

Northeast Regional School of Biotechnology and Agriscience  
Board of Directors Meeting Agenda  
Jamesville Technology Center  
December 7, 2016  
4:30 pm

**OPEN SESSION** at 4:30 pm

**Call to Order:** Mr. Mac Hodges, Chair

**Roll Call:** Mrs. Inga Spruill proceeded with the roll.

**Present:** Mac Hodges, Julius Walker, Dwight Respass, Kenneth Harrell, Ethan Lenker, Jean Woolard, Paul Spruill, Simon Griffin, Karen Clough, Ephraigm Smith

**Absent:** Joe Landino, Jerry Phelps, Don Phipps, Ann Britt

**Tardy:** Benjie Forrest

Mr. Mac Hodges and the Board of Directors thanked Mrs. Inga Spruill for the nice refreshments provided.

**Invocation & Pledge of Allegiance:** Mr. Julius Walker led the prayer and the Pledge of Allegiance.

**AGENDA**

**Approval of Board Meeting Agenda:** With no additions or deletions, Mr. Kenneth Harrell motioned to accept the agenda as presented followed by a second from Mr. Simon Griffin. The motion was passed unanimously by the Board.

**Public Comments:** none

**DISCUSSION (ACTION)**

**Approval of Board Meeting Minutes posted:** Mrs. Karen Clough indicated that there was an error in the amount identified in item 3.2. With the acknowledgement that this will be corrected in the minutes, Mr. Ephraigm Smith motioned to accept the October minutes. This was followed by a second from Mr. Benjie Forrest. The motion was passed unanimously by the Board.

**NERSBA 2015-2016 Financial Audit Presentation: Mr. Michael Jordan of Carr, Riggs and Ingram, CPA:** Mr. Jordan provided a copy of the audit report to all Board members. Upon approval of the Board, this document will be presented to the State Treasurers Office to meet the requirements of reporting the findings to the state. CRI issued an unmodified opinion which means that there is no modification to the financial statements, which is the highest level of assurance that can be offered. According to the findings, NERSBA's financial statements are sound. Mr. Jordan reviewed the document further, highlighting some of the more important aspects of the report. He encouraged all board members to read through the entire document for further information.

The Managements Discussions and Analysis section (page 4) is primarily the source from Mrs. Baggett, NERSBA's fiscal agent. This section focuses how the school system did this year compared to last year's audit. Mr. Jordan encouraged all board members to read this section first before reviewing the entire document. This will give you a snapshot of the remaining pages like an executive summary. He asked the board to review the Financial Statement section (page 14) which shows the Statement Net Position. The accounting standards only let you present only 1 year so the comparative information is within the executive summaries and discussion analysis. NERSBA's cash position and current assets went up from 15/16 in excess of \$120,000.000 primarily in cash. In this section, you also see the current liabilities, long term liabilities and fixed assets. The district currently has basically two liabilities: 1) compensated absences which are accrued vacation where you pay people when they take vacation and 2) the net pension obligation which is the proportionate share of the districts obligation for its employees in the teacher state employment retirement system. Mr. Jordan continued to explain information found on page 16 (the balance sheet), page 17 (revenues and expenditures), and the

Notes to Financial statements section. This latter section explains how NERSBA operates, including the amount of money NERSBA contributed to the State Employment Retirement System. This is about 15% of combined salaries. Other information contained in the notes section include: the amount assets (i.e., computer equipment, information technology systems installed) and other equipment costs. Also, this report included the Required Communications under the Accounting & Auditing Standards. According to this, Mr. Jordan must address if the finance director provided all of the required information, was there a disagreement about putting the financial statements together, and a governance report. According to Mr. Jordan, NERSBA met these standards. Included in this section are also estimates of 3 primary areas:

- Net Pension Obligation
- Compensated Absences  
What we do as of June 30<sup>th</sup> how many hours are available to take vacation we multiply that by the known salary rate then we multiply it by the retirement rate, then by the FICA expense. This number is always changing it's an estimate.
- Estimate of assets: How long is it going to last? We depreciate it. It may last 3, 5, or 10 years we don't know. But we have a schedule that has been issued by the state to follow and that's the best estimate we can follow.

