3.5. DPI Charter School Review Board Approval

Why should the DPI Charter School Review Board approve this option?





Lot Size 12.50 AC

Lot (s) 2: PIN: 05114119 and 05114108 6.080 Acres (05114119) 5.710 Acres (05114108)
 Located in Mecklenburg County. The land will be delivered cleared, rough graded with detention and erosion in place. Sewer is available.

7.1.4. 7461 Ruben Linker Rd

<https://www.loopnet.com/Listing/7461-Ruben-Linker-Rd-Concord-NC/23601360/>

7.1.4.1. Charter Schools in 5 miles Radius.

7.1.4.1.1. Public Schools in 5 miles Radius.

7.1.4.1.2. Waitlists for Charter Schools in 5 miles Radius.

7.1.4.2. Opinion of Existing Students

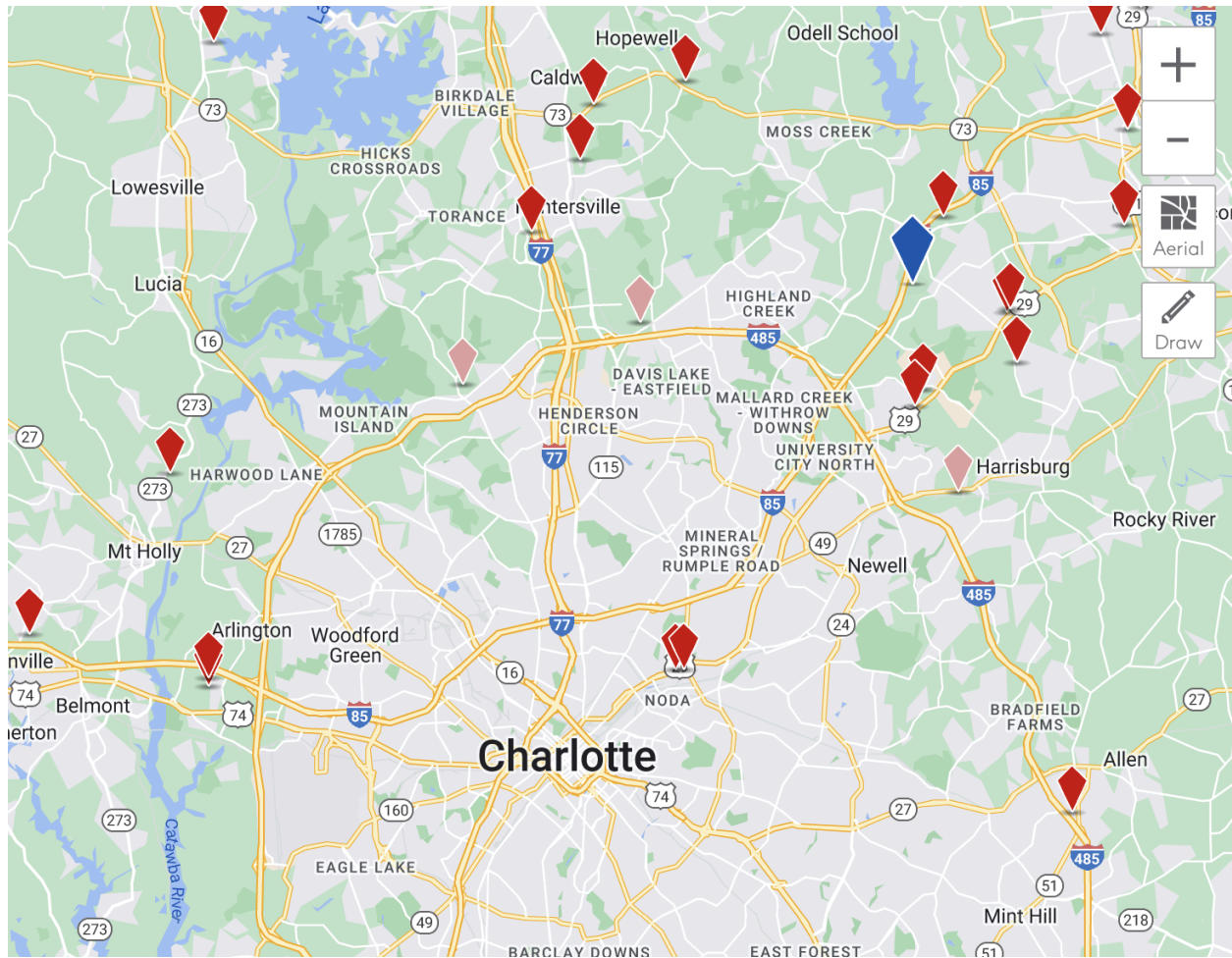
7.1.4.3. Project Feasibility

7.1.4.4 TMSA Boars Approval.

Why should the TMSA Board approve this option?

7.1.4.5. DPI Charter School Review Board Approval

Why should the DPI Charter School Review Board approve this option?





Lot

Lot Size 10.80 AC

This +/-5.9 acre lot has 2 parcels 4599-27-5600-0000 and 4599-27-8912-0000. There is an adjacent parcel for sale as well (as of 11/1/2022) for an additional 4.9 acres for a total of +/- 10.8 acres. Both tracts being sold are zoned I-1 Industrial.

9. Facility Requirements

Size and type of facility required:

In this feasibility report, we project the new campus will accommodate 600 K-5 students, 225 middle school students, and 300 high school students. We estimate the space requirements as follows: 55 sqft per elementary school student, 75 sqft for each middle school student, and 90 sqft per high school student. Based on these assumptions, the total space envisaged for the new building is calculated to be 76,875 sqft.

Student Categories	Number of Students	Sqft per Student	Need Are per Student Category (sqft)
K-5	600	55	33,000
6-8	225	75	16,875
9-12	300	90	27,000
Total Number of the Students	1 125		
		Total sqft for Building (sqft)	76,875

11. Financial Analysis

Operating Budget

Revenues

We are planning for the new school to accommodate 1,125 students. Federal and NC State funding for Public Charter Schools is \$11,000 per student. Therefore, with 1,125 students, the funding from the government would amount to \$12,375,000.

Facilities Expenses

Based on our experience with the TMSA Apex Project, we estimate the construction cost to be approximately \$290 per square foot for new construction. If the total square footage of the building is 76,875, then the construction cost would be \$22,293,750.

According to our experience, the most convenient and affordable way to secure long-term loans is by issuing bonds under the supervision of the Public Finance Authority.

Table: Breakdown of the Total Cost

Construction Cost	\$ 22,293,750
Land Cost (11.7 Ac, 117K/acre)	\$ 1,350,000
Design Fees	\$ 500,000
Cost of Issuance	\$ 750,000
Reserve Funds	\$ 2,000,000
CAPL	\$ 1,500,000
Total to be Financed	\$ 28,393,750
Annual Payment (6.0%)	\$2,042,818.5

As you can see from the information provided above, costs, including land acquisition, design fees for the new building, financing, and other related expenses such as Cost of Issuance, Reserve Funds, and CAPL are considered. Based on our recent conversations with finance partners, we estimate the bond's interest rate to be 6.0%. In this scenario, the annual cost of financing would be \$2,042,818., with monthly payments of \$170,234, which represents 8.3% of the planned revenue. For comparison, the TMSA Charlotte

Elementary and Secondary schools currently pay \$114,864.58 in monthly bond expenses, accounting for 15.38% of TMSA Charlotte's total revenues in 2023.

12. Legal and Regulatory Considerations

12.1. Compliance with North Carolina charter school regulations.

Based on our conversation with the NC Charter Schools Review Board (CSRB), since we intend to move the school more than 5 miles away, we are subject to getting approval for the new location from the CSRB

Licensing and accreditation requirements.

Policies for student admission and staff hiring.

13. Risk Analysis

Identification of potential risks (financial, operational, legal).

Financial Risk

The most significant financial risk is related to the enrolment numbers. Since we don't have a waiting list for TMSA Charlotte Elementary and Secondary Schools, we heavily depend on the enrollments.



Loan amortization schedule

Enter values

Loan amount	\$1,100,000.00
Annual interest rate	6.50%
Loan period in years	15
Number of payments per year	12
Start date of loan	4/18/24

Loan summary

Scheduled payment	\$9,582.18
Scheduled number of payments	180
Actual number of payments	88
Total early payments	\$0.00
Total interest	\$432,266.05

Optional extra payments

Lender name

Woodgrove Bank

Payment number	Payment date	Beginning balance	Scheduled payment	Extra payment	Total payment	Principal	Interest	Ending balance	Cumulative interest
1	4/18/24	\$1,100,000.00	\$9,582.18	\$0.00	\$9,582.18	\$3,623.85	\$5,958.33	\$1,096,376.15	\$5,958.33
2	5/18/24	\$1,096,376.15	\$9,582.18	\$0.00	\$9,582.18	\$3,643.48	\$5,938.70	\$1,092,732.68	\$11,897.04
3	6/18/24	\$1,092,732.68	\$9,582.18	\$0.00	\$9,582.18	\$3,663.21	\$5,918.97	\$1,089,069.46	\$17,816.01
4	7/18/24	\$1,089,069.46	\$9,582.18	\$0.00	\$9,582.18	\$3,683.05	\$5,899.13	\$1,085,386.41	\$23,715.13
5	8/18/24	\$1,085,386.41	\$9,582.18	\$0.00	\$9,582.18	\$3,703.00	\$5,879.18	\$1,081,683.40	\$29,594.31
6	9/18/24	\$1,081,683.40	\$9,582.18	\$0.00	\$9,582.18	\$3,723.06	\$5,859.12	\$1,077,960.34	\$35,453.43
7	10/18/24	\$1,077,960.34	\$9,582.18	\$0.00	\$9,582.18	\$3,743.23	\$5,838.95	\$1,074,217.11	\$41,292.38
8	11/18/24	\$1,074,217.11	\$9,582.18	\$0.00	\$9,582.18	\$3,763.50	\$5,818.68	\$1,070,453.61	\$47,111.06
9	12/18/24	\$1,070,453.61	\$9,582.18	\$0.00	\$9,582.18	\$3,783.89	\$5,798.29	\$1,066,669.72	\$52,909.35

Securing suitable land for the new school in Cabarrus County, where land values are continuously appreciating, presents a low-risk investment. The chosen land should meet size and community accessibility requirements.

Staffing Risk

Strategies for Risk Mitigation:

To mitigate the financial and operational risks, we can go with a smaller school for 600-700 students or 700-800 students.

14. Implementation Plan

Scenario 1: Relocation of the two schools

Scenario 1.1. Building a new campus with 700 - 1150 total capacity

Challenges 1.2.

1.2.1. Not all students will come with us

1.2.2. DPI challenges us and probably requires a new charter

1.2.3. We need to enroll 700-1150 new students.

1.2.4. Scenario 2: Saving Charlotte Elementary and Relocating Secondary School

2.1. Building a new campus K-12 with 1200 total capacity. In the short term, it will be K-12, but in the long term, it will be K-8

2.2. To build new facilities in elementary schools land with gym, cafeteria and built a new lane for drop off and pick ups

2.4. Ensure elementary K-8 6 classes are already empty for 750 students. If you move the cafeteria and gym, we will have four more classrooms and also put two more classrooms in a new building in total, twelve additional classrooms

CHALLENGES:

1. We have to have a new charter school application
2. Without enough academic success to open a new school. We need to be a "C" School
3. Increase the number of more than 30 %.

Scenario 3: Saving Charlotte Elementary and Secondary School

3.1. First building K-5 or K-6

3.2 Making secondary Schools only middle 7-8 Schools and

3.2. Opening a new campus for K-8 with 900 total capacity

9-12

3.3. To make it in 2026

3.4. New K-12 for 900 students

3.5. To open a third school in phase III

Challenge: To get C school to avoid having a new Charter School application

15. Impact Analysis

- Expected relocation for high school and new construction benefits for students, staff, and the broader community.
- Potential challenges during the transition period and strategies to address them.
- Long-term impacts on educational delivery, school reputation, and enrollment.

16. Conclusion and Recommendations

- **Summary of the feasibility study's findings.**

Most students' K-5 commute distance is critical.

Relocation of the existing K-5 is not feasible.

For Secondary schools, insufficiencies in the Secondary School building are critical.

The optimum decision is to keep both school buildings while transforming the secondary school into a middle school (6-8) and opening a new K-12 campus, enrolling students in the first year of K-8 and gradually building up the high school.

- **Final recommendations regarding the location for the high school and new construction.**

How to Proceed:

1. Secure land for a new school
 2. To get C school again.
 3. Share the vision and plans with the community.
- Next steps if the relocation is approved.
 - To start the process of buying the land.

