

**Minutes of the Raleigh Charter High School, Inc.
Board of Directors Meeting
22 January 2024**

The Raleigh Charter High School, Inc. Board of Directors Annual Meeting began at 5:34 p.m. in virtual meeting format and was conducted contemporaneously with a meeting of the Board of Directors of the Raleigh Charter High School Foundation, Inc. (the “Foundation Board”). Meeting notice was made on the School Main Calendar posted on the publicly accessible School website (www.raleighcharterhs.org). Those in attendance and constituting a quorum were:

Present: Members: Lisa Huddleston, Paul McSorley (Chair), Patrick Murray, Lisa Stephenson, Jonathan Green, Sandra Headen, Jamie Rudd, Dwight Thompson, Peter Smith, Amy Koch, Alex Karsten, and Jessica McDonald

Guests: David Ennis, Shayne Klein, and Caio Setubal

Absent: Yasha Rao and Catherine Finch

Except where noted below, the meeting followed the Agenda which was distributed at the meeting, a copy of which is attached to these Minutes.

Welcome: Raleigh Charter High School Board Chair welcomed all the Raleigh Charter High School Board Members as they joined the Foundation Board meeting in progress and highlighted that we are going to start the meeting going over the Audit Report and Form 990’s.

Finance Committee: J. Green was recognized to present the 2022-2023 Annual Financial Report, the 2022 Form 990’s, and recommendations from the Finance Committee:

- As mentioned at the last meeting, the Audit Report and 990 Forms were not ready for review at the November meeting.
- As a note to new members, the Audit Report ensures that the school is in compliance with the laws and financial requirements imposed on the school, and it ensures that we are following *Government Auditing Standards* for our financial reporting. A couple of years ago, we decided that it was in the best interest of the public to do a combined Audit Report for both Raleigh Charter High School, Inc. and the Raleigh Charter High School Foundation, Inc. as it provides a consolidated picture of our financials.
- In the report, Page 7 is the key summary page of our financial numbers. It shows that for the year ending 30 June 2023 we had Total Assets of \$11.6M, Total Liabilities of \$4.6M, for a Total Net Asset amount of \$7.1M.
- The comments from our auditor Jim Black are that we have a good financial budgeting process, financial tracking processes, and are in a good financial position.

Member P. Murray asked if the \$150K in “Pledged Receivables” represents donation pledges. D. Ennis answered that that amount represents money committed by Wake County that we had not received by the end of the fiscal year, and that we received those in the following month.

- J. Green then discussed the 2022 Form 990’s. He reminded us that there are separate Form 990’s for the school and the foundation as they are separate tax-exempt organizations with their own

EIN's. He also reminded us that the Form 990's are essentially our Audit Report Financial put into IRS reporting requirements.

- He presented both the Raleigh Charter High School and the Raleigh Charter High School Foundation 2022 Form 990's as both boards were present.

Acting at the recommendation of the Finance Committee, the Raleigh Charter High School Board unanimously accepted the Raleigh Charter High School, Inc. Annual Financial Report dated June 30, 2023 as presented.

Acting at the recommendation of the Foundation Finance Committee, the Raleigh Charter High School Foundation Board unanimously accepted the Raleigh Charter High School, Inc. Annual Financial Report dated June 30, 2023 as presented.

Acting at the recommendation of the Finance Committee, the Raleigh Charter High School Board unanimously accepted the Raleigh Charter High School, Inc. 2022 Form 990 as presented.

Acting at the recommendation of the Foundation Finance Committee, the Raleigh Charter High School Foundation Board unanimously accepted the Raleigh Charter High School Foundation, Inc. 2022 Form 990 as presented.

Development Committee: J. McDonald was recognized to provide an update from the Development Committee. She reported on the following items:

- This is the year we celebrate the school's 25th Anniversary and we are encouraging every member of our community past and present to participate in our Strive for 25 campaign. So far we have 21 new gifts towards our goal of 25, 17 gifts of over \$2,500, and 17 new recurring gifts towards that goal of 25. So we are on the road to meet our Strive for 25 campaign goals.
- The Phoenix Fund is behind where we usually are historically, however ahead at this point last year at 61% to our goal.
- The Foundation Fund has \$100K pledged with \$96K received
- There are 3 sub-groups that have formed to plan the events for the 25th Anniversary events, and all Board Members are welcome to join any of them:
 - The May 10th RCHS Anniversary Party for current families
 - The June 13th RCHS Alumni Parent event social
 - The June 15th RCHS Alumni celebration
- On 22 December 2023 an alumni social event was held at the school. Over 100 alumni attended and we received 2 gifts at the event.