The last pages of the document focused on any recommendations made by the auditors. One of these findings is to ensure that all grant funding is allocated appropriately so that no funding is returned to the issuer. Mr. Jordan reference the returning of funds to the Golden Leaf foundation due to not using all of the funds allocated for travel. He recommended that it is essential to look at the grant funding and the grant applications to determine a number of things prior to accepting the funding:

- What are the restrictions? If we get the money what can we spend it on? If you spend it on something that's not allowed they will make you pay it back.
- What is the deadline? Do you have to spend the money before the deadline or do you spend it and request it afterwards or request it before the deadline? It's essential to not leave money on the table. If you've been approved for the money seek to spend the money on an allowable cost.
- If you don't have the need right now you may contact the grantor and say "Can we get a 6 month extension"? Sometimes they will say we will give you 30 days.
- You may ask the Grantor well we really don't have the need at this block of and they may change the criteria.

Mr. Hal Davis indicated that NERSBA has requested an extension for the Golden Leaf grant for transportation to colleges and universities.

Mr. Dwight Respass asked "What is meant by the individual schools?" on page 17 of the document. NERSBA has their own bank account with Xenith Bank in Plymouth. This account is used to deposit fundraising monies for field trips, uniforms, and athletic wear if that's in such need. With no further questions Chairman Hodges entertained a motion on the audit that was presented by Mr. Jordan. Mr. Benjie Forrest motioned to approve the audit, followed by a second from Mrs. Jean Woolard. The motion was passed unanimously by the board.

#### **NERSBA 2016-2017 Operational Budget Update: Mrs. Debra Baggett**

The 2016-2017 Budget Amendment #1 (blue packet) shows the total budget totaling \$2.3 million dollars. The breakdown is shown below:

- State Funds: \$1,925,819.00
- Local Funds: \$329,481.55
- Federal Funds IDEA: \$36,398.62
- G5 Grants: \$30,187.77

Since July 1, 2016, NERSBA has received \$330.00 in additional funding from the State and \$18,246.77 from the G5 grant. The G5 grant is to be used for professional development.

Mrs. Baggett indicated the about \$500.00 had to be shifted from non-programed to substitute cost. According to the financial report, 83% of the funds were spent directly on instruction for the students.

**Financial Report (Gray packet):**

- *Year to Date Revenues* for the first quarter all counties have paid. Only 3 counties have paid their 2<sup>nd</sup> quarter funds.
- *Federal Funds* were related to EC funding and to support a portion of the EC teacher's position.
- To date, NERSBA has spent 19% of its local funds. At the end of last year, \$25,000.00 was budgeted to have a reserve at the end. Mrs. Baggett projected that at the end of this year, there may be more held in reserve.
- Currently, NERSBA has spent \$4,774.77 of the allocated G5 funding.

A request was made to have a detailed report form the local school account. A motion was made by Mr. Benjie Forrest to accept reports as presented followed by a second from Mr. Ephraim Smith. The motion passed unanimously by the board.

**NERSBA Board of Director Terms: Mrs. Jean Woolard, Mr. Julius Walker, Mrs. Karen Clough:**

Mrs. Karen Clough stated that the policy was actually presented back in 2015 and that it was not formally approved. A copy of the policy will be sent out to the entire board. The committee proposed that the business elect members are to have a term from January through December. Based on this recommendation, Mr. Smith, Mr. Respass, and Mr. Landino's terms will end December 2017. Mrs. Woolard, Mr. Griffin, Dr. Walker, and Mr. Spruill's terms will end December 2020. These terms will continue to be 4 year appointed terms. Since the last four members' terms end December 2016, the committee recommended that these individuals be reappointed to the board. Mrs. Clough also added that according to the policy, the elected chair and vice-chair are to sit for a 2-year term elected chair and vice chair. The chair must sit out for at least 1 year prior to taking another elected position. Chairman Hodges requested a diagram of all dates and terms to better understand.

