

## **MINUTES – February 22, 2016 - TRCS Board of Directors Meeting**

**Mission Statement:** We will support each student's continuing discovery and development of self and community by providing a learning environment that is relevant, active and project oriented. All aspects of the student's experience at Two Rivers Community School will enhance his/her natural learning power.

**Members Present:** Harrison Sterne, Lindsay Masland, David Rizor, Shari Williamson, Bryan Martin, Lynnwood Brown, Karen Trefz, Lindsay Carroll, Natalie Oransky, Jonathan Carpenter, Laura Mallard, Paulette Marty, Hannah Reeder

### CALL TO ORDER

- Meeting called to order by Paulette at 5:34 p.m.
- Quorum established with 10 voting members present at call to order

### DEVELOPMENT DIRECTOR

- Development Director Board Report (*attached to these minutes as Exhibit A*)
- Ryan has been meeting with people in the community, working to get news releases out, etc.
- Website is making progress
- Two Rivers Live Event this Saturday, Ryan has been working hard to make this a success
- There is no immediate plan for how/where to apply the majority of funds raised
  - They are currently going into the Legacy Fund
  - Lynnwood clarified that, on a general level, we identified to the community a few purposes for which we are raising money
- An article is going up in High Country Press tonight, Ryan was interviewed for it
- Ryan has been talking to Watauga Superintendent, meeting with him again tomorrow
  - Superintendent has expressed interest in partnering with us on some level

### MISSION STATEMENT

- Mission statement read by Lynnwood

### APPROVAL OF FEBRUARY 22, 2016 BOD MEETING AGENDA

**ACTION: Lynnwood moved to approve tonight's meeting**

**agenda (attached to these minutes as Exhibit B);  
Shari seconded – PASSED by consent**

APPROVAL OF JANUARY 25, 2016 BOD MEETING MINUTES

**ACTION: Jonathan moved to approve January 25, 2016  
minutes; seconded by Laura – PASSED by consent**

CONFLICTS OF INTEREST

- None

PUBLIC COMMENTS

- None

GOVERNANCE PROCESS POLICIES

- GP-6
  - Read by Jonathan

**ACTION: Harrison moved to re-commit to the above  
GP policy; seconded by Lynnwood – PASSED by  
consent**

REVIEW OF THE 990 FORM

- Form has been signed and approved following audit, brought to our attention as FYI  
(attached to these minutes as Exhibit C)

## COMMITTEE REPORTS

- Policy Committee
  - Needs to meet
  
- Human Resources Committee
  - Committee to get recommendations for salary adjustments for March Board meeting – needed for budget
  - Lynnwood reminds that the HR committee manages the annual review of the director
  
- New School Committee
  - We have the files from architect, which brings to a close that stage
    - We can next move into creating materials, using/manipulating these files, for purposes of fundraising, etc., though we are not ready for this at this point
    - We might want to talk soon about capital campaign
  
- School Leadership Committee
  - Email can be sent to prospective Board members to help introduce/recruit, so let the Committee (Shari) know who you have been talking with
  - Ryan mentioned to Paula that it is important to recruit to the Board people who are connected in the community, and Lynnwood noted that we could use people with Board/fundraising/non-profit experience
  - Still looking for next Board Chair
  
- Technology Committee
  - Jonathan showed new website (in progress – not online yet)
  - Reminder that we are not an “Expeditionary Learning School,” but we can say that we are founded on EL principals, employ EL strategies as part of our curriculum, etc.
  - New website has a mobile-friendly version
  
- Buildings and Grounds Committee
  - Considering a spring clean-up ahead of the open houses
  
- Director’s Report (*attached to these minutes as Exhibit D*)
  - Open Houses begin March 15<sup>th</sup>
    - We need a Board member at each meeting
  - Target enrollment for next year is 185 (have 174 now)
    - We are graduating a class of 16
  - Cabling for internet upgrade has been buried (upper campus)
    - Patrick will help install – he has been a huge help (Beth been here with him helping as well, for hours on Saturdays)

- Finance Committee/Treasurer
  - Budget Transfers – Request for Authorization (*attached to these minutes as Exhibit E*)
    - \$12,200 in increases to revenue, reduced expenses where we never hired replacements – net change to reserves is increase of \$31,650
    - Corrections: “Revenue – Fundraising – Various” and “Fundraising Expense – General” come out of this spreadsheet

**ACTION: Lynnwood moved to approve the Budget Transfers in *Exhibit E* with changes above; Shari seconded – PASSED by consent**

Committees should prepare update on goal progress for next Board meeting – Paulette will send something out for the Board reps to use

#### DISCUSSION

- Shari put together some charter school talking points to help get the community on the same page
  - Plan is to give this to parents
  - Lynnwood has some ideas on how to modify this, make it more user friendly

#### ADJOURN

- Shari moved to adjourn the meeting; Laura seconded – PASSED by consent
  
- February 22, 2016 TRCS Board of Directors meeting adjourned at 7:13 p.m.

