

# Charter Day School



**Charter Day School Board of Trustees**  
Minutes of the Board Meeting  
3 PM; Thursday Oct. 25, 2012, CDS Campus

Attendance	Trustees: Lori Boldt Briana Kahn Baker Mitchell Lee Monroe via phone Steve Windham  Others: Mark Dudeck, Assist. Treasurer John Branch, Attorney
Call to Order	Steve called the meeting to order at 3:12 PM with a quorum of 5 present.
Approval of Minutes	The September 27 minutes were reviewed and on motion by Lori, seconded by Bill, they were unanimously approved as written with Baker abstaining.
Communications To/From Board	The suspension appeals and other student communications were noted.
Review of Present & Future Agenda Items	Due to the late arrival of the auditor, Steve suggested that the suspension appeals be heard first and that the audit report should come after the appeals. There being no objection, Baker moved, with Briana's second that the board go into executive session to hear the appeals of Student 1, ML and Student 2 AM. The motion carried unanimously and the board entered executive session at about 3:40 PM. Mark Dudeck was not present.
Executive Session	An executive session was held and the parents and students appeared before the board and were heard fully.
Decision on Appeals	At 5:20 the board returned to open session and the families were readmitted to the room. Lori made a motion to uphold the Superintendent's long-term suspension of Student 1 - ML. The motion was seconded by Baker and passed unanimously. Briana made a motion to uphold the Superintendent's long-term suspension of Student 2 - AM. The motion was seconded by Bill and passed unanimously.
CCS School Audit	Phyllis Pearson presented the draft LGC audit that the firm had prepared for CCS for the 2011-2012 fiscal year with an unqualified opinion. Extensive discussion was held and she complemented the board on the substantial increase in net assets of \$170,759 resulting in total net assets of \$384,053 at year end.

	She also noted a 19% overhead rate that was in line with other organizations. The audit resulted in an unqualified opinion with no findings. Upon a motion by Bill, seconded by Lori, the audit report was unanimously approved with Baker abstaining.
CDS School Audit	Phyllis stated that CDS also had unqualified opinions and on the supplemental audit it was also unqualified. Phyllis reported the assets of \$1.9M and liabilities of \$325K. Increase of \$261,000 in net assets and CDS held its own in a situation where the federal funding has been cut dramatically for everyone and they have had to shift their staffs. She stated that the balance sheet showed total assets of \$1.644M. Discussion of the lawsuit revenue and expenses was held. Baker noted the related party transactions on page 29. Phyllis stated that all of the contracts had been examined and payments check-by-check had been verified to be in compliance with the contracts. Bill moved and Brianna seconded a motion to approve the audit as submitted and it unanimously carried with Baker abstaining. Phyllis noted that inventory lists might be kept in more detail but they were not substantial. Mark noted that the costs of an inventory control package and the labor might exceed the value of the inventory items over \$5,000.
RBA 401(k) Plan Audit	A lengthy discussion of pending changes in the retirement laws ensued and the need to stay abreast of the changes. Mark noted that our management contract with BB&T included legal reviews as the laws changed. Phyllis felt we should confirm the fact that they were keeping up with changes and these changes were being incorporated in our plan on a timely basis.
Douglas Academy	Baker said that discussions with NHCSS had been fruitful and that the CDS attorney had reviewed the lease agreement for Lakeside. Baker made a motion that he be granted authority to negotiate lease terms for the Douglas facility. He was going for a \$1 per year lease for a 20 year term with a 10 year renewal option. He noted that we had bids for replacing tile floors and repairing the roof with interior painting and that the board set a limit on the repair amounts. The lease could be terminated by CDS in the event the Lakeside building no longer accommodates our needs. Lori seconded the motion and it carried unanimously.
Old Business	None
New Business	
Adjournment	On a motion by Baker, seconded by Bill, Steve adjourned the meeting at 6:20 PM.