A copy of the Phoenix Fund Report and Foundation Campaign Update as reviewed at the meeting is attached to these minutes.

Principal's Report: L. Huddleston was recognized to provide the Principal's Report. She distributed and led the Board in a discussion of the Principal's Report handout.

Chair asked how the decrease in enrollment will affect our finances over time. L. Huddleston responded that there will be no change to the funding from the state since that is set based upon enrollment earlier in the school year; we will see reduced funding from the county since that is done

month to month.

Member J. McDonald asked if the enrollment decline is higher than normal. L. Huddleston responded that it's a bit higher than normal and is caused by a variety of life events. Because the number is less than ten, she is uncomfortable sharing the reasons unless we go into closed session to prevent possible student identification.

A copy of the Principal's Report as presented at the meeting is attached to these Minutes.

Adjournment of the Meeting of the Foundation Board: The meeting of the Foundation Board was adjourned at 6:01 p.m.

Minutes of the 27 November 2023 Meeting of the Board. The Board reviewed the draft minutes of the 27 November 2023 meeting of the Board. On proper motion by S. Headen and second by D. Thompson, the Board unanimously approved the minutes of the 27 November 2023 meeting of the Board as written.

Finance Committee: J. Green was recognized to provide a report from the Finance Committee:

- A couple of updates to the Raleigh Charter High School Budget:
 - Revenues are up \$80K from the increase in funding from the State, mostly from AP Bonus distributions, and some from an increase in funding from Chatham County.
 - On the Expenses side, we had an expenditure in Maintenance to cover the wall installed to create 2 separate classrooms as we heard in the Principal's Report, and the biggest expense increase is shown in the Personnel section reflecting the proposed Faculty & Staff bonuses proposal.

Member A. Koch asked what are the State Bonuses for. J. Green responded that it is a bonus paid out to AP teachers based upon the number of students that scored a 3 or higher on the AP test. And he reminded the Board that our philosophy is that since all faculty participate in student results, that those funds would be combined with Raleigh Charter High School funds to generate a consistent payout across all faculty, not just the AP teachers.

- J. Green began to report out on the Finance Committee's discussion and recommendation for faculty and staff bonuses:
 - Recall that last year we were not in as comfortable shape looking at our projected finances for the remainder of the year; we feel more comfortable this year.
 - This position allowed the committee to develop a higher bonus recommendation, which will be at the maximum allowed state AP bonus amount and to be distributed to all faculty and staff.

Acting at the recommendation of the Finance Committee, the Raleigh Charter High School Board unanimously approved a bonus to each employee (excluding coaches and substitutes), with a full-time equivalent status of 50% and above, a bonus of \$3,500; and employees (excluding coaches and substitutes), with a full-time equivalent status of less than 50%, a bonus of \$1,750 to be funded through the State allotment, RCHS funds, or a combination of state and RCHS funds.

Acting at the recommendation of the Finance Committee, the Raleigh Charter High School Board unanimously approved the revised 2023-2024 budget as presented.

A copy of the revised Raleigh Charter High School 2023-2024 Budget as presented is attached to these minutes.

Diversity Committee: P. Smith was recognized to provide an update from the Diversity Committee. He reported the following:

- The committee did not meet in December and their next meeting will be on 29 January 2024; therefore there is no committee report this month.

Phoenix Parents: L. Stephenson was recognized to provide an update on behalf of the Phoenix Parents organization. She reported the following items:

- A Happy New Year wish to the Board!
- They met on 5 December 2023 in person at the school. L. Huddleston talked to them about upcoming school events and activities, they recruited volunteers for several upcoming events, and planned for the 14 February 2024 teacher & staff appreciation event.
- They were able to distribute the spirit-wear items before the holiday break
- The next meeting will be held over Zoom on 23 January 2024
- They are looking for volunteers to help with traffic control for the upcoming Open Houses on 25 January and 1 February
- They will hold a meet & greet social prior to the 7 February Mental Health event at the school

Member J. McDonald asked about the turnout at the 5 December meeting on-campus. L. Stephenson answered that it wasn't as well attended as the first in-person meeting held at the beginning of the school year.

Member J. McDonald asked if the staff wish list for the appreciation event is out yet. L. Stephenson and L. Huddleston both replied that the staff have submitted their lists and it should go out to parents in the next couple of days.

Additional Business / Public Comment: The Chair opened the floor to entertain additional items of business not covered in the meeting agenda. No public items were raised.