17. Appendices

- Supporting documents (survey data, financial tables, regulatory guidelines).
- Steps for Conducting the Feasibility Study:
- Data Collection: Gather necessary data on demographics, existing educational facilities, legal requirements, etc.
- Stakeholder Engagement: Involve community members, educational experts, and potential staff in the planning process.
- Financial Modeling: Develop detailed financial models to estimate costs and revenues.
- Site Visits and Analysis: Evaluate potential locations for suitability.
- Risk Assessment: Identify and assess potential risks and mitigation strategies.
- Drafting the Report: Compile the findings and analyzes into a comprehensive report.
- This report would provide a detailed analysis of the viability of establishing a new K-8 school under the TMSA charter in North Carolina, covering all critical aspects from market demand to financial sustainability.



SHARPE
PATELCPA

TRIAD MATH AND SCIENCE ACADEMY COMPANY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Year Ended June 30, 2024

TRIAD MATH AND SCIENCE ACADEMY COMPANY

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TRIAD MATH AND SCIENCE ACADEMY COMPANY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Triad Math and Science Academy Company
Cary, North Carolina

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the blended component unit and the aggregate remaining fund information of Triad Math and Science Academy Company, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Triad Math and Science Academy Company's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the blended component unit and the aggregate remaining fund information of Triad Math and Science Academy Company as of June 30, 2024, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Triad Math and Science Academy Company and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 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 an opinion on the financial statements that collectively comprise Triad Math and Science Academy Company's basic financial statements. The 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 is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated, in all material respects, in relation to the 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 October 20, 2024, on our consideration of Triad Math and Science Academy Company'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 these reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Triad Math and Science Academy Company's internal control over financial reporting and compliance.

Sharpe Patel PLLC

Raleigh, North Carolina
October 20, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
TMSA PUBLIC CHARTER SCHOOLS
JUNE 30, 2024

TMSA Public Charter Schools operates Triad Math and Science Academy in Greensboro, Triangle Math and Science Academy in Cary, The Math Science Academy of Charlotte in Charlotte, and The Math and Science Academy of Apex in Apex, North Carolina.

The Management's Discussion and Analysis of TMSA Public Charter Schools provides an overview of the operating performance and financial condition of Triad Math and Science Academy (TMSA-1), Triangle Math and Science Academy (TMSA-2), The Math Science Academy of Charlotte (TMSA-3) and The Math Science Academy of Apex (TMSA-4) for the fiscal year ended June 30, 2024.

This document should be read in its entirety and is intended to complement and supplement the additional financial statements of TMSA Public Charter Schools.

FINANCIAL HIGHLIGHTS

- The assets of the TMSA Public Charter Schools exceeded its liabilities at the close of the fiscal year by \$17,964,291 (*net assets*).
- The government's total net assets decreased by (\$2,635,374). This decrease reflects adjustments made due to previously filed employee retention credits, which were received in the current year. These credits effectively increased the prior year's net position, resulting in a revised fund balance of \$5,357,727.
- Enrollment for the end of the school year 2024: Triad Math and Science Academy 1,283, Triangle Math and Science Academy 1,324, The Math Science Academy of Charlotte 677, and The Math Science Academy of Apex 683, a combined total of 3,967.
- Enrollment for the beginning of the school year 2024: Triad Math and Science Academy 1,333, Triangle Math and Science Academy 1,307, The Math Science Academy of Charlotte 725, and The Math Science Academy of Apex 676 the combined total of 4,041.

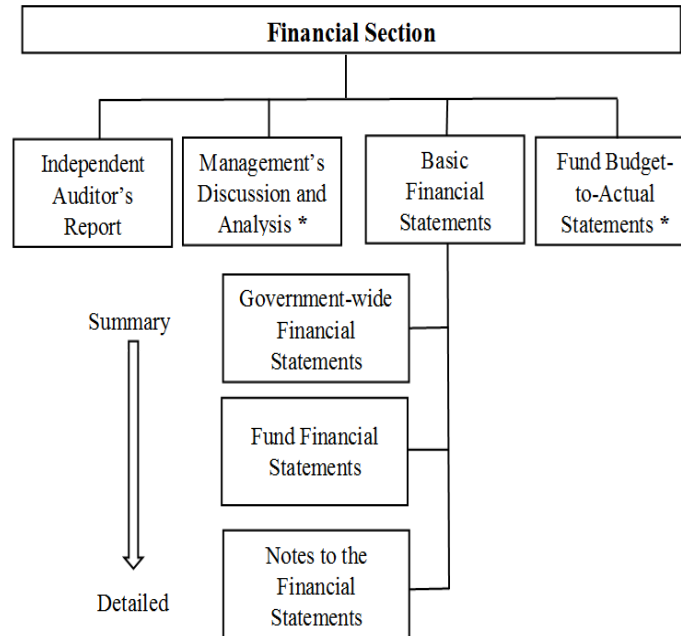
OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to TMSA Public Charter Schools' 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 different views of the Schools through government-wide and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information to enhance the reader's understanding of the financial condition of TMSA Public Charter Schools.

Management's Discussion and Analysis
Triad Math and Science Academy Company
June 30, 2024

Required Components of Annual Financial Report

Figure 1



* Required Supplementary Information

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 Schools' financial status.

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

Immediately following the fund financial statements are the Notes to the Financial Statements (i.e., "Notes"). The Notes provide a more detailed explanation of the data contained in those statements. After the notes, supplemental information is provided to show details about the Schools' individual funds. Budgetary information for the Schools can also be found in this section of the statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide the reader with a broad overview of the Schools' finances, similar in format to a financial statement of a

Management's Discussion and Analysis
Triad Math and Science Academy Company
June 30, 2024

private-sector business. Government-wide statements provide short- and long-term information about the schools' financial status as a whole.

The two government-wide statements report the Schools' net assets and how they have changed. Net assets are the difference between the Schools' total assets and total liabilities. Measuring net assets is one way to gauge the Schools' 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 Schools' basic functions, such as instructional services and business services. State, county, and federal funds provide virtually all of the funding for these functions. The business-type activities are those services for which the School charges its students and other customers to provide. These include the Food Service offered by the TMSA Charter Schools.

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 Schools' most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The TMSA Charter Schools, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Schools' budget ordinance. All of the funds of TMSA Charter Schools can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Schools' 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 what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Schools' programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The TMSA Charter Schools adopt an annual budget for each of their 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 Schools in determining what activities will

Management's Discussion and Analysis
Triad Math and Science Academy Company
June 30, 2024

be pursued and what services will be provided by the Schools during the year. It also authorizes the Schools 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 Schools have complied with the budget ordinance and whether or not the Schools have succeeded in providing the services as planned when the budget was adopted.

Proprietary Funds – TMSA Charter Schools have two proprietary funds, both of which are enterprise funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. TMSA Charter Schools use enterprise funds to account for their school food service.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of schools' financial condition. The assets of TMSA Charter Schools exceeded liabilities by \$17,964,291 as of June 30, 2024. As of June 30, 2023, the net position of TMSA Charter Schools stood at \$15,241,938. The Schools' net position decreased by (\$2,635,374) for the fiscal year ended June 30, 2024 compared to an increase of \$810,085 in 2023. (Employee retention credits were received in the current year and filed in previous years. This resulted in an increase in the previous net position and a fund balance of \$5,357,727)

The Schools have invested \$61,545,815 (net of depreciation) in capital assets. TMSA Charter Schools use these capital assets to provide services to its students; consequently, they are not available for future spending. TMSA Charter Schools' investment in its capital assets is reported net of the outstanding related debt on June 30, 2024. The net position of \$10,131,053 is unrestricted.

Management's Discussion and Analysis
Triad Math and Science Academy Company
June 30, 2024

TMSA Charter Schools
Net Position
Figure 2

	GENERAL FUND	TRIAD	TRIANGLE	CHARLOTTE	APEX	Eliminations	CONSOLIDATED
	Total	Total	Total	Total	Total		Total
ASSETS:							
Cash and Cash Equivalents	\$125,062	\$7,405,291	\$2,297,379	\$2,097,715	\$867,565	\$0	\$12,793,012
Restricted Cash	\$18,463,211	\$0	\$0	\$0	\$0	\$0	\$18,463,211
Due from other governments		\$461,436	\$8,482	\$267,629	\$0	\$0	\$737,547
Due from other funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Account receivable - other	\$0	\$19,069	0	7,733	7,273	0	\$34,075
	<u>\$18,588,273</u>	<u>\$7,885,796</u>	<u>\$2,305,861</u>	<u>\$2,373,077</u>	<u>\$874,838</u>	<u>\$0</u>	<u>\$32,027,845</u>
LIABILITIES:							
Account Payable	\$2,810,551	\$136,223	\$26,582	\$7,069	\$80,444	\$0	\$3,060,869
Due to Other Funds	\$0					\$0	\$0
Payroll Related Liabilities	\$8,488	\$14,414	\$6,994	(\$12,123)	(\$795)	\$0	\$16,978
Total liabilities	<u>\$2,819,039</u>	<u>\$150,637</u>	<u>\$33,576</u>	<u>(\$5,054)</u>	<u>\$79,649</u>	<u>\$0</u>	<u>\$3,077,847</u>
FUND BALANCES:							
Restricted	\$18,463,211	0	0	0	0	0	\$18,463,211
Unassigned	(\$2,693,977)	\$7,735,159	\$2,272,285	\$2,378,131	\$795,189	\$0	\$10,486,787
Total Fund Balances	<u>\$15,769,234</u>	<u>\$7,735,159</u>	<u>\$2,272,285</u>	<u>\$2,378,131</u>	<u>\$795,189</u>	<u>\$0</u>	<u>\$28,949,998</u>
Total Liabilities and Total Fund Balances	<u><u>\$18,588,273</u></u>	<u><u>\$7,885,796</u></u>	<u><u>\$2,305,861</u></u>	<u><u>\$2,373,077</u></u>	<u><u>\$874,838</u></u>	<u><u>\$0</u></u>	
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds							\$93,702,459
Some liabilities including bonds payable and accrued interest are due and payable in the current period							(\$104,688,166)
Net Position of governmental activities							<u><u>\$17,964,291</u></u>

- Several particular aspects of the Schools' financial operations positively influenced the total unrestricted governmental net assets:
- The Schools adopted an annual budget for all operations. The Schools' performance was closely monitored by using monthly budget vs. actual reports, allowing changes in spending as needed to stay within the budget.

Management's Discussion and Analysis
Triad Math and Science Academy Company
June 30, 2024

TMSA Charter School Changes in Net Assets
Figure 3

	<u>GENERAL FUND</u>	<u>TRIAD</u>	<u>TRIANGLE</u>	<u>CHARLOTTE</u>	<u>APEX</u>	<u>Eliminations</u>	<u>CONSOLIDATED</u>
	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>		<u>Total</u>
REVENUES:							
State of North Carolina	\$0	\$9,581,637	\$8,744,075	\$5,222,613	\$4,560,295	\$0	\$28,108,620
Local Education Agencies	\$0	\$4,381,249	\$4,847,530	\$2,425,920	\$2,514,748	\$0	\$14,169,447
US Government	\$0	\$2,260,908	\$359,904	\$304,578	\$899,756	\$0	\$3,825,146
Donations - General	\$0	\$4,946	\$776	\$1,546	\$15,131	\$0	\$22,399
Interest Income	\$1,496,756	\$299,819	\$51,407	\$92,647	\$447	\$0	\$1,941,076
Misc, unrestricted	\$7,336,471	\$295,102	\$425,959	\$51,629	\$130,757	-\$4,415,088	\$3,824,830
Total revenues	\$8,833,227	\$16,823,661	\$14,429,651	\$8,098,933	\$8,121,134	-\$4,415,088	\$51,891,518
EXPENDITURES:							
Instructional services	\$565,262	\$13,579,192	\$11,519,886	\$5,603,612	\$5,458,779	\$0	\$36,726,731
Support services	\$2,732,017	\$3,582,053	\$3,654,878	\$2,758,550	\$1,793,990	-\$4,415,088	\$10,106,400
Ancillary Services	\$0	\$85,232	\$0	\$0	\$0	\$0	\$85,232
Non-programmed charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$22,205,578	\$551,349	\$646,148	\$8,409	\$403,450	\$0	\$23,814,934
Principal	\$1,075,000	\$0	\$0				\$1,075,000
Interest and Other Charges	\$5,292,675	\$0	\$0	\$0	\$0		\$5,292,675
Total expenses	\$31,870,532	\$17,797,826	\$15,820,912	\$8,370,571	\$7,656,219	-\$4,415,088	\$77,100,972
Excess (deficiency) of revenue:	-\$23,037,305	-\$974,165	-\$1,391,261	-\$271,638	\$464,915		-\$25,209,454
OTHER FINANCING SOURCES (USES):							
Loan Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers	\$0	-\$88,185	\$0	-\$63,464	\$0	\$0	-\$151,649
Net change in Fund Balance	-\$23,037,305	-\$1,062,350	-\$1,391,261	-\$335,102	\$464,915	\$0	-\$25,361,103
Beginning Fund Balance	\$40,116,302	\$6,214,685	\$1,913,276	\$2,144,884	\$330,274	\$0	\$50,719,421
Restatement	-\$1,309,763	\$2,582,824	\$1,750,270	\$568,349	\$0	\$0	\$3,591,680
Beginning Fund Balance, as re:	\$38,806,539	\$8,797,509	\$3,663,546	\$2,713,233	\$330,274	\$0	\$54,311,101
Ending Fund Balance	\$15,769,234	\$7,735,159	\$2,272,285	\$2,378,131	\$795,189		\$28,949,998
Net Changes in fund balances - total governmental funds							-\$25,361,103
Governmental funds report capital outlay as expenditures							\$21,680,413
The issuance of long-term debt							\$1,075,000
Provision for amortization of bond discount							-\$30,132
Other							\$448
Total Changes in net position of governmental activities							-\$2,635,374

FINANCIAL ANALYSIS OF THE SCHOOLS' FUNDS

As noted earlier, the **TMSA Charter Schools** use fund accounting principles to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the TMSA Charter Schools' governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information **helps** assess the TMSA Charter Schools' financing requirements. Specifically,

Management's Discussion and Analysis
Triad Math and Science Academy Company
June 30, 2024

unreserved fund balance can be a valuable 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 the TMSA Charter Schools. At the end of the current fiscal year, the unreserved fund balance of the General Fund balance is (\$2,693,977).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets.

