

Exhibit 13



PUBLIC SCHOOLS OF NORTH CAROLINA

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

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August 22, 2013

Certified Mail Receipt # 7010 1870 0001 3420 5924

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

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

Dear Mr. Hall and Ms. McDonald-Hall:

On August 16, 2013, I provided a letter to you announcing the Department of Public Instruction's intent to recommend that the State Board of Education initiate revocation of the charter for Kinston Charter Academy. The primary basis for that recommendation is rooted in the charter school's history of financial concerns. The most recent issue is the delinquency in reporting and payment of premiums to the NC Treasurer's Office.

Since the Department has been preparing the item to go before the State Board of Education, additional concerns have come to light about Kinston Charter Academy. In affording you professional courtesy and respect, I wanted to apprise you of these additional issues. They are briefly listed below:

- Kinston Charter Academy chose to accept Federal funds from the Race to the Top (RtT) grant; however, the school has been noncompliant. It was difficult for the RtT coordinators to schedule on sight monitoring visits, but they were finally able to perform a visit after a delay. Based upon that monitoring visit, a corrective action plan was required from the charter school by May 31, 2013. That documentation, which is a revision of the Detailed Scope of Work, has not yet been submitted to the Department of Public Instruction.
- Federal programs, specifically Title 1, encountered difficulty in performing its own monitoring visits. An original visit was scheduled in November 2012 but was rescheduled to February 2013. When the staff arrived, representatives from Kinston informed them that they were not prepared; so the visit was then rescheduled again to April 2013. All "findings" were provided to Kinston Charter Academy in a monitoring report on June 12, 2013, and required documentation from the school was due July 8, 2013. As of August 21, 2013, the charter school still has not submitted documentation to support Federal compliance with Title 1 requirements.
- Kinston Charter Academy has also been slow in providing documentation and submitting budgets to the Exceptional Children Division.

OFFICE OF CHARTER SCHOOLS

Joel E. Medley, Ph.D., *Director* | joel.medley@dpi.nc.gov

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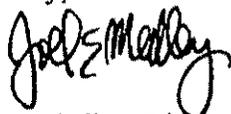
AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

This information, along with supporting documents that are still in preparation, will be uploaded on the State Board of Education website. The State Board meeting should be live next week, and you can access the site at: <https://eboard.eboardsolutions.com/Index.aspx?S=10399>. Be sure to locate the dates of September 4 and September 5, and look within the agenda items related to the Leadership for Innovation committee (specifically LFI 4).

As stated in my previous letter, the Department of Public Instruction and State Board of Education, in fostering excellence in North Carolina's public charter schools, must protect taxpayer dollars and preserve the public trust. The issues outlined above are inconsistent with effective operation of a public charter school. Considering that no apparent corrective action has been implemented by the nonprofit board that holds the charter, the Department of Public Instruction intends to recommend to the State Board at its September meeting to initiate revocation in accordance with G.S.115C-238.29G and the signed Charter Agreement.

Should you have any questions, please contact the Office of Charter Schools at 919-807-3491.

Sincerely,



Joel E. Medley, Director
Office of Charter Schools

JEM/pg

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