

## > North Star Charter School - FAQ

### What is the situation?

In the development of this year's budget, we estimated enrollment based on interviews with students and parents; however, actual enrollment came in far below our estimates. Because our funding from the State is tied to the number of students we have, our revenues were also substantially less than we estimated. This, in combination with other mitigating financial issues inherited by the school (primarily our bond debt), resulted in a Notice of Defect from our charter authorizer (Joint School District #2) due to questions they have regarding North Star's short term and long term financial viability. Our board is committed to seeing our school continue.

As one of the highest performing primary and secondary schools in Idaho, we are passionate about building leadership in Idaho students through respect, compassion and critical thinking. Our hope and intention is that legacy continues for many years to come.

### What is being done to address this?

We are working with our Bond Trustee and legal counsel on multiple solutions to the issues ahead of us. We have submitted a proposal to our bondholders to renegotiate the interest rate on our bonds. This is a critical time but we are committed to keeping our school open and successful.

### Will teachers be paid?

We have a funding solution to carry us through April and May. In addition, we are working through multiple options for the months following. Because nothing has been concluded, we don't have a definitive answer regarding payroll. What we can tell you is there are multiple solid solutions and we are currently exploring these options.

### Will students complete the school year?

From what we can see right now, yes, we believe our students will complete the school year. Although this is an uncertain time, we are committed to finding solutions to our financial issues and seeing kids finish the school year. We have finalized short-term solutions that will enable us to keep our school operating for the remainder of the school year. In addition, we are exploring viable long-term solutions. In the long term, student enrollment and family loyalty to the school during these times will be critical to our success. Without student enrollment at least at current levels, it will be extremely challenging to operate the school in the future.

### What can I do to help?

We welcome and encourage monetary pledges for future contributions conditioned on acceptable financial conditions, and we are grateful for the support that has been offered thus far. As we evaluate our financial landscape, we are presently unable to accept cash donations for legal reasons. Additional opportunities to contribute may be possible in the future and we will update you accordingly.