L. Huddleston mentioned that the school now has a text service, which proved very helpful last week in communicating weather updates to families.

Member J. McDonald asked if other high schools hold mental health events like we do. L. Huddleston responded that yes they do, they are probably a little different, but most do have some event to address mental health and available resources.

Board Meeting Schedule: Chair highlighted the upcoming Board Meeting schedule:

- 26 February 2024
- 18 March 2024
- 22 April 2024

And noted that one of them may be a joint meeting with the Foundation Board if they set a meeting prior to their next scheduled meeting in June.

Closed Session: Did not enter closed session.

On proper motion by P. Smith and second by A. Karsten the Board unanimously voted to adjourn at 6:18 p.m.

Respectfully submitted by: Patrick Murray, Board Secretary

Raleigh Charter High School

Board of Directors' Meeting

January 22, 2024 5:30 pm

Agenda

** Joint Session **

1. Call to Order and Welcome

2. Audit Report

Jonathan Green

3. Development Report

Jessica McDonald

4. Principal's Report

Lisa Huddleston

** Joint Session Ends **

5. Approval of Minutes of November 27, 2023 Board Meeting

6. Finance Committee Report

Jonathan Green

7. Diversity Committee Report

Peter Smith

8. Phoenix Parents Report

Lisa Stephenson

9. Additional Issues / Community Feedback

10. Upcoming Meetings

1. 02/26/2024

2. 03/18/2024

3. 04/22/2024

11. Closed Session

12. Adjourn

Phoenix Fund Report: December 31, 2023

	Goal Phoenix Fund	Forecasted Phoenix Fund	Received Phoenix Fund	Current Parent Participation	New Family Participation	Board Participation ¹ (gifts to RCHS or Fnd)	Large Gifts \$1000+ ²	Recurring Gifts	Alumni	Alumni Parents
Dec. 31, 2023	\$325,000	\$209,060	\$183,055	31%	38%	100%	82	65	10	44
This time last year	\$325,000	\$169,107	\$138,642	29%	29%	85%	74	61	13	32
2022-2023 YE	\$325,000	\$276,807	\$274,952	51%	58%	100%	107	59	26	52
2021-2022 YE	\$325,000	\$333,185	\$332,254	44%	40%	100%	99 ²	55	20	40
2020-2021 YE	\$325,000	\$345,128	\$344,766	47%	50%	100%	108	57	24	54
2019-20 YE	\$325,000	\$327,422	\$320,220	49%	43%	100%	98	59	16	54
2018-19 YE	\$325,000	\$342,905	\$338,521	53%	55%	100%	115	56	20 + more in Fdn Fund (5)	63

Notes: Forecasted v. received difference due to fees, missed payments, unfulfilled pledges, and timing of disbursements of corporate payroll deductions and matches.

¹ RCHS Board only, Fnd Board not counted.

² Includes matching gifts over \$1,000 and recurring gifts that are forecasted to total \$1,000 or higher. Also includes grants.

Updated 1/17/2024

RCHS Foundation Campaign Report

Jan. 17, 2024

	Forecasted/Pledged	Received
Current Fiscal Year (7/1/2023 to present)	\$100,700	\$96,000
Campaign Total (7/1/2021 to present)	\$471,000	\$357,600
Amount left to raise/receive	\$1,029,000	\$1,142,400
Campaign Progress: 31% Fulfilled		Campaign Goal = \$1,500,000

	Large Gifts \$1000+	Recurring Gifts	Current Parents	Alumni Parents	Alumni
2023-24	17	17	21	17	27