Additional information on the Schools' capital assets can be found in note III.A.2. of the Basic Financial Statements.

TMSA Charter School Capital Assets
Figure 4

	TRIAD	TRIANGLE	CHARLOTTE	APEX	Central Office	TES	CONSOLIDATED
	2023	2023	2023	2023	2023	2023	2023
Capital Assets	\$0	\$0	\$0	\$0	\$0	\$31,014,119	\$31,014,119
Land	\$0	\$1,142,525	\$0	\$0	\$0	\$0	\$1,142,525
Textbooks	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Buildings	\$3,031,393	\$0	\$401,673	\$0	\$0	\$53,977,562	\$57,410,628
Land Improvements	\$894,697	\$535,964	\$0	\$0	\$0	\$0	\$1,430,661
Leasehold Improvements	\$604,512	\$1,041,214	\$0	\$0	\$0	\$0	\$1,645,726
Electronic Equipment	\$80,149	\$10,441	\$27,448	\$0	\$0	\$55,874	\$173,912
Furniture & Fixture	\$107,252	(\$1)	(\$1)	\$128,453	\$0	\$20,288	\$255,991
Vehicles	\$321,092	\$0	\$0	\$241,547	\$66,258	\$0	\$628,897
Capital Assets, All schools	<u>\$5,039,095</u>	<u>\$2,730,143</u>	<u>\$429,120</u>	<u>\$370,000</u>	<u>\$66,258</u>	<u>\$85,067,843</u>	<u>\$93,702,459</u>

FUTURE OF TMSA PUBLIC CHARTER SCHOOLS

TMSA successfully completed construction of its state-of-the-art TMSA Triangle High School Apex campus in August 2024, currently serving approximately 1,000 students in grades 7 through 12. This addition has propelled TMSA's total enrollment to over 5,100 students at the start of the 2024-2025 school year, reflecting our commitment to addressing educational demand in the Triangle area with high-quality facilities.

Looking forward, TMSA has ambitious growth plans to expand its reach and support increasing enrollment demands. Over the next several years, TMSA has been actively working to establish a new K-12 campus in Mecklenburg or Cabarrus County, a new K-8 campus in Wake County, and a new K-8 campus in Guilford County. These expansions align with TMSA's Regional Growth Model, ensuring a steady pipeline of students advancing to the TMSA high school within their local regions and expanding TMSA's impact across North Carolina. These strategic initiatives position TMSA to enhance its service offerings to North Carolina families, creating a sustainable foundation for long-term growth.

Management's Discussion and Analysis
Triad Math and Science Academy Company
June 30, 2024

CONSOLIDATE AUDITED FINANCIAL STATEMENTS

The audited financial statements for the fiscal year 2024 incorporate the consolidation of TES and TMSA financial statements into a single report.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the Schools' 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 finance team. TMSA Charter Schools Central Office, 3570 Amberlight Road Suite A200 Apex, NC 27502, telephone (919) 650-2270.

TRIAD MATH AND SCIENCE ACADEMY COMPANY

Exhibit 1

Statement of Net Position

June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 12,793,012	\$ -	\$ 12,793,012
Restricted cash	18,463,211	-	18,463,211
Due from other governments	729,065	-	729,065
Accounts receivable - other (net)	42,557	-	42,557
Total current assets	<u>32,027,845</u>	<u>-</u>	<u>32,027,845</u>
Non-current assets:			
Capital assets (Note II.A.2):			
Other capital assets, net of depreciation	61,545,815	-	61,545,815
Land and construction in progress	32,156,644	-	32,156,644
Total capital assets	<u>93,702,459</u>	<u>-</u>	<u>93,702,459</u>
Total non-current assets	<u>93,702,459</u>	<u>-</u>	<u>93,702,459</u>
Total assets	<u>125,730,304</u>	<u>-</u>	<u>125,730,304</u>
LIABILITIES			
Accounts payable - trade	3,060,869	-	3,060,869
Payroll related liabilities	16,978	-	16,978
Accrued interest	355,734.00	-	355,734
Long-term liabilities:			
Due within one year	1,485,000	-	1,485,000
Due in more than one year	102,847,432	-	102,847,432
Total liabilities	<u>107,766,013</u>	<u>-</u>	<u>107,766,013</u>
NET POSITION			
Net investment in capital assets	(10,629,973)	-	(10,629,973)
Restricted for bond costs	18,463,211	-	18,463,211
Unrestricted	10,131,053	-	10,131,053
Total net position	<u>\$ 17,964,291</u>	<u>\$ -</u>	<u>\$ 17,964,291</u>

The accompanying notes to the financial statements are an integral part of these statements.

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Statement of Activities
For the Year Ended June 30, 2024

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Instructional programs	\$ 38,897,701	\$ 488,930	\$ 3,229,659	\$ -	\$ (35,179,112)	\$ -	\$ (35,179,112)
Support services	10,227,782	-	595,487	-	(9,632,295)	-	(9,632,295)
Ancillary services	85,232	19,830	-	-	(65,402)	-	(65,402)
Interest on long-term debt	5,164,526	-	-	-	(5,164,526)	-	(5,164,526)
Total governmental activities	54,375,241	508,760	3,825,146	-	(50,041,335)	-	(50,041,335)
Business-type activities:							
School food service	1,080,379	-	928,730	-	-	(151,649)	(151,649)
Total business-type activities	1,080,379	-	928,730	-	-	(151,649)	(151,649)
Total primary government	\$ 55,455,620	\$ 508,760	\$ 4,753,876	\$ -	(50,041,335)	(151,649)	(50,192,984)
General revenues:							
Unrestricted county appropriations					14,169,447	-	14,169,447
Unrestricted State appropriations					28,108,620	-	28,108,620
Donations- general					22,397	-	22,397
Investment earnings					1,900,058	-	1,900,058
Miscellaneous, unrestricted					3,357,088	-	3,357,088
Transfers					(151,649)	151,649	-
Total general revenues and transfers					47,405,961	151,649	47,557,610
Change in net position					(2,635,374)	-	(2,635,374)
Beginning net position, as previously reported					15,241,938	-	15,241,938
Restatement					5,357,727	-	5,357,727
Beginning net position, as restated					20,599,665	-	20,599,665
Ending net position					\$ 17,964,291	\$ -	\$ 17,964,291

The accompanying notes to the financial statements are an integral part of these statements.

TRIAD MATH AND SCIENCE ACADEMY COMPANY

Exhibit 3

**Balance Sheet
Governmental Funds
June 30, 2024**

	Major Special Revenue Funds						
		Triad Math and Science Academy	Triangle Math and Science Academy	The Math and Science Academy of Charlotte	The Math and Science Academy of Apex		Total Governmental Funds
	General Fund					Eliminations	
ASSETS							
Cash and cash equivalents	\$ 125,062	\$ 7,405,291	\$ 2,297,379	\$ 2,097,715	\$ 867,565	\$ -	\$ 12,793,012
Restricted cash	18,463,211	-	-	-	-	-	18,463,211
Due from other governments	-	461,436	8,482	267,629	-	-	737,547
Due from other funds	-	-	-	-	-	-	-
Accounts receivable - other (net)	-	19,069	-	7,733	7,273	-	34,075
Total assets	<u>\$ 18,588,273</u>	<u>\$ 7,885,796</u>	<u>\$ 2,305,861</u>	<u>\$ 2,373,077</u>	<u>\$ 874,838</u>	<u>\$ -</u>	<u>\$ 32,027,845</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 2,810,551	\$ 136,223	\$ 26,582	\$ 7,069	\$ 80,444	\$ -	\$ 3,060,869
Payroll related liabilities	8,488	14,414	6,994	(12,123)	(795)	-	16,978
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>2,819,039</u>	<u>150,637</u>	<u>33,576</u>	<u>(5,054)</u>	<u>79,649</u>	<u>-</u>	<u>3,077,847</u>
Fund balances:							
Restricted:	18,463,211	-	-	-	-	-	18,463,211
Unassigned	(2,693,977)	7,735,159	2,272,285	2,378,131	795,189	-	10,486,787
Total fund balances	<u>15,769,234</u>	<u>7,735,159</u>	<u>2,272,285</u>	<u>2,378,131</u>	<u>795,189</u>	<u>-</u>	<u>28,949,998</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,588,273</u>	<u>\$ 7,885,796</u>	<u>\$ 2,305,861</u>	<u>\$ 2,373,077</u>	<u>\$ 874,838</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	93,702,459
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.	<u>(104,688,166)</u>
Net position of governmental activities	<u>\$ 17,964,291</u>

The accompanying notes to the financial statements are an integral part of these statements.

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

Exhibit 4

	Major Special Revenue Funds						
	General Fund	Triad Math and Science Academy	Triangle Math and Science Academy	The Math and Science Academy of Charlotte	The Math and Science Academy of Apex	Eliminations	Total Governmental Funds
REVENUES							
State of North Carolina	\$ -	\$ 9,581,637	\$ 8,744,075	\$ 5,222,613	\$ 4,560,295	\$ -	\$ 28,108,620
Local education agencies	-	4,381,249	4,847,530	2,425,920	2,514,748	-	14,169,447
U.S. Government	-	2,260,908	359,904	304,578	899,756	-	3,825,146
Donations, general	-	4,946	776	1,546	15,131	-	22,399
Interest income	1,496,756	299,819	51,407	92,647	447	-	1,941,076
Miscellaneous, unrestricted	7,336,471	295,102	425,959	51,629	130,757	(4,415,088)	3,824,830
Total revenues	<u>8,833,227</u>	<u>16,823,661</u>	<u>14,429,651</u>	<u>8,098,933</u>	<u>8,121,134</u>	<u>(4,415,088)</u>	<u>51,891,518</u>
EXPENDITURES							
Current:							
Instructional services	565,262	13,579,192	11,519,886	5,603,612	5,458,779	-	36,726,731
System-wide support services	2,732,017	3,582,053	3,654,878	2,758,550	1,793,990	(4,415,088)	10,106,400
Ancillary services	-	85,232.00	-	-	-	-	85,232
Non-programmed charges	-	-	-	-	-	-	-
Capital outlay	22,205,578	551,349	646,148	8,409	403,450	-	23,814,934
Debt service:							
Principal	1,075,000	-	-	-	-	-	1,075,000
Interest and other charges	5,292,675	-	-	-	-	-	5,292,675
Total expenditures	<u>31,870,532</u>	<u>17,797,826</u>	<u>15,820,912</u>	<u>8,370,571</u>	<u>7,656,219</u>	<u>(4,415,088)</u>	<u>77,100,972</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,037,305)</u>	<u>(974,165)</u>	<u>(1,391,261)</u>	<u>(271,638)</u>	<u>464,915</u>	<u>-</u>	<u>(25,209,454)</u>
OTHER FINANCING SOURCES (USES)							
Loan proceeds	-	-	-	-	-	-	-
Transfers (to) from other funds	-	(88,185)	-	(63,464)	-	-	(151,649)
Total other financing sources (uses)	<u>-</u>	<u>(88,185)</u>	<u>-</u>	<u>(63,464)</u>	<u>-</u>	<u>-</u>	<u>(151,649)</u>
Net change in fund balance	(23,037,305)	(1,062,350)	(1,391,261)	(335,102)	464,915	-	(25,361,103)
Beginning fund balance, as previously reported	40,116,302	6,214,685	1,913,276	2,144,884	330,274	-	50,719,421
Restatement	(1,309,763)	2,582,824	1,750,270	568,349	-	-	3,591,680
Beginning fund balance, as restated	<u>38,806,539</u>	<u>8,797,509</u>	<u>3,663,546</u>	<u>2,713,233</u>	<u>330,274</u>	<u>-</u>	<u>54,311,101</u>
Ending fund balance	<u>\$ 15,769,234</u>	<u>\$ 7,735,159</u>	<u>\$ 2,272,285</u>	<u>\$ 2,378,131</u>	<u>\$ 795,189</u>	<u>\$ -</u>	<u>\$ 28,949,998</u>

The accompanying notes to the financial statements are an integral part of these statements.