**Two Rivers Community School  
Board of Directors Agenda  
February 22, 2016**

We will support each student's continuing discovery and development of self and community by providing a learning environment that is relevant, active, and project oriented. All aspects of the student's experience at Two Rivers Community School will enhance his/her natural learning power.

5:30pm Opening of formal meeting

- Call to Order
- Mission Statement
- Approval of Agenda
- Approval of Minutes
- Conflict of Interest

5:45pm Public Comment

6:05pm Review of 990 form

6:10pm Governance Process, Board Leadership, Ends, and Executive Limitation Review

- GP6

6:15pm Committee Reports

- Development
  - Development Director's report
- Policy
- HR
  - Discuss process and timeline for determining any salary adjustments for next year
- New School
- Academic Standards
- School Leadership
  - Discuss recruiting for BOD officers and members
- Technology
- Buildings and Grounds

6:45pm Executive Reports

- Chairs
  - Progress report on annual committee goals due next meeting
  - Discuss charter school fact sheet draft
- Secretary
- Treasurer
  - Finance report
- Director

7:25pm Executive Session

7:30pm Adjourn

GP-6 POLICY TITLE: Code of Conduct

The board commits itself and its members to ethical, professional, and lawful conduct.

1. Members must have loyalty to the ownership, unconflicted by loyalties to staff, other organizations, and any personal interest as a consumer.
2. Members must avoid conflict of interest with respect to their fiduciary responsibility.
  - a. Members will annually disclose their involvement with other organizations, with vendors, or any associations that might be or might reasonably be seen as being a conflict.
  - b. When the board is to decide upon an issue, about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment from not only the vote, but also from the deliberation.
  - c. Board members will not use their board position to obtain employment in the organization for themselves, family members, or close associates.
3. Board members may not attempt to exercise individual authority over the organization.
  - a. Members' interaction with the Principal or with staff must recognize the lack of authority vested in individuals except when explicitly board authorized.
  - b. Members' interaction with public, press or other entities must recognize the same limitation and the inability of any board member to speak for the board except to repeat explicitly stated board decisions.
  - c. Except for participation in board deliberation about whether reasonable interpretation of board policy has been achieved by the Principal, members will not express individual judgments of performance of employees of the Principal. Members will not publicly make or express individual negative judgments about Principal or staff performance. Any such judgments of director performance will be made openly by the board meeting in Executive Session as appropriate.
4. Members will respect the confidentiality appropriate to issues of a sensitive nature.
5. Members will be properly prepared for board deliberation.

Exhibit C

Form **990**

# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)  
Do not enter social security numbers on this form as it may be made public.  
Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

**A For the 2014 calendar year, or tax year beginning 07/01/14, and ending 06/30/15**

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Final return/terminated  
 Amended return  
 Application pending

**C** Name of organization  
**Two Rivers Community School**

Doing business as  
Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
**1018 Archie Carroll Road**

City or town, state or province, country, and ZIP or foreign postal code  
**Boone NC 28607**

**D** Employer identification number  
**20-0726895**

**E** Telephone number  
**828-262-5411**

**G** Gross receipts \$ **1,673,365**

**F** Name and address of principal officer:  
**Hannah Reeder**  
**1018 Archie Carroll Road**  
**Boone NC 28607**

H(a) Is this a group return for subordinates?  Yes  No  
 H(b) Are all subordinates included?  Yes  No  
 If "No," attach a list. (see Instructions)