Principal's Report for Raleigh Charter High School

Board of Directors' Meeting on January 22, 2024

General

- On November 28, we hosted a visit by Ryan Dial, who works at the UNC American Indian Center and is a member of the Lumbee tribe, to celebrate Native American History Month. He met with our US History classes and worked with some of our Art students in an after-school program.
- Students took semester exams December 18-21. Make-up exams took place on December 22 with several students finishing up in the first week of January. Thanks to our staff for their hard work in preparing, administering, and grading over 3300 exams.
- We had our annual Alumni Winter Coffee on Friday, December 22 from 10:30 to 12:30. We had the largest turnout that we have ever had at this event with more than 100 alums joining us to share what they are doing and catch up with one another. Thank you to Margaret Barnett and Mimi Tomei for another lovely event.
- Over the Winter Break, we replaced the sliding curtain between Rooms 209 and 211 with a higher-quality folding wall to cut down on the noise and disruption between these two classrooms. This was the final step in converting these two rooms from computer labs into full-time classrooms. Thank you to Bobby Lyons for cheerfully giving up a significant portion of his Winter Break to supervise the work crews on this project.
- The applications window for 2024-25 admissions opened on January 10 and will remain open until February 29.
- First semester report cards went home with students on Friday, January 12.
- Thank you to the 24 volunteers who participated in a Buildings & Grounds Work Day to tidy up our campus on Saturday, January 13. Thanks to David Ennis and Bobby Lyons for managing this event.
- On Wednesday, January 17, we held Financial Aid Workshops for juniors and seniors and their parents. Visitors from the College Foundation, Elon, NCSU, and UNC assisted with the presentations and answered questions for families. Approximately 130 students and parents attended. We appreciate the hard work that Myles Robinson and Dave Palmieri put into organizing and hosting this event.
- Our Prospective Student Open Houses will be on Friday, January 26 and Thursday, February 1 this year. We will have information sessions for parents run by administrators as well as student panels to give prospective students a feel for what high school at Raleigh Charter is like. Teachers will staff rooms for each academic department, current parents will be available to help answer questions, and many, many students will assist with directing families and sharing their experiences. We would welcome Board member participation as well. (We particularly need additional help with traffic control.) Thanks to Shayne Klein for overseeing these important nights and to Amy Koch for working with our student volunteers.
- On Wednesday, February 7, we will have a parent night focused on Mental Health and Wellness with a panel of outside experts to offer insights and answer questions. Prior to the program, Phoenix Parents will host a social get-together for parents.
- Our annual Junior College program will take place on Thursday, February 8 at the Kenan Recital Hall at William Peace University beginning at 7:00.
- The fourth six-weeks grading period will end on Friday, February 16.
- Eleventh graders will take the ACT on Tuesday, February 27. School will be dismissed at 1:05 that day.

Enrollment Update

Grade	9/2014	9/2015	9/2016	9/2017	9/2018	9/2019	9/2020	9/2021	9/2022	9/2023	1/2024
9	147	150	142	142	141	148	147	145	148	147	145
10	143	141	146	142	142	138	143	142	139	143	140
11	133	138	139	146	142	142	139	141	137	132	128
12	136	134	136	135	137	136	140	132	139	138	138
Total	559	563	563	565	562	564	569	560	563	560	551

Athletics

- Basketball and swimming seasons are well underway.
- Spring sports - men's golf, women's soccer, men's tennis, and track & field - will begin in February.

Upcoming Events

- Prospective Student Application Period, January 10-February 29
- Prospective Student Open Houses, January 26 & February 1
- Mental Health and Wellness Parent Program (with social), February 7, 6:00/ 6:30
- Mini Ex Days, February 8 & 9
- Junior College Night, February 8, 7:00
- SOOTS Fat Tuesday Film and Music Festival, February 13, 5:00-9:00
- End of Fourth Six-Weeks Grading Period, February 16
- School Holiday, February 19 & 20
- ACT, February 27
- Ex Days, February 29 & March 1
- Flex Days, March 8 & 15

RCHS Budget - 2023-24	Approved 2022-23	Approved 2023-24	Proposed 2023-24
ADM	562	560	560
Funding per ADM - State Funding	6,214	6,233	6,387
Funding per ADM - County Funding	3,447	3,610	3,622
ADM - EC	20	18	18
Funding per EC ADM - State Funding	6,331	5,319	4,986
State Funds	3,437,672	3,489,237	3,544,402
State EC Funds	126,617	95,750	89,750
State COVID Relief Funds	4,337	4,337	-
NCVPS Reduction	(8,179)	(8,179)	(8,169)
State Funds - F&F	6,594	-	-
State Bonuses	51,995	5,000	40,468
Total State Funds	3,619,036	3,586,146	3,666,451
Wake County	1,850,000	1,957,000	1,942,000
Johnston County	7,689	8,680	7,119
Durham County	55,095	43,845	43,845
Chatham County	21,203	13,701	37,392
Lee County	-	2,712	2,219
Chapel Hill/Carrboro	6,500	6,500	6,500
Total County Funds	1,940,487	2,032,438	2,039,075
Federal Funds - PRC 060	86,855	91,000	105,762
Total Federal Funds	86,855	91,000	105,762
Sport Donations	20,668	35,000	35,000
Educational Programs	44,927	20,000	20,000
Phoenix Fund	270,000	275,000	275,000
Development and Donations	335,595	330,000	330,000
7th Period Class	12,650	12,525	12,825
Gate Receipts	8,625	9,000	9,000
Interest Income	17,500	24,000	24,000
Testing	14,690	13,500	13,500
Parking	21,800	23,000	23,000
Miscellaneous	2,076	-	-
Total Other Funds	77,341	82,025	82,325
Total Revenue	6,059,314	6,121,609	6,223,613