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Exhibit 5

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

Net changes in fund balances- total governmental funds	\$ (25,361,103)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	21,680,413
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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 premiums and discounts when debt is first issued, whereas these amounts are amortized in the statement of activities.	1,075,000
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Provision for amortization of bond discount	(30,132)
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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	<u>448</u>
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Total changes in net position of governmental activities	<u><u>\$ (2,635,374)</u></u>
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The accompanying notes to the financial statements are an integral part of these statements.

Statement of Net Position

Proprietary Funds

June 30, 2024

	Non-Major Enterprise Funds		
	Triad Math and Science Academy	The Math and Science Academy of Charlotte	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable - other (net)	-	-	-
Total current assets	-	-	-
Non-current assets:			
Capital assets:			
Food service equipment	-	-	-
Total Non-current assets	-	-	-
Total assets	\$ -	\$ -	\$ -
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ -	\$ -	\$ -
Total current liabilities	-	-	-
Total liabilities	-	-	-
NET POSITION			
Net invested in capital assets	-	-	-
Unrestricted	-	-	-
Total net position	\$ -	\$ -	\$ -

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2024

Exhibit 7

	Non-Major Enterprise Funds		
	Triad Math and Science Academy	The Math and Science Academy of Charlotte	Total
OPERATING REVENUES			
Lunch sales	\$ -	\$ -	\$ -
Miscellaneous	-	-	-
Total operating revenues	-	-	-
OPERATING EXPENSES			
Purchase of food	-	-	-
Contracted services	828,855	251,524	1,080,379
Total operating expenses	828,855	251,524	1,080,379
Operating income (loss)	(828,855)	(251,524)	(1,080,379)
NON-OPERATING REVENUES (EXPENSES)			
Federal reimbursements	740,670	188,060	928,730
Transfers (to) from other funds	88,185	63,464	151,649
Total non-operating revenue (expenses)	828,855	251,524	1,080,379
Income (loss) before contributions and transfers			
Change in net position	-	-	-
Total net position - beginning	-	-	-
Total net position - ending	\$ -	\$ -	\$ -

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 3024

	Non-Major Enterprise Funds		
	Triad Math and Science Academy	The Math and Science Academy of Charlotte	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ -	\$ -	\$ -
Cash paid for goods and services	(808,443)	(251,524)	(1,059,967)
Cash paid to employees for services	-	-	-
Net cash provided (used) by operating activities	<u>(808,443)</u>	<u>(251,524)</u>	<u>(1,059,967)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal reimbursements	740,670	188,060	928,730
Transfers	88,185	63,464	151,649
Net cash provided (used) by noncapital financing activities	<u>828,855</u>	<u>251,524</u>	<u>1,080,379</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions			
Acquisition of capital assets			
Net cash (used) by capital and related financing activities			
Net increase (decrease) in cash and cash equivalents	<u>20,412</u>	<u>-</u>	<u>20,412</u>
Balances - beginning	<u>(20,412)</u>	<u>-</u>	<u>(20,412)</u>
Balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	<u>\$ (828,855)</u>	<u>\$ (251,524)</u>	<u>\$ (1,080,379)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	-	-
Change in assets and liabilities:			
Decrease (increase) in accounts receivables	<u>20,412</u>	<u>-</u>	<u>20,412</u>
Total adjustments	<u>20,412</u>	<u>-</u>	<u>20,412</u>
Net cash provided by operating activities	<u>\$ (808,443)</u>	<u>\$ (251,524)</u>	<u>\$ (1,059,967)</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY

Notes to the Financial Statements

For the Year Ended June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Triad Math and Science Academy Company (the School) conform to generally accepted accounting principles (GAAP) as applicable to governments. The School is considered a governmental organization because of the potential for its unilateral dissolution by the State with its net assets returning to a local education agency and therefore follows the governmental reporting model as used by local education agencies.

The following is a summary of the more significant accounting policies:

A) Reporting Entity

Triad Math and Science Academy Company is a North Carolina non-profit corporation incorporated in 2007. Pursuant to the provisions of Charter School Act of 1996 as amended (the "Act"), Triad Math and Science Academy Company, as the charter holder, has been approved to operate four charter schools: Triad Math and Science Academy, The Math and Science Academy of Apex, The Math and Science Academy of Charlotte and Triangle Math and Science Academy (collectively, the "Schools"). The Schools are public schools with Triad Math and Science Academy serving approximately 1,283 students, The Math and Science Academy of Apex serving approximately 683 students, The Math and Science Academy of Charlotte serving approximately 677 students and Triangle Math and Science Academy serving 1,324 students. Each school operates under a separate charter agreement applied for under the provisions of North Carolina General Statute (hereafter "G.S.") 115C-218.1 and authorized by the State Board of Education ("SBE"). The SBE has the authority to terminate, not renew or seek applicants to assume a charter on grounds sent out at G.S. 115C-218.95 with all net assets purchased with public funds reverting to a local education agency (G.S. 115C-218.100). The current charters are effective until June 30, 2028 for Triad Math and Science Academy, June 30, 2027 for The Math and Science Academy of Apex, June 30, 2027 for The Math and Science Academy of Charlotte and June 30, 2032 for Triangle Math and Science Academy. Charters may be renewed for subsequent periods of ten (10) years unless one of the conditions in G.S. 115C-218.6(b) applies in which case the SSE may renew the charter for a shorter period or not renew the charter. Management believes that the charters will be renewed in the ordinary course of business.

Triad Math and Science Academy Company has been recognized by the Internal Revenue Service as exempt from Federal income taxation under section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3).

Triad Education Services, Inc.

This corporation is organized for the exclusive purpose of holding title to property, collecting income therefrom, and turn over the entire amount thereof, less expenses, to an organization which itself is exempt under 26 U.S.C. 501. Triad Education Services, Inc. which has a June 30 year-end, is presented as if it were a blended component unit of the School.

B) Basis of Presentation

Triad Math and Science Academy Company's financial statements have been prepared in conformity with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board and required by G.S. 115C-447 of The School Budget and Fiscal Control Act (the "SBFCA"). G.S. 115C-218.6(b)(1) provides that a charter school shall be subject to the audit requirements adopted by the SBE which include the audit requirements established by G.S. 115C-447.

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Notes to the Financial Statements
For the Year Ended June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B) Basis of Presentation (Continued)

In accordance with GASB Statement No. 34, Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments (“GASB 34”), Triad Math and Science Academy Company is a special-purpose government that is engaged in governmental activities and is not a component unit of another government. Therefore, the financial statements are prepared in the same manner as general purpose governments.

Government-wide Statements: The statement of net position and the statement of activities display information about the Schools. 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 Schools. 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 Schools and for each function of the Foundation’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 Foundation’s funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are reported as non-major funds.

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

Triad Math and Science Academy Company reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of Triad Math and Science Academy Company. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund.

Special Revenue Funds: Triad Math and Science Academy, The Math and Science Academy of Apex, The Math and Science Academy of Charlotte and Triangle Math and Science Academy funds include appropriations from the county, the State Department of Public Instruction, the federal government and others. There are subfunds within each special revenue fund including:

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Notes to the Financial Statements
For the Year Ended June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B) Basis of Presentation (Continued)

County and Other Subfund. The County and Other Subfund includes appropriation from various counties and support of Triad Math and Science Academy Company's programs.

State Public School Subfund. The State Public School Subfund includes appropriations from the Department of Public Instruction for specific operating needs of the public school system.

Federal Grants Subfund. The Federal Grants Subfund includes appropriations of federal grants received for specific operating or capital purposes.

Triad Math and Science Academy Company reports the following non-major enterprise funds:

Enterprise Funds: The Schools enterprise funds account for the school food service.

School Food Service Subfund. The School Food Service Subfund accounts for the food service programs within each of the Schools.

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

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Notes to the Financial Statements
For the Year Ended June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D) Budgetary Data

Annual budgets are adopted for all funds, except for the Club and Activities Funds, on a government-wide basis.. All budgets are prepared using the modified accrual basis of accounting.

The governing board has voluntarily established the policy, as a sound business practice, that expenditures may not exceed appropriations, for all 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 the supplemental data represents the budget of the individual schools at June 30, 2024. 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 Schools are made in local banks, whose accounts are FDIC insured. Also, the Schools may establish time deposit accounts such as money market accounts.

2. Cash and Cash Equivalents

The School pools money from several funds to facilitate disbursements to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Prepaid Items

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

4. 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 Schools to capitalize all capital assets costing more than \$5,000 with an estimated useful life of two or more years. In addition, other items which are purchased and used in large quantities such as student desks and office furniture are capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. All depreciable assets are depreciated using the straight-line method of depreciation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated over the following estimated useful lives:

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Notes to the Financial Statements
For the Year Ended June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	<u>Years</u>
Buildings	39
Buildings Improvements	39
Textbooks	5
Playground Equipment	7
Equipment	3
Computers	5
Vehicle	7

5. Deferred Outflows/Inflows of Resources

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

6. 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.

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, net of related debt; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through State statute.

Fund Balance

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

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Notes to the Financial Statements
For the Year Ended June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Net Position/Fund Balances (Continued)

The governmental fund types classify fund balance as follows:

Nonspendable 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 operating expenses for the school 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 – The portion of fund balance that can only be used for specific purpose imposed by majority vote of the 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 – The portion of fund balance that Triad Math and Science Academy Company intends to use for specific purposes.

Subsequent year's expenditures – The amount of unassigned 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 Board of Trustees to modify the appropriations by resource or appropriation within funds up to \$5,000.

Assigned for Clubs and Activities funds – Revenue sources restricted for expenditures for the various clubs and organizations, athletic events, and various fund-raising activities for which they are collected.

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.

Triad Math and Science Academy Company has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Board of Directors 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 Board of Directors has the authority to deviate from this policy if it is in the best interest of the School.

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Notes to the Financial Statements
For the Year Ended June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between for governmental funds' total fund balance and governmental activities' net position as reported in the government-wide statement of net position. The net adjustment of \$(10,985,707) consists of several elements as follows:

DESCRIPTION	AMOUNT
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column).	106,996,421
Less accumulated depreciation	(13,293,962)
Some liabilities, including bonds payable, lease liability, and accrued interest are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable, net of discount	(104,332,444)
Accrued interest	(355,722)
Total adjustment	\$ (10,985,707)

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Notes to the Financial Statements
For the Year Ended June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Reconciliation of Government-Wide and Fund Financial 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 \$22,725,729 between the two amounts consists of the following elements:

DESCRIPTION	AMOUNT
Capital outlay expenditures recorded in the fund statements but capitalized as assets on the statement of activities.	\$ 23,814,934
Depreciation expense that is recorded on the statement of activities but not in the fund statements.	(2,134,521)
Payment of the principal of long-term debt consumes the current financial resources of governmental funds but does not have any effect on net position.	1,075,000
Expenses reported on the statement of activities that do not require the use of current resources to pay and are not recorded as expenditures in the fund statements:	
Other	448
Provision for amortization of bond discount	(30,132)
Total adjustment	\$ 22,725,729

F) Revenues, Expenditures, and Expenses

1. Funding

The Schools are 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. Guilford County and Wake County Boards of Education) for each child attending the Schools except for the allocation for children with special needs and (ii) an additional amount for each child attending the Schools 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)].

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Notes to the Financial Statements
For the Year Ended June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F) Revenues, Expenditures, and Expenses (Continued)

1. Funding (Continued)

For the fiscal year ended June 30, 2024, the Schools received funding from the Boards of Education for Alamance-Burlington (\$8,968), Asheboro (\$221), Cabarrus County (\$33,078), Caswell (\$), Chatham County (\$136,278), Durham County (\$224,688), Forsyth County (\$9,361), Gaston County (\$14,502), Granville (\$2,291), Guilford (\$4,341,372), Harnett County (\$8,044), Iredell-Statesville Schools, (\$2,223) Charlotte-Mecklenburg Schools (\$2,371,162), Lee County (\$3,995), Johnston (\$29,940), Orange County (\$11,407), Randolph (\$26,608), Rockingham (\$7,374), Rowan-Salisbury Schools (\$876), Thomasville City Schools (\$579), Union (\$7,651), and Wake County Schools (\$6,928,829).

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

II. DETAIL NOTES ON ALL FUNDS

A) Assets

1. Deposits

At June 30, 2024, the Schools had deposits with banks and savings and loans with a carrying amount of \$31,256,223. The bank balance with the financial institution was \$31,309,786, of which \$28,053,399 was not covered by the Federal Deposit Insurance Corporation. The remaining \$3,256,387 was a credit risk at June 30, 2024. The school has adopted a deposit policy for custodial credit risk.