**I** Tax-exempt status:  501(c)(3)  501(c) ( ) (insert no.)  4947(a)(1) or  527

**J** Website: **http://tworiverscommunityschool.net**

**K** Form of organization:  Corporation  Trust  Association  Other

**L** Year of formation: **2004** **M** State of legal domicile: **NC**

**H(c)** Group exemption number

Part I Summary		Prior Year	Current Year
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <b>OPERATION OF A PUBLIC CHARTER SCHOOL</b>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	11
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	11
	5 Total number of individuals employed in calendar year 2014 (Part V, line 2a)	5	51
	6 Total number of volunteers (estimate if necessary)	6	19
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0	
7b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	115,564	72,129
	9 Program service revenue (Part VIII, line 2g)	1,501,105	1,552,289
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	14	20
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	63,267	48,927
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,679,950	1,673,365
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		0
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	1,203,352	1,198,840
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b Total fundraising expenses (Part IX, column (D), line 25)	0	0
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	436,640	368,122
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1,639,992	1,566,962	
19 Revenue less expenses. Subtract line 18 from line 12	39,958	106,403	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	906,740	1,039,882
	21 Total liabilities (Part X, line 26)	187,322	544,609
	22 Net assets or fund balances. Subtract line 21 from line 20	719,418	495,273

**Part II Signature Block**  
 Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_

Type or print name and title \_\_\_\_\_

**Paid Preparer Use Only**

Print/Type preparer's name: **James A Ridoutt** Preparer's signature: *James A Ridoutt, CPA* Date: **02/03/16** Check  self-employed  If PTIN: **P00394550**

Firm's name: **PETWAY MILLS & PEARSON, PA** Firm's EIN: **20-2102404**

Firm's address: **P.O. Box 1036 Zebulon, NC 27597-1036** Phone no.: **919-269-7405**

**Director's Report  
February 22, 2016**

Director's Report  
February 22, 2016

1. The major story since the last board meeting has been weather.

Closures & Delays This school year:

2.
  - January 11—Delay
  - January 20—After school closed at 3 pm
  - January 21—Closed
  - January 22—Closed
  - January 24—Delay
  - February 9—Closed
  - February 10—Closed
  - February 15—Closed
  - February 16—Closed
  - February 17—Delay

Remaining make-up days: March 10, March 11, June 9, & June 10.

3. Open House Dates. It always works best to have the parent of a current student, a board member, and a teacher attend the open houses. Please sign up if you are able to attend.
  - March 15: 6-7 pm (Tuesday)
  - March 18: 9:30-11:00 am (Friday)
  - March 22: 9:30-11:00 am (Tuesday)
  - April 5: 6-7 pm (Tuesday)
  - April 8: 9:30-11:00 am (Friday)
  - April 25: Enrollment Lottery at the Board of Directors Meeting

State Submissions

- Principal's Monthly Report
- EC Federal Financial Audit resubmission
- Preliminary 2016-2017 ADM Projection



- Calendar Change (Snow Days) Report

**Key Performance Indicators:**

No informal grievance meetings were held by the Director

No formal grievance meetings were held with the Director

Enrollment Report for the Period of January 25 to February 22

<u>Grade</u>	<u>Current</u>	<u>Prior</u>	<u>Change</u>	<u>Capacity</u>	<u>Current Target</u>	<u>Comments</u>	<u>Wait List</u>
K	22	22	-	22	22		0
1	22	22	-	22	22		3
2	14	14	-	22	22		0
3	22	22	-	22	22		2
4	19	19	-	22	22		0
5	19	19	-	22	22		0
6	19	19	-	22	22		0
7	21	21	-	22	22		0
8	16	17	-1	22	22		0
TOTAL	174	175	-1	198	198		5

## **Key Organizational Decisions Calendar:**

**September:**

**October:**

**November:**

**December:**

**January:**

**February:**

**March:**

**School Board Appreciation Month Celebration**

Open Enrollment/Open Houses

Board members attend open houses to meet potential families

**April:**

Lottery Held @ this meeting

Draft budget discussed at this meeting (based on data available)

Formal approval of Contracts for next year (Buffalo Cove, other programs)

Plan ahead for board retreat agenda

**May:**

**Teacher Appreciation Month celebrated**

Budget approved at this meeting

Staff contract (contracted & salaried staff) renewals approved at this meeting

Needs Assessment/Stakeholder Data Collection via Survey

Community Meetings held in early May

## **Looking Forward**

**September**

Board Meeting: Sept. 28 @ 5:30

Finance:

Excom: Sept. 16 @ 8:15

**October**

Board Meeting: Oct. 26 @ 5:30 pm

Finance:

Excom: Oct. 14 @ 8:15

**November**

Board Meeting: Nov. 23 @ 5:30 pm

Finance:

Excom: TBA @ 8:15

**December**

Board Meeting: No board meeting this month

Finance:

Excom: Dec. 16 @ 8:15

**January**

Board Meeting: Jan. 25 @ 5:30 pm

Finance:

Excom: Jan. 13 @ 8:15

**February**

Board Meeting – February 22 @ 5:30 pm

Finance –

Excom – February 10 @ 8:15

**March**

Board Meeting – March 28 @ 5:30 pm

Finance –

Excom – March 16 @ 8:15

**April**

Board Meeting – April 25 (Lottery) @ 5:30 pm

Finance –

Excom – April 13 @ 8:15

**May**

Board Meeting – May 23<sup>th</sup> @ 5:30 pm

Finance –

Excom – May 11 @ 8:15

**June**

Board Retreat Dates – TBA

Excom-June 15@8:15

**July**

Board Meeting – July 25<sup>th</sup> @ 5:30 pm

Excom-July 13@8:15

TX:bit

FEBRUARY 2016 FINANCE COMMITTEE (BOD - Revised)				
BUDGET TRANSFERS - REQUEST FOR AUTHORIZATION				
Item Description	Current Budget	Proposed Change	Updated Budget	Comments
Fund Balance Appropriate @ July 1, 2015		310,324		(includes \$24,256 in Legacy @ July 1)
Previously approved Revenue Budget Transfers this year (thru 1/23/16)		(104,400)		
Previously approved Expense Budget Transfers this year (thru 1/23/16)		(3,524)		
Through Previous BOD Meeting - Forecasted Reserves at June 30, 2016		202,400		Current cash on hand Feb 20 = \$341,960 (incl \$27,526 in Legacy)
<b>Change in Revenue</b>				
Revenue-Local - Caldwell County	\$0	\$1,750	\$1,750	2 students not listed on original budget
Revenue - Class Sponsorships	\$0	\$250	\$250	Donations
Revenue - Fundraising - Earthfare	\$1,300	\$1,200	\$2,500	
Revenue - Legacy	\$0	\$6,000	\$6,000	
Revenue - Legacy Interest	\$0	\$800	\$800	
<b>Subtotal - Revenue Changes</b>		<b>10,000</b>		
<b>Change in Expense</b>				
#1 Salary		(\$10,000)		Office Assistant
#1 Salary		(\$16,250)		Spanish Teacher
#16 - Fundraising Expense - Class Sponsorships	\$0	\$250	\$250	
#16 - Fundraising Expense - Earthfare	\$1,300	\$1,200	\$2,500	
#8 Human Resources	\$500	\$1,200	\$1,700	Supervision Cost
#16 Fundraising Expense - AURA	\$1,500	\$500	\$2,000	
#16 Fundraising Expense - Scholarships	\$0	\$200	\$200	
#16 Yearbook	\$1,500	\$250	\$1,750	
#16 Garden	\$500	\$100	\$600	
<b>Subtotal - Expense Changes</b>		<b>(22,550)</b>		
Net impacts of "budget transfers" to / (from) reserves this period		32,550		
June 30, 2016 - Estimated Total Reserves		234,950		includes Legacy
<b>FOR BOARD AWARENESS (no immediate authorization required; potential financial exposure items)</b>				<b>Comments</b>
#16 - Arts Program		\$2,500		Allowance for OrisRisi African Folk Arts Program / Residency (Spring)
#1 - Substitute Costs		\$5,000		budgeting process reduced too much
#8 Advertising		\$1,000		
#12 Utilities - Waste Management		\$1,000		
#12 Utilities - Phone		\$1,000		
#1 - Leave payout		\$5,000		budgeting process reduced too much
#12 - Utilities (Electricity)		\$2,000		Dependent on winter usage, etc
#8 - General Administration		\$3,000		Discretionary - i.e., rewards for staff, student achievements, etc
#11 Building Repairs & Maintenance (Roof Repair)		\$1,000		No estimate from the roofer yet
#1 - Teachers Salaries		\$5,500		Potential increase in "experience credit"-needs HR review
#7 Workshop Expenses		\$3,000		Reduction taken during balanced-budget work; ideally add back in
#1 - Teachers Aid(s)		\$20,000		Additional Classroom Support - high needs students new to school

	Change in Re venue	Change in E xpense	Change in Re serves	
Starting				310,324
July	-	(12,200)	(12,200)	298,124
Aug		38,559	38,559	336,683
Sept	(107,081)	(5,500)	(112,581)	224,102
Oct	2,717	(5,625)	(2,908)	221,194
Nov	(36)	(14,750)	(14,786)	206,408
Dec	-	-	-	206,408
Jan	-	(4,008)	(4,008)	202,400
Feb	10,000	22,550	32,550	234,950
Mar				
Apr				
May				
Jun				
	(94,400)	19,026	(75,374)	