RCHS Budget - 2023-24	Approved 2022-23	Approved 2023-24	Proposed 2023-24
Rent	798,600	798,600	798,600
Utilities	90,000	95,000	95,000
Maintenance & Repair	130,000	125,000	125,000
Miscellaneous	-	-	-
Total Facilities	1,018,600	1,018,600	1,048,600
Salaries	3,775,961	3,829,201	3,829,201
Substitutes	65,000	50,000	50,000
State and Fed Bonuses	51,995	5,000	40,468
Employee Bonuses	268,867	-	173,128
Personal Leave	55,000	50,000	50,000
Health Insurance	361,671	371,671	362,622
Retirement (6.0% of salaries)	215,000	219,413	219,413
Payroll Taxes (7.70%)	282,457	302,548	302,548
Flexible Spending Account	9,000	9,500	9,500
Disability Insurance	13,500	14,000	14,000
Workers Comp Insurance	17,500	18,500	17,500
Miscellaneous	-	-	-
Total Personnel	5,115,951	4,869,833	5,068,380
Academic Departments	69,000	90,000	90,000
Educational Programs	77,500	33,000	33,000
Testing	12,626	15,000	15,000
Miscellaneous	-	-	-
Total Instructional	159,126	138,000	138,000
Office and Administration	110,000	110,000	110,000
Technology	70,000	85,000	85,000
Sports (incl. coaching salaries)	85,000	90,000	90,000
Legal & Consulting	16,000	25,000	25,000
Development	11,000	12,000	25,000
Admissions	879	1,500	1,500
College Counseling	1,338	2,500	2,500
Graduation	12,500	13,500	13,500
Student Services	27,000	35,000	35,000
Board of Directors	308	500	500
Miscellaneous	-	-	-
Total Support	334,025	375,000	388,000
Total Expenses	6,627,702	6,401,433	6,642,980
Operating Reserve	(568,388)	(279,825)	(419,367)
Transfer from / to Foundation	570,000	285,000	430,000
Fiscal Year Reserve after Transfer	1,612	5,175	10,633

Foundation Budget - 2023-24	Approved 2022-23	Approved 2023-24	Proposed 2023-24
Donations - Annual	1,500	5,000	5,000
Donations - Foundation Fund (Received)	135,300	100,000	115,000
Interest Income	34,434	72,000	50,000
Interest Rate Cap	35,000	45,000	70,000
Rental Income - RCHS	798,600	798,600	798,600
Miscellaneous Income	-	-	-
Total Revenue	1,004,834	1,020,600	1,038,600
Audit	7,000	7,000	7,000
Interest Expense	165,000	175,000	182,000
Bond Fee	6,500	6,500	6,500
Amortization Expense	228,001	228,001	246,344
Depreciation Expense	7,695	7,695	7,695
Transfer to RCHS	570,000	285,000	430,000
Miscellaneous Revenue	-	-	-
Total Expenses	984,196	709,196	879,539
Reserve	20,638	311,404	159,061

Debt Service Coverage Ratio	2020-21	2021-22	2022-23	2023-24
Clubs & Activities reserve	(5,000)	(1,000)	6,500	1,000
Raleigh Charter HS reserve	(3,679)	819	1,612	10,633
Foundation reserve	391,804	118,304	20,638	159,061
Plus: Board designated funds	100,000	100,000	100,000	100,000
Plus: capitalized items	75,000	15,000	30,000	55,000
Total reserve	558,125	233,123	158,750	325,694
Plus: depreciation	241,331	228,001	228,001	228,001
Plus: amortization	7,695	7,695	7,695	7,695
Plus: interest expense	80,000	80,000	165,000	182,000
Reserve + depreciation + amortization + interest	887,151	548,819	559,446	743,390
Total principal and interest expense	417,302	417,302	502,302	519,302
Debt Service Coverage Ratio	2.13	1.32	1.11	1.43
Requirement (greater than)	1.05	1.05	1.05	1.05
Debt Service Coverage Ratio without 100K Designated Funds	1.89	1.08	0.91	1.24
1/100th of total principal and interest changes ratio by .01	4,173.02	4,173.02	5,023.02	5,193.02