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Notes to the Financial Statements
For the Year Ended June 30, 2024

II. DETAIL NOTES ON ALL FUNDS (Continued)

A) Assets (Continued)

2. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2024 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
<u>Triad Math and Science Academy</u>				
Capital assets being depreciated:				
Textbooks	345,492	-	-	345,492
Buildings	3,257,355	-	-	3,257,355
Land Improvements	950,615	-	-	950,615
Leasehold Improvements	891,428	76,625	-	968,053
Electronic Equipment	709,017	-	-	709,017
Furniture & Fixtures	871,775	111,224	-	982,999
Vehicles	29,750	363,500	-	393,250
Total capital assets being depreciated	<u>7,055,432</u>	<u>551,349</u>	<u>-</u>	<u>7,606,781</u>
Less accumulated depreciation				
Textbooks	345,492	-	-	345,492
Buildings	117,382	108,580	-	225,962
Land Improvements	8,387	47,531	-	55,918
Leasehold Improvements	309,673	53,868	-	363,541
Electronic Equipment	601,324	27,544	-	628,868
Furniture & Fixtures	869,874	5,873	-	875,747
Vehicles	29,750	42,408	-	72,158
Total accumulated depreciation	<u>2,281,882</u>	<u>285,804</u>	<u>-</u>	<u>2,567,686</u>
Total capital assets being depreciated, net				
Governmental activity capital assets, net	<u>\$ 4,773,550</u>			<u>\$ 5,039,095</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY

Notes to the Financial Statements

For the Year Ended June 30, 2024

II. DETAIL NOTES ON ALL FUNDS (Continued)

A) Assets (Continued)

2. Capital Assets (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Triangle Math and Science Academy</u>				
Capital assets being depreciated:				
Land	\$ 1,142,525	\$ -	\$ -	\$ 1,142,525
Total capital assets being depreciated	<u>1,142,525</u>	<u>-</u>	<u>-</u>	<u>1,142,525</u>
Capital assets being depreciated				
Textbooks	260,811	-	-	260,811
Land Improvement	573,470	-	-	573,470
Leasehold Improvement	488,706	640,176	-	1,128,882
Equipment	683,189	5,972	-	689,161
Furniture, fixtures, equipment	35,203	-	-	35,203
Total capital assets being depreciated	<u>2,041,379</u>	<u>646,148</u>	<u>-</u>	<u>2,687,527</u>
Less accumulated depreciation				
Textbooks	260,811	-	-	260,811
Land Improvement	8,833	28,673	-	37,506
Leasehold Improvement	54,519	33,149	-	87,668
Equipment	676,871	1,849	-	678,720
Furniture, fixtures, equipment	34,160	1,044	-	35,204
Total accumulated depreciation	<u>1,035,194</u>	<u>64,715</u>	<u>-</u>	<u>1,099,909</u>
Total capital assets being depreciated, net				
Governmental activity capital assets, net	<u>\$ 2,148,710</u>			<u>\$ 2,730,143</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY

Notes to the Financial Statements

For the Year Ended June 30, 2024

II. DETAIL NOTES ON ALL FUNDS (Continued)

A) Assets (Continued)

2. Capital Assets (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
<u>The Math and Science Academy of Charlotte</u>				
Capital assets being depreciated:				
Buildings	632,003	\$ -	\$ -	\$ 632,003
Building improvements	89,402	-	-	89,402
Electronic Equipment	267,056	8,409	-	275,465
Furniture & Fixtures	134,351	-	-	134,351
Office Equipment	5,000	-	-	5,000
Total capital assets being depreciated	1,127,812	8,409	-	1,136,221
Less accumulated depreciation				
Buildings	226,123	57,953	-	284,076
Building improvements	22,884	12,772	-	35,656
Electronic Equipment	235,761	12,256	-	248,017
Furniture & Fixtures	134,265	87	-	134,352
Office Equipment	5,000	-	-	5,000
Total accumulated depreciation	624,033	83,068	-	707,101
Total capital assets being depreciated, net				
Governmental activity capital assets, net	\$ 503,779			\$ 429,120

	Beginning Balances	Increases	Decreases	Ending Balances
<u>The Math and Science Academy of Apex</u>				
Capital assets being depreciated:				
Playground equipment	\$ -	\$ 130,000	\$ -	\$ 130,000
Vehicles	-	273,450	-	273,450
Total capital assets being depreciated	-	403,450	-	403,450
Less accumulated depreciation				
Playground equipment	-	1,547	-	\$ 1,547
Vehicles	-	31,903	-	31,903
Total accumulated depreciation	-	33,450	-	33,450
Total capital assets being depreciated, net				
Governmental activity capital assets, net	\$ -			\$ 370,000

TRIAD MATH AND SCIENCE ACADEMY COMPANY

Notes to the Financial Statements

For the Year Ended June 30, 2024

II. DETAIL NOTES ON ALL FUNDS (Continued)

A) Assets (Continued)

2. Capital Assets (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Triad Educational Services, Inc.</u>				
Capital Assets not being depreciated				
Land	4,520,792	\$ -	\$ -	\$ 4,520,792
Construction in Progress	2,946,284	23,547,043	-	26,493,327
Total capital assets being depreciated	7,467,076	23,547,043	-	31,014,119
Capital assets being depreciated:				
Buildings	62,415,602	267,034	-	62,682,636
Equipment	167,590	-	-	167,590
Furniture & Fixtures	63,119	-	-	63,119
Total capital assets being depreciated	62,646,311	267,034	-	62,913,345
Less accumulated depreciation				
Buildings	7,089,482	1,616,035	443	8,705,074
Equipment	87,774	23,942	-	111,716
Furniture & Fixtures	33,814	9,017	-	42,831
Total accumulated depreciation	7,211,070	1,648,994	443	8,859,621
Total capital assets being depreciated, net				
Governmental activity capital assets, net	<u>\$ 62,902,317</u>			<u>\$ 85,067,843</u>
	Beginning Balances	Increases	Decreases	Ending Balances
<u>TMSA Central Office</u>				
Capital assets being depreciated:				
Vehicles	\$ 92,453	\$ -	\$ -	\$ 92,453
Total capital assets being depreciated	92,453	-	-	92,453
Less accumulated depreciation				
Vehicles	7,704	18,491	-	26,195
Total accumulated depreciation	7,704	18,491	-	26,195
Total capital assets being depreciated, net				
Governmental activity capital assets, net	<u>\$ 84,749</u>			<u>\$ 66,258</u>
Capital Assets total, all schools	<u>\$ 70,413,105</u>			<u>\$ 93,702,459</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Notes to the Financial Statements
For the Year Ended June 30, 2024

II. DETAIL NOTES ON ALL FUNDS (Continued)

A) Assets (Continued)

3. Capital Assets (Continued)

Depreciation expense charged to governmental functions during June 30, 2024 is as follows:

	Instructional Programs	Supporting Services	Total
Triad Math and Science	\$ 214,352	\$ 71,451	\$ 285,803
Triangle Math and Science	48,537	16,179	64,716
Queen City Stem	62,300	20,767	83,067
Apex Math and Science	25,088	8,362	33,450
Central Office	13,868	4,623	18,491
Triad Education Services, Inc.	1,278,848	370,147	1,648,995
	<u>\$ 1,642,993</u>	<u>\$ 491,529</u>	<u>\$ 2,134,522</u>

B) Liabilities

1. Retirement Plan

The Schools maintained a 401 (k)-retirement plan for the benefit of its employees for fiscal year 2022. The Schools will match up to a maximum of 7% of the employee's gross salary. All employees who are employed by the Schools and have reached the age of 18, except substitute teachers, are eligible to participate in the plan. Employees may contribute an unlimited portion of their salary into the retirement plan, with tax deductible amounts up to the amounts allowable by the Internal Revenue Service. Triad Math and Science Academy Company made all required contributions. For the year ended June 30, 2024, the retirement cost for the 401(k) plan to the Schools was \$596,842 with employees contributing \$780,630.

2. Risk Management

The Schools are 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 Schools maintain general liability and errors and omissions insurance coverage of \$1 million per occurrence with a commercial carrier.

The Schools have obtained a major medical insurance policy for its personnel through a commercial insurer. Through the plan, permanent, full-time employees of the School are eligible to receive health care benefits.

The Schools carry 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.

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Notes to the Financial Statements
For the Year Ended June 30, 2024

II. DETAIL NOTES ON ALL FUNDS (Continued)

B) Liabilities (Continued)

3. Revenue Bonds

Triad Educational Services, Inc, issued \$22,210,000 and \$29,565,000 Public Finance Authority Education Direct Placement Revenue Bonds, Series 2015 and Series 2021 respectively, to refinance debt and renovate existing property.

Future payments of the Series 2015A and Series 2015B bonds principal and interest as follows:

Year Ended June 30,	Principal	Interest
2025	\$ 460,000	\$ 1,034,713
2026	480,000	1,011,863
2027	510,000	985,050
2028	535,000	956,588
2029	565,000	926,888
2030-2034	3,355,000	4,122,114
2035-2039	4,405,000	3,075,601
2040-2044	5,785,000	1,701,838
2045	2,880,000	118,800
	<u>\$ 18,975,000</u>	<u>\$ 13,933,455</u>

Future payments of the Series 2021A and 2021B bonds principal and interest are as follows:

Year Ended June 30,	Principal	Interest
2025	\$ 355,000	\$ 1,162,200
2026	370,000	1,148,000
2027	385,000	1,133,200
2028	400,000	1,117,800
2029	415,000	1,101,800
2030-2034	2,345,000	5,245,400
2035-2039	2,845,000	4,738,400
2040-2044	3,470,000	4,121,400
2045-2049	4,220,000	3,369,400
2049-2053	5,135,000	2,455,200
2054-2059	6,250,000	1,342,400
2060-2061	2,865,000	173,000
	<u>\$ 29,055,000</u>	<u>\$ 27,108,200</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Notes to the Financial Statements
For the Year Ended June 30, 2024

II. DETAIL NOTES ON ALL FUNDS (Continued)

B) Liabilities (Continued)

3. Revenue Bonds (Continued)

Charlotte Education Services, Inc., issued two Series 2017 bonds, as direct placement contracts, on behalf of Charlotte Educational Services, LLC under an Indenture of Trust dated on December 1, 2017. The proceeds of the 2017 bonds were loaned to Charlotte Educational Services, LLC for the purpose of financing the costs of acquiring, renovating, and equipping certain charter school educational facilities located in Charlotte, North Carolina, supplementing the charter school, and establishing reserves to be used in the event of default. The amount of the issuance is \$11,425,001, \$10,670,000 in 2017A Series Bonds and \$705,000 in 2017B Series Bonds, and is expected to have a final maturity date of June 5, 2047. The bonds are expected to bear an interest rate of 5%. Rental income from the School is used to repay the bonds.

Future maturities of the bonds are as follows:

Year Ended June 30,	2017A	
	Principal	Interest
2025	\$ 220,000	\$ 664,800
2026	235,000	653,800
2027	245,000	642,050
2028	255,000	629,800
2029	270,000	617,050
2030-2034	1,565,000	2,869,000
2035-2039	2,010,000	2,428,100
2040-2044	2,765,000	1,676,150
2045-2047	3,055,000	496,650
	<u>\$ 10,620,000</u>	<u>\$ 10,677,400</u>

The Public Finance Authority issued two Series 2019 bonds, as direct placement contracts, on behalf of Charlotte Educational Services, LLC under an Indenture of Trust dated on June 1, 2019. The proceeds of the 2019 bonds were loaned to Charlotte Educational Services, LLC for the purpose of financing the costs of acquiring, renovating, and equipping certain charter school educational facilities located in Charlotte, North Carolina, supplementing the charter school, and establishing reserves to be used in the event of default. The amount of the issuance is \$6,000,000, \$5,482,000 in 2019A Series Bonds, \$460,000 in 2019B Series Bonds, and \$58,000 underwriter's discount, and is expected to have a final maturity date of June 15, 2047. The bonds are expected to bear an interest rate of 6.5%. Rental income from the School is used to repay the bonds.

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Notes to the Financial Statements
For the Year Ended June 30, 2024

II. DETAIL NOTES ON ALL FUNDS (Continued)

B) Liabilities (Continued)

3. Revenue Bonds (Continued)

Future maturities of the bonds are as follows:

Year Ended June 30,	2019A	
	Principal	Interest
2025	\$ 100,000	\$ 363,350
2026	110,000	356,850
2027	115,000	349,700
2028	125,000	342,225
2029	130,000	334,100
2030-2034	800,000	1,530,750
2035-2039	1,090,000	1,235,325
2040-2044	1,500,000	831,025
2045-2047	1,620,000	244,075
	<u>\$ 5,590,000</u>	<u>\$ 5,587,400</u>

The Public Finance Authority issued two Series 2022 bonds, as direct placement contracts, on behalf of Triangle Educational Services, LLC under an Indenture of Trust dated on December 22, 2022. The proceeds of the 2022 bonds were loaned to Triangle Educational Services, LLC for the purpose of financing the costs of acquiring, renovating, and equipping certain charter school educational facilities, supplementing the charter school, and establishing reserves to be used in the event of default. The amount of the issuance is \$36,130,000 in Non-ERP Series Bonds, \$2,000,000 in ERP Series Bonds, and is expected to have a final maturity date of June 15, 2062. The bonds are expected to bear an interest rate of 5.5%. Rental income from the School is used to repay the bonds.

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Notes to the Financial Statements
For the Year Ended June 30, 2024

II. DETAIL NOTES ON ALL FUNDS (Continued)

B) Liabilities (Continued)

3. Revenue Bonds (Continued)

Future maturities of the bonds are as follows:

Year Ended June 30,	Principal	Interest
2025	350,000	2,012,769
2026	365,000	1,997,456
2027	380,000	1,981,444
2028	395,000	1,964,794
2029	415,000	1,944,819
2030-2034	2,430,000	9,385,645
2035-2039	3,105,000	8,706,720
2040-2044	3,975,000	7,835,757
2045-2049	5,120,000	6,683,918
2049-2053	6,625,000	5,181,519
2054-2059	8,600,000	3,207,538
2060-2062	6,370,000	713,350
	\$ 38,130,000	\$ 51,615,729

Annual Debt Service Coverage Ratio Covenant

In accordance with the revenue bonds as noted above, the School is required to maintain net income available for debt service in an amount equal to at least 1.25 time annual debt services requirements on all indebtedness then outstanding, tested on June 30, 2024, for the immediate preceding fiscal year. The School met the required debt covenant at June 30, 2024.

Liquidity Covenant

In accordance with the revenue bonds as noted above, the School is required to maintain at least 60 days cash on hand commencing December 31, 2020 and each June 30 thereafter. The School met the required debt covenant at June 30, 2024.

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Notes to the Financial Statements
For the Year Ended June 30, 2024

II. DETAIL NOTES ON ALL FUNDS (Continued)

B) Liabilities (Continued)

4. Changes in Long-Term Obligations

The following is a summary of changes in the School's long-term obligations for the fiscal year ended June 30, 2024:

	Balance			Balance	Current
	July 01, 2023	Increases	Decreases	June 30, 2024	Portion
TES 2022	\$ 38,130,000	\$ -	\$ -	\$ 38,130,000	\$ 350,000
TES 2021	29,395,000	-	340,000	29,055,000	355,000
TES 2015	19,410,000	-	435,000	18,975,000	460,000
CES 2019	5,685,000	-	95,000	5,590,000	100,000
CES 2017	10,825,000	-	205,000	10,620,000	220,000
	<u>\$ 103,445,000</u>	<u>\$ -</u>	<u>\$ 1,075,000</u>	<u>\$ 102,370,000</u>	<u>\$ 1,485,000</u>

C) Fund Balance

Triad Math and Science Academy Company has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Board of Directors will use resources in the following hierarchy: federal funds, State funds, and local non-school funds, Triad Math and Science Academy Company 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.

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

Total fund balance	\$ 28,949,998
Less:	
Restricted	18,463,211
Remaining fund balance	<u>\$ 10,486,787</u>

III. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Notes to the Financial Statements
For the Year Ended June 30, 2024

IV . RESTATEMENT

During the year ended June 30, 2024, management discovered two restatements related to previously reported balances. The first is related to Employee Retention Credits received in the current year filed in previous years. This resulted in an increase of previous net position and fund balance of \$5,357,727. The second is related to capital outlay expenditures paid in the current year that should have been accrued in the previous year. This resulted in decrease of previous fund balance of \$1,608,499.

V. SUBSEQUENT EVENTS

Management has evaluated subsequent events to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 20, 2024, which is the date the financial statements were available to be issued.

VI. BLENDED COMPONENT UNIT

Condensed combining information for the School's blended component unit for the year ended June 30, 2024, is presented as follows:

Condensed Statement of Net Position
Governmental Activities
June 30, 2024

	Triad Math & Science Academy Company	Triad Educational Services, Inc.	Eliminations	Total
Assets				
Current assets	\$ 13,439,572	\$ 18,588,273	\$ -	\$ 32,027,845
Capital assets, net	8,568,358	85,134,101	-	93,702,459
Total Assets	<u>22,007,930</u>	<u>103,722,374</u>	<u>-</u>	<u>125,730,304</u>
Liabilities				
Current liabilities	258,808	4,659,773	-	4,918,581
Long-term liabilities	-	102,847,432	-	102,847,432
Total Liabilities	<u>258,808</u>	<u>107,507,205</u>	<u>-</u>	<u>107,766,013</u>
Net Position				
Net investment in capital assets	8,568,358	(19,198,331)	-	(10,629,973)
Restricted	-	18,463,211	-	18,463,211
Unrestricted	13,180,764	(3,049,711)	-	10,131,053
Total Net Position	<u>\$ 21,749,122</u>	<u>\$ (3,784,831)</u>	<u>\$ -</u>	<u>\$ 17,964,291</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Notes to the Financial Statements
For the Year Ended June 30, 2024

VI. BLENDED COMPONENT UNIT (Continued)

Condensed Statement of Revenues, Expenses
Changes in Net Position
Governmental Activities
June 30, 2024

	Triad Math & Science Academy Company	Triad Educational Services, Inc.	Eliminations	Total
Operating Revenues				
Unrestricted county appropriation	\$ 14,169,447	\$ -	\$ -	\$ 14,169,447
Unrestricted State appropriation	28,108,620	-	-	28,108,620
Operating grants and contributions	3,825,146	-	-	3,825,146
Donations - general	22,399	-	-	22,399
Investment earnings	403,302	1,496,756	-	1,900,058
Miscellaneous, unrestricted	944,465	7,336,471	(4,415,088)	3,865,848
School food service revenues	928,730	-	-	928,730
Total Operating Revenues	<u>48,402,109</u>	<u>8,833,227</u>	<u>(4,415,088)</u>	<u>52,820,248</u>
Operating Expenditures				
Instructional services	36,511,740	2,385,961	-	38,897,701
System-wide support services	11,906,230	2,736,640	(4,415,088)	10,227,782
Community services	85,232	-	-	85,232
School food service expenses	1,080,379	-	-	1,080,379
Interest on long-term debt	-	5,164,526	-	5,164,526
Total Operating Expenditures	<u>49,583,581</u>	<u>10,287,127</u>	<u>(4,415,088)</u>	<u>55,455,620</u>
Change in Net Position	<u>(1,181,472)</u>	<u>(1,453,900)</u>	<u>-</u>	<u>(2,635,372)</u>
Net Position				
Net position, beginning	22,930,594	(2,330,931)	-	20,599,663
Net Position, Ending	<u>\$ 21,749,122</u>	<u>\$ (3,784,831)</u>	<u>\$ -</u>	<u>\$ 17,964,291</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Combining Balance Sheet by Governmental Subfund
June 30, 2024

Schedule 1

	Triad Math and Science Academy			
	General	State Public School	Federal Grants	Fund Total
ASSETS				
Cash and cash equivalents	\$ 7,405,291	\$ -	\$ -	\$ 7,405,291
Due from other governments	461,436	-	-	461,436
Accounts receivable - other	19,069			19,069
Total assets	<u>\$ 7,885,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,885,796</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 136,223	\$ -	\$ -	\$ 136,223
Payroll related liabilities	14,414	-	-	14,414
Total liabilities	<u>150,637</u>	<u>-</u>	<u>-</u>	<u>150,637</u>
Fund balances:				
Unassigned	7,735,159	-	-	7,735,159
Total fund balances	<u>7,735,159</u>	<u>-</u>	<u>-</u>	<u>7,735,159</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,885,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,885,796</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY **Schedule 2**
Combining Statement of Revenues, Expenditures and Changes in Governmental Subfund Balances
For the Year Ended June 30, 2024

	Triad Math and Science Academy			
	County and Other	State Public School	Federal Grants	Fund Total
REVENUES				
State of North Carolina	\$ -	\$ 9,581,637	\$ -	\$ 9,581,637
Local education agencies	4,381,249	-	-	4,381,249
U.S. Government	-	-	2,260,908	2,260,908
Donations - general	4,946	-	-	4,946
Interest income	299,819	-	-	299,819
Miscellaneous, unrestricted	295,102	-	-	295,102
Total revenues	<u>4,981,116</u>	<u>9,581,637</u>	<u>2,260,908</u>	<u>16,823,661</u>
EXPENDITURES				
Current:				
Instructional services	2,816,606	8,730,963	2,031,623	13,579,192
System-wide support services	2,801,386	765,442	15,225	3,582,053
Ancillary services	-	85,232	-	85,232
Capital outlay	337,289	-	214,060	551,349
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>5,955,281</u>	<u>9,581,637</u>	<u>2,260,908</u>	<u>17,797,826</u>
Excess (deficiency) of revenues over expenditures	<u>(974,165)</u>	<u>-</u>	<u>-</u>	<u>(974,165)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (to) from other funds	<u>(88,185)</u>	<u>-</u>	<u>-</u>	<u>(88,185)</u>
Total other financing sources (uses)	<u>(88,185)</u>	<u>-</u>	<u>-</u>	<u>(88,185)</u>
Net change in fund balance	(1,062,350)	-	-	(1,062,350)
Beginning fund balance, as previously reported	6,214,685	-	-	6,214,685
Restatement	2,582,824	-	-	2,582,824
Beginning fund balances, as restated	<u>8,797,509</u>	<u>-</u>	<u>-</u>	<u>8,797,509</u>
Ending fund balance	<u>\$ 7,735,159</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,735,159</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Combing Statement of Net Position by Proprietary Subfund
June 30, 2024

Schedule 3

	Triad Math and Science Academy
	Enterprise Activities
	School Food Service
ASSETS	
Current assets:	
Cash and cash equivalents	\$ -
Accounts receivable - other (net)	-
Total assets	<u>\$ -</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	\$ -
Total current liabilities	<u>-</u>
NET POSITION	
Net invested in capital assets	<u>-</u>
Unrestricted	<u>-</u>
Total net position	<u><u>\$ -</u></u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Combing Statement of Revenues, Expenditures and Changes in Subfund Net Position
For the Year Ended June 30, 2024

Schedule 4

	Triad Math and Science Academy
	Enterprise Activities
	School Food Service
OPERATING REVENUES	
Lunch sales	\$ -
Miscellaneous	
Total operating revenues	-
OPERATING EXPENSES	
Purchase of food	-
Contracted services	828,855
Total operating expenses	828,855
Operating income (loss)	(828,855)
NON-OPERATING REVENUES (EXPENSES)	
Federal reimbursements	740,670
Transfers (to) from other funds	88,185
Total non-operating revenue (expenses)	828,855
Change in net position	-
Total net position - beginning	-
Total net position - ending	\$ -

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Combining Statement of Cash Flows by Proprietary Subfund
For the Year Ended June 30, 2024

Schedule 5

	Triad Math and Science Academy
	Enterprise Activities
	School Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ -
Cash paid for goods and services	(808,443)
Net cash provided (used) by operating activities	(808,443)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal reimbursements	740,670
Transfers	88,185
Net cash provided (used) by noncapital financing activities	828,855
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital contributions	-
Acquisition of capital assets	-
Net cash provided (used) by capital and related financing activities	-
Net increase (decrease) in cash and cash equivalents	20,412
Balances - beginning	(20,412)
Balances - ending	\$ -
Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$ (828,855)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	
Changes in assets and liabilities:	
Decrease (increase) in accounts receivable	20,412
Increase in due from other subfund	-
Total adjustments	20,412
Net cash provided by operating activities	\$ (808,443)

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Combining Balance Sheet by Governmental Subfund
June 30, 2024

Schedule 6

	Triangle Math and Science Academy			
	County and Other	State Public School	Federal Grants	Fund Total
ASSETS				
Cash and cash equivalents	\$ 2,297,379	\$ -	\$ -	\$ 2,297,379
Due from other governments	8,482	-	-	8,482
Total assets	<u>\$ 2,305,861</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,305,861</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 26,582	\$ -	\$ -	\$ 26,582
Payroll related liabilities	6,994	-	-	6,994
Total liabilities	<u>33,576</u>	<u>-</u>	<u>-</u>	<u>33,576</u>
Fund balances:				
Unassigned	2,272,285	-	-	2,272,285
Total fund balances	<u>2,272,285</u>	<u>-</u>	<u>-</u>	<u>2,272,285</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,305,861</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,305,861</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY **Schedule 7**
Combining Statement of Revenues, Expenditures and Changes in Governmental Subfund Balances
For the Year Ended June 30, 2024

	Triangle Math and Science Academy			
	County and Other	State Public School	Federal Grants	Fund Total
REVENUES				
State of North Carolina	\$ -	\$ 8,744,075	\$ -	\$ 8,744,075
Local education agencies	4,847,530	-	-	4,847,530
U.S. Government	-	-	359,904	359,904
Donations - general	776	-	-	776
Interest income	51,407	-	-	51,407
Miscellaneous, unrestricted	425,959	-	-	425,959
Total revenues	<u>5,325,672</u>	<u>8,744,075</u>	<u>359,904</u>	<u>14,429,651</u>
EXPENDITURES				
Current:				
Instructional services	2,731,525	8,428,457	359,904	11,519,886
System-wide support services	3,339,260	315,618	-	3,654,878
Capital outlay	646,148	-	-	646,148
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>6,716,933</u>	<u>8,744,075</u>	<u>359,904</u>	<u>15,820,912</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,391,261)</u>	<u>-</u>	<u>-</u>	<u>(1,391,261)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (to) from other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,391,261)	-	-	(1,391,261)
Beginning fund balance, as previously reported	1,913,276	-	-	1,913,276
Restatement	1,750,270	-	-	1,750,270
Beginning fund balances, as restated	<u>3,663,546</u>	<u>-</u>	<u>-</u>	<u>3,663,546</u>
Ending fund balance	<u>\$ 2,272,285</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,272,285</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Combining Balance Sheet by Governmental Subfund
June 30, 2024

Schedule 8

	The Math and Science Academy of Charlotte			
	County and Other	State Public School	Federal Grants	Fund Total
ASSETS				
Cash and cash equivalents	\$ 2,097,715	\$ -	\$ -	\$ 2,097,715
Due from other governments	267,629	-	-	267,629
Accounts receivable - other	7,733	-	-	7,733
Total assets	<u>\$ 2,373,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,373,077</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 7,069	\$ -	\$ -	\$ 7,069
Payroll related liabilities	(12,123)	-	-	(12,123)
Total liabilities	<u>(5,054)</u>	<u>-</u>	<u>-</u>	<u>(5,054)</u>
Fund balances:				
Unassigned	2,378,131	-	-	2,378,131
Total fund balances	<u>2,378,131</u>	<u>-</u>	<u>-</u>	<u>2,378,131</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,373,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,373,077</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY **Schedule 9**
Combining Statement of Revenues, Expenditures and Changes in Governmental Subfund Balances
For the Year Ended June 30, 2024

	The Math and Science Academy of Charlotte			
	County and Other	State Public School	Federal Grants	Fund Total
REVENUES				
State of North Carolina	\$ -	\$ 5,222,613	\$ -	\$ 5,222,613
Local education agencies	2,425,920	-	-	2,425,920
U.S. Government	-	-	304,578	304,578
Donations - general	1,546	-	-	1,546
Miscellaneous, unrestricted	92,647	-	-	92,647
Interest Income	51,629	-	-	51,629
Total revenues	<u>2,571,742</u>	<u>5,222,613</u>	<u>304,578</u>	<u>8,098,933</u>
EXPENDITURES				
Current:				
Instructional services	513,645	4,785,389	304,578	5,603,612
System-wide support services	2,321,326	437,224	-	2,758,550
Capital outlay	8,409	-	-	8,409
Debt service:				-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>2,843,380</u>	<u>5,222,613</u>	<u>304,578</u>	<u>8,370,571</u>
Excess (deficiency) of revenues over expenditures	<u>(271,638)</u>	<u>-</u>	<u>-</u>	<u>(271,638)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (to) from other funds	(63,464)	-	-	(63,464)
Total other financing sources (uses)	<u>(63,464)</u>	<u>-</u>	<u>-</u>	<u>(63,464)</u>
Net change in fund balance	<u>(335,102)</u>	<u>-</u>	<u>-</u>	<u>(335,102)</u>
Beginning fund balance, as previously reported	2,144,884	-	-	2,144,884
Restatement	568,349			568,349
Beginning fund balance, as restated	<u>2,713,233</u>	<u></u>	<u></u>	<u>2,713,233</u>
Ending fund balance	<u>\$ 2,378,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,378,131</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Combing Statement of Net Position by Proprietary Subfund
June 30, 2024

Schedule 10

	The Math and Science Academy of Charlotte
	Enterprise Activities
	School Food Service
ASSETS	
Cash and cash equivalents	\$ -
Due from other governments	-
Total assets	<u>\$ -</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ -
Total liabilities	<u>-</u>
Fund balances:	
Unassigned	-
Total fund balances	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Combing Statement of Revenues, Expenditures and Changes in Subfund Net Position
For the Year Ended June 30, 2024

Schedule 11

	The Math and Science Academy of Charlotte
	Enterprise Activities
	School Food Service
OPERATING REVENUES	
Lunch sales	\$ -
Total operating revenues	-
OPERATING EXPENSES	
Contracted services	251,524
Total operating expenses	251,524
Operating income (loss)	(251,524)
NON-OPERATING REVENUES (EXPENSES)	
Federal reimbursements	188,060
Transfers (to) from other funds	63,464
Total non-operating revenue (expenses)	251,524
Change in net position	-
Total net position - beginning	-
Total net position - ending	\$ -

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Combining Statement of Cash Flows by Proprietary Subfund
For the Year Ended June 30, 2024

Schedule 12

	The Math and Science Academy of Charlotte
	Enterprise Activities
	School Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ -
Cash paid for goods and services	(251,524)
Cash paid to employees for services	-
Net cash provided (used) by operating activities	(251,524)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal reimbursements	188,060
Transfers	63,464
Net cash provided (used) by operating activities	251,524
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital contributions	
Acquisition of capital assets	
Net cash provided (used) by capital and related financing activities	-
Net increase (decrease) in cash and cash equivalents	-
Balances - beginning	-
Balances - ending	\$ -
Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$ (251,524)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	
Changes in assets and liabilities:	
Increase in due to/from other subfunds	-
Total adjustments	-
Net cash provided by operating activities	\$ (251,524)

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Combining Balance Sheet by Governmental Subfund
June 30, 2024

Schedule 13

	The Math and Science Academy of Apex			
	County and Other	State Public School	Federal Grants	Fund Total
ASSETS				
Cash and cash equivalents	\$ 867,565	\$ -	\$ -	\$ 867,565
Accounts receivable - other	7,273			7,273
Total assets	<u>\$ 874,838</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 874,838</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 80,444	\$ -	\$ -	\$ 80,444
Payroll related liabilities	(795)	-	-	(795)
Total liabilities	<u>79,649</u>	<u>-</u>	<u>-</u>	<u>79,649</u>
Fund balances:				
Unassigned	795,189	-	-	795,189
Total fund balances	<u>795,189</u>	<u>-</u>	<u>-</u>	<u>795,189</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 874,838</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 874,838</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY **Schedule 14**
Combining Statement of Revenues, Expenditures and Changes in Governmental Subfund Balances
For the Year Ended June 30, 2024

	The Math and Science Academy of Apex			
	County and Other	State Public School	Federal Grants	Fund Total
REVENUES				
State of North Carolina	\$ -	\$ 4,560,295	\$ -	\$ 4,560,295
Boards of Education	2,514,748	-	-	2,514,748
U.S. Government	-	-	899,756	899,756
Donations - general	15,131	-	-	15,131
Interest income	447	-	-	447
Other	130,757	-	-	130,757
Total revenues	<u>2,661,083</u>	<u>4,560,295</u>	<u>899,756</u>	<u>8,121,134</u>
EXPENDITURES				
Current:				
Instructional services	746,171	4,179,054	533,554	5,458,779
System-wide support services	1,396,580	381,241	16,169	1,793,990
Capital outlay	53,417	-	350,033	403,450
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>2,196,168</u>	<u>4,560,295</u>	<u>899,756</u>	<u>7,656,219</u>
Excess (deficiency) of revenues over expenditures	<u>464,915</u>	<u>-</u>	<u>-</u>	<u>464,915</u>
OTHER FINANCING SOURCES (USES)				
Transfers (to) from other funds	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	<u>464,915</u>	<u>-</u>	<u>-</u>	<u>464,915</u>
Beginning fund balance, as previously reported	172,726	-	-	172,726
Restatement	157,548	-	-	157,548
Beginning fund balance, as restated	<u>330,274</u>	<u>-</u>	<u>-</u>	<u>330,274</u>
Ending fund balance	<u>\$ 795,189</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 795,189</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Schedule of Revenues, Expenditures and Changes in Subfund Balance - Budget and Actual
All Funds - Triad Math and Science
For the Year Ended June 30, 2024

	Triad Math and Science Academy		
	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
State of North Carolina	\$ 9,505,419	\$ 9,581,637	\$ 76,218
Local education agencies	4,449,153	4,381,249	(67,904)
U.S. Government	2,563,505	2,260,908	(302,597)
Donations - general	28,043	4,946	(23,097)
Interest income	223,867	299,819	75,952
Miscellaneous, unrestricted	2,842,336	295,102	(2,547,234)
Total revenues	<u>19,612,323</u>	<u>16,823,661</u>	<u>(2,788,662)</u>
EXPENDITURES			
Salaries & Benefits	11,215,991	11,157,410	58,581
Professional and Technical Services	2,513,446	1,775,800	737,646
Property Services	1,764,959	1,024,103	740,856
Transportation Services	182,538	224,420	(41,882)
Communications	199,129	11,320	187,809
Employee education reimbursements	18,822	87,327	(68,505)
Dues and Fees	192,593	153,915	38,678
Insurance	56,248	55,489	759
School and Office Supplies	1,217,919	737,346	480,573
Operational Supplies	39,000	1,219,314	(1,180,314)
Food Supplies	173,004	159,478	13,526
Non-Capitalized Equipment	714,089	640,554	73,535
Capitalized Equipment	569,126	551,349	17,777
Total expenditures	<u>18,856,864</u>	<u>17,797,825</u>	<u>1,059,039</u>
Excess (deficiency) of revenues over (under) expenditures	755,459	(974,164)	(1,729,623)
Other financing sources (uses):			
Transfers to other funds	<u>-</u>	<u>(88,185)</u>	<u>(88,185)</u>
Net change in fund balances	<u>\$ 755,459</u>	<u>\$ (1,062,349)</u>	<u>\$ (1,817,808)</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Schedule of Revenues, Expenditures and Changes in Subfund Balance - Budget and Actual
School Food Service
For the Year Ended June 30, 2024

	Triad Math and Science Academy		
	Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Lunch Sales	\$ -	\$ -	\$ -
Total operating revenues	-	-	-
OPERATING EXPENDITURES			
Contracted food services	960,000	828,855	131,145
Operating income (loss)	(960,000)	(828,855)	131,145
NONOPERATING REVENUES (EXPENSES)			
Federal reimbursements	900,000	740,670	(159,330)
Transfers from other funds	-	88,185	88,185
Total nonoperating revenues (expenses)	900,000	828,855	(71,145)
Excess of revenues and other sources over expenditures	\$ (60,000)	\$ -	\$ 60,000

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Schedule of Revenues, Expenditures and Changes in Subfund Balance - Budget and Actual
All Funds - Triangle Math and Science
For the Year Ended June 30, 2024

	Triangle Math and Science Academy		
	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
State of North Carolina	\$ 8,799,092	\$ 8,744,075	\$ (55,017)
Local education agencies	4,811,258	4,847,530	36,272
U.S. Government	421,153	359,904	(61,249)
Donations - general	197,563	776	(196,787)
Interest income	20,000	51,407	31,407
Miscellaneous, unrestricted	2,090,665	425,959	(1,664,706)
Total revenues	<u>16,339,731</u>	<u>14,429,651</u>	<u>(1,910,080)</u>
EXPENDITURES			
Salaries & Benefits	9,444,979	9,236,077	208,902
Professional and Technical Services	1,732,946	1,031,019	701,927
Property Services	2,202,446	1,829,530	372,916
Transportation Services	144,606	94,359	50,247
Communications	42,108	8,111	33,997
Employee education reimbursements	19,000	69,770	(50,770)
Dues and Fees	338,915	297,309	41,606
Insurance	34,977	34,977	-
School and Office Supplies	780,513	477,015	303,498
Operational Supplies	8,743	1,076,751	(1,068,008)
Food Supplies	52,413	41,926	10,487
Non-Capitalized Equipment	1,102,595	977,920	124,675
Capitalized Equipment	166,710	646,148	(479,438)
Total expenditures	<u>16,070,951</u>	<u>15,820,912</u>	<u>250,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>268,780</u>	<u>(1,391,261)</u>	<u>(1,660,041)</u>
Net change in fund balances	<u>\$ 268,780</u>	<u>\$ (1,391,261)</u>	<u>\$ (1,660,041)</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Schedule of Revenues, Expenditures and Changes in Subfund Balance - Budget and Actual
All Funds - Queen City Stem
For the Year Ended June 30, 2024

	The Math and Science Academy of Charlotte		
	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
State of North Carolina	\$ 5,182,435	\$ 5,222,613	\$ 40,178
Local education agencies	2,557,106	2,425,920	(131,186)
U.S. Government	353,468	304,578	(48,890)
Donations - general	67,204	1,546	(65,658)
Interest income	40,000	51,629	11,629
Miscellaneous, unrestricted	630,291	92,647	(537,644)
Total revenues	<u>8,830,504</u>	<u>8,098,933</u>	<u>(731,571)</u>
EXPENDITURES			
Salaries & Benefits	4,981,125	4,929,108	52,017
Professional and Technical Services	991,355	780,188	211,167
Property Services	1,763,232	1,732,822	30,410
Transportation Services	265,300	30,598	234,702
Communications	61,681	48,705	12,976
Employee education reimbursements	10,000	22,747	(12,747)
Dues and Fees	79,335	41,308	38,027
Insurance	32,372	32,372	-
School and Office Supplies	245,178	169,202	75,976
Operational Supplies	5,000	432,889	(427,889)
Food Supplies	-	27,889	(27,889)
Non-Capitalized Equipment	145,187	114,334	30,853
Capitalized Equipment	50,000	8,409	41,591
Total expenditures	<u>8,629,765</u>	<u>8,370,571</u>	<u>259,194</u>
Excess (deficiency) of revenues over (under) expenditures	<u>200,739</u>	<u>(271,638)</u>	<u>(472,377)</u>
Other financing sources (uses):			
Transfer to other funds	<u>-</u>	<u>(63,464)</u>	<u>(63,464)</u>
Net change in fund balances	<u>\$ 200,739</u>	<u>\$ (335,102)</u>	<u>\$ (535,841)</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Schedule of Revenues, Expenditures and Changes in Subfund Balance - Budget and Actual
School Food Service
For the Year Ended June 30, 2024

	The Math and Science Academy of Charlotte		
	Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Lunch Sales	\$ -	\$ -	\$ -
Total operating revenues	-	-	-
OPERATING EXPENDITURES			
Contracted food services	259,796	251,524	8,272
Operating income (loss)	(259,796)	(251,524)	8,272
NONOPERATING REVENUES (EXPENSES)			
Federal reimbursements	174,472	188,060	13,588
Transfers from other funds	-	63,464	63,464
Total other financing sources	174,472	251,524	77,052
Excess of revenues and other sources over expenditures	\$ (85,324)	\$ -	\$ 85,324

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Schedule of Revenues, Expenditures and Changes in Subfund Balance - Budget and Actual
All Funds - Apex Math and Science
For the Year Ended June 30, 2024

	The Math and Science Academy of Apex		
	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
State of North Carolina	\$ 4,592,448	\$ 4,560,295	\$ (32,153)
Local education agencies	2,319,144	2,514,748	195,604
U.S. Government	915,779	899,756	(16,023)
Donations - general	29,190	15,131	(14,059)
Interest income	400	447	47
Miscellaneous, unrestricted	245,436	130,757	(114,679)
Total revenues	<u>8,102,397</u>	<u>8,121,134</u>	<u>18,737</u>
EXPENDITURES			
Salaries & Benefits	4,366,984	4,325,144	41,840
Professional and Technical Services	1,023,940	639,234	384,706
Property Services	930,683	860,333	70,350
Transportation Services	73,881	61,642	12,239
Communications	31,400	14,552	16,848
Employee education reimbursements	10,000	-	10,000
Dues and Fees	57,578	35,179	22,399
Insurance	39,301	39,301	-
School and Office Supplies	919,658	471,244	448,414
Operational Supplies	11,500	497,768	(486,268)
Food Supplies	62,032	47,338	14,694
Capitalized Equipment	300,376	403,450	(103,074)
Non-Capitalized Equipment	174,742	261,034	(86,292)
Total expenditures	<u>8,002,075</u>	<u>7,656,219</u>	<u>345,856</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100,322</u>	<u>464,915</u>	<u>364,593</u>
Net change in fund balances	<u>\$ 100,322</u>	<u>\$ 464,915</u>	<u>\$ 364,593</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
Triad Math and Science Academy Company
Cary, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Triad Math and Science Academy Company, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Triad Math and Science Academy Company's basic financial statements, and have issued our report thereon dated October 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Triad Math and Science Academy Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Triad Math and Science Academy Company's internal control. Accordingly, we do not express an opinion on the effectiveness of Triad Math and Science Academy Company's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Triad Math and Science Academy Company's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

Sharpe Patel PLLC

Raleigh, North Carolina

October 20, 2024



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

To the Board of Directors
Triad Math and Science Academy Company
Cary, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Triad Math and Science Academy Company's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina* that could have a direct and material effect on each of Triad Math and Science Academy Company's major State programs for the year ended June 30, 2024. Triad Math and Science Academy Company's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Triad Math and Science Academy Company 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, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Triad Math and Science Academy Company and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of Triad Math and Science Academy Company's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Triad Math and Science Academy Company's State programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Sharpe Patel PLLC

Raleigh, North Carolina

October 20, 2024

SHARPE
PATEL CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH FEDERAL MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE OBM UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

To the Board of Directors
Triad Math and Science Academy Company
Cary, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Triad Math and Science Academy Company's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Triad Math and Science Academy Company's major Federal programs for the year ended June 30, 2024. Triad Math and Science Academy Company's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Triad Math and Science Academy Company 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 Federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Triad Math and Science Academy Company and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major Federal program. Our audit does not provide a legal determination of Triad Math and Science Academy Company's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Triad Math and Science Academy Company's Federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

Sharpe Patel PLLC

Raleigh, North Carolina

October 20, 2024

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report issued on whether the financial statements
were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weaknesses identified? _____ yes ✓ no

Significant deficiency(s) identified that are
not considered to be material weaknesses? _____ yes ✓ none reported

Noncompliance material to financial statements noted _____ yes ✓ no

State Awards

Internal control over major State programs:

Material weaknesses identified? _____ yes ✓ no

Significant deficiency(s) identified that are
not considered to be material weakness(es)? _____ yes ✓ none reported

Type of auditors' report issued on compliance for
major State programs:

Unmodified

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

_____ yes ✓ no

Identification of major State programs:

Program Name

State Public School Fund - Charter Schools

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS (Continued)

Federal Awards

Internal control over major Federal programs:

Material weaknesses identified? _____ yes ✓ no

Significant deficiency(s) identified that are
not considered to be material weakness(es)? _____ yes ✓ no

Type of auditors' report issued on compliance for
major Federal programs: Unmodified

Any audit findings disclosed that are required to be
reported in accordance with
2 CFR 200.516(a)? _____ yes ✓ no

Identification of major Federal programs:

Assistance Listing

84.027-CL

84.282

10.555

Program Name

Special Education Cluster

ESEA Title IV, Part C

National School Lunch Program

Dollar threshold used to distinguish between Type A and Type B Programs

\$ 750,000

Auditee qualified as low-risk auditee _____ yes ✓ no

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - STATE AND FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SCHEDULE OF PRIOR YEAR FINDINGS

No findings disclosed in the prior year.

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2024

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/Pass-Through Grantor's Number	Triad Math and Science Academy Expenditures	Triangle Math and Science Academy Expenditures	The Math and Science Academy of Charlotte Expenditures	The Math and Science Academy of Apex Expenditures	Total Expenditures
FEDERAL GRANTS							
<u>U.S. Department of Education</u>							
Cash Assistance							
<u>Passed-through the N.C. Department of Public Instruction</u>							
Education Stabilization Fund							
CRRSA - K-12 Emergency Relief Fund	84.425-2	PRC 171	\$ 68,923	\$ -	\$ 2,373	\$ -	\$ 71,296
ARP - K-12 Emergency Relief Funding	84.425-3	PRC 181	1,051,221	-	15,600	-	1,066,821
ARP - Cyberbullying and Suicide Prevention Grant	84.425-3	PRC 182	-	51,157	-	-	51,157
ARP - Public School Unit Supplemental Funding	84.425-3	PRC 189	32,030	21,457	7,096	-	60,583
Total Education Stabilization Fund			<u>1,152,174</u>	<u>72,614</u>	<u>25,069</u>	<u>-</u>	<u>1,249,857</u>
Special Education Cluster							
IDEA Title VI-B Handicapped	84.027	PRC 060	261,000	232,394	157,229	116,110	766,733
IDEA VI-B Special Needs Targeted Assistance	84.027	PRC 118	2,917	150	1,995	2,372	7,434
Total Special Education Cluster			<u>263,917</u>	<u>232,544</u>	<u>159,224</u>	<u>118,482</u>	<u>774,167</u>
Title I Grants to LEAs							
Title I - LEA Basic Funding	84.010	PRC 050	405,455	28,454	94,429	17,666	546,004
ESEA Title I - Targeted Support and Improvement	84.010	PRC 115	-	-	-	(115)	(115)
Total English Language Acquisition			<u>405,455</u>	<u>28,454</u>	<u>94,429</u>	<u>17,551</u>	<u>545,889</u>
English Language Acquisition	84.365	PRC 104	31,350	-	-	-	31,350
Improving Teacher Quality	84.367	PRC 103	63,094	20,616	22,183	14,485	120,378
Student Support and Academic Enrichment	84.424	PRC 108	35,524	5,676	3,673	6,459	51,332
NC Advancing Charter Collaboration and Excellence for Student Success	84.282	PRC 160	309,394	-	-	742,779	1,052,173
Total U.S. Department of Education			<u>2,260,908</u>	<u>359,904</u>	<u>304,578</u>	<u>899,756</u>	<u>3,825,146</u>

TRIAD MATH AND SCIENCE ACADEMY COMPANY
Schedule of Expenditures of Federal and State Awards (Continued)
For the Year Ended June 30, 2024

U.S. Department of Agriculture

Cash Assistance

Passed-through the N.C. Department of Public Instruction

National School Lunch Program	10.555	PRC 035	740,670	-	188,060	-	928,730
Total Federal Assistance			3,001,578	359,904	492,638	899,756	4,753,876

STATE GRANTS

Cash Assistance

N.C. Department of Public Instruction:

State Public School Fund - Charter School		PRC 036	9,449,792	8,694,317	5,144,626	4,513,747	27,802,482
Summer Reading Camps		PRC 016	19,069	5,153	7,733	17,300	49,255
Behavioral Support		PRC 029	680	1,735	1,700	2,200	6,315
School Safety Grant		PRC 040	85,990	18,272	60,694	18,436	183,392
Principal and Teacher Performance Bonuses		PRC 048	22,606	24,598	4,360	8,612	60,176
Third Grade Read to Achieve Teacher Bonus		PRC 046	3,500	-	3,500	-	7,000
Total State assistance			9,581,637	8,744,075	5,222,613	4,560,295	28,108,620
Total federal and State assistance			\$ 12,583,215	\$ 9,103,979	\$ 5,715,251	\$ 5,460,051	\$ 32,862,496

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Triad Math and Science Academy Company under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards and the State Single Audit Implementation Act* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

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

North Carolina
Exceeded Academic Growth Award

IS PROUDLY PRESENTED TO

Triangle Math and Science Academy

Charter Schools

for exceeding the goal of expected academic progress
for students during the 2023-24 school year.


Superintendent, Department of Public Instruction




Chairman, State Board of Education

North Carolina
Exceeded Academic Growth Award

IS PROUDLY PRESENTED TO

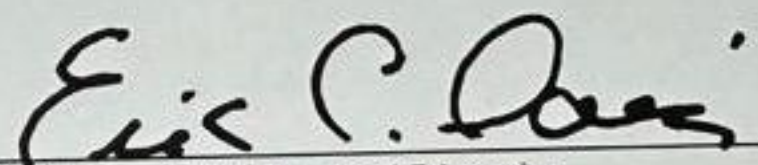
Triad Math and Science Academy

Charter Schools

for exceeding the goal of expected academic progress
for students during the 2023-24 school year.


Superintendent, Department of Public Instruction




Chairman, State Board of Education

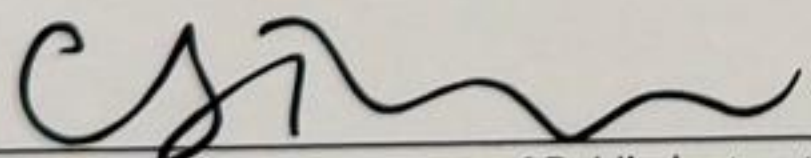
North Carolina
Academic Growth Award

IS PROUDLY PRESENTED TO

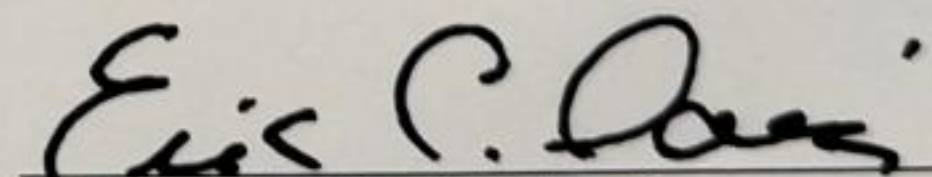
TMSA Charlotte

Charter Schools

for achieving the goal of expected academic progress
for students during the 2023-24 school year.


Superintendent, Department of Public Instruction




Chairman, State Board of Education

North Carolina
Academic Growth Award

IS PROUDLY PRESENTED TO

The Math and Science Academy of Apex

Charter Schools

for achieving the goal of expected academic progress
for students during the 2023-24 school year.


Superintendent, Department of Public Instruction




Chairman, State Board of Education