Mr. Benjie Forrest noted that Jordan called me from Senator Cooks office and said that he and Senator Brown wanted to visit the school. This is a good indication that we are still in their sights in a positive way up at the General Assembly.

Chairman Hodges stated we have also extended an invitation to Congressman Butterfields office in Wilson and they are looking at dates to visit, as well as Congressman Jones.

Mrs. Jean Woolard motioned to accept policy followed by a second from Dr. Ethan Lenker. The motion was passed unanimously by the board.

**Discussion (no action):**

***NERSBA National FFA Convention:*** Twelve scholars attended the National FFA Convention in October. Cale Abbott, Blake Paul and Madison Boyd presented their experiences to the BOD.

***NERSBA National Honor Society Washington, DC Trip:*** A large number of parents and students attended the wreath laying ceremony at the Arlington National Cemetery on November 4, 2016. Maurice Perry, Nate Pearson and Tyra Smallwood presented their experiences to the BOD.

***MCC/UMO Update:*** Dr. Melanie Stanley reported that 95% of our scholars will be enrolled in either MCC, PCC and BCC. A meeting is planned to discuss what courses UMO will be offering for the Spring semester on the NERSBA campus.

**NERSBA Series 4000 Board Policy Initial Review:** The 4000 series was provided to the BOD for the first read of the policies. The BOD hired Mrs. Christing Scheff from the NCSBA to provide guidance on BOD governing policies. The policies have been modified to meet the unique needs of NERSBA based on the student handbook and the staff manuals.

**Reminders/Announcements:**

***NERSBA Operational Schedules/Events:*** Mr. Hal Davis provided BOD members a copy of the NERSBA Operation Schedule and Events for December 12<sup>th</sup> through January 5<sup>th</sup>. December 17<sup>th</sup> all BOD members are invited to our NERSBA 2<sup>nd</sup> Graduation commencement for the 7 students.

***Next Scheduled Board Meeting:*** This is scheduled for January 18, 2017 at 4:30 pm. Mr. Benjie Forrest and Dr. Ethan Lenker will not be able to attend because of a School Board 101 conference.

A motion was made to go into closed session at 5:52 pm by Mr. Kenneth Harrell followed by a second from Mrs. Karen Clough. The motion passed unanimously by the board with a 5 minute break under the following statutes:

- (N.C. G.S. 143-318.11(a)(1)/Privileged Information)
- (N.C. G.S. 143-318.11(5)/Facilities Lease Agreement)
- (N.C. G.S. 143-318.11(6)/Personnel)

**Open Session at 6:06 pm:**

***Personnel and Election of Board Chair/Vice chair:*** Chairman Hodges offers a motion to accept personnel as presented. Mr. Benjie Forrest motioned followed by a second from Mr. Ephraigm Smith. The motion was passed unanimously by the board.

***Election:*** Chairman Hodges indicated that it had been a pleasure to serve as the chair. He indicated that he would continue to serve in the role of board member attending some of the night functions and will do what he can to support the leaders of this board to come. With that said, he completed his last action and conducted the election of the new board chair. Mrs. Jean Woolard nominated Mr. Julius Walker as chair. There were no other nominations. The board unanimously passed the nomination for Chairman Mr. Julius Walker and he accepts.

Chairman Julius Walker opened the floor for Vice-Chair nominations. Mr. Paul Spruill nominated Mrs. Karen Clough. She declined and nominated Mrs. Jean Woolard. Mr. Benjie Forrest moved that nominations be closed. Mrs. Karen Clough second it. The motion was passed unanimously by the board.

Mr. Benjie Forrest thanked Mac for his Chairmanship over the past two years. It has been a pleasure to be a part of this board apart of this school and we have done some great things. When you do things that are new and innovative, there are going to be some rocky spots and Mac really helped us through those. For that I will always be eternal, grateful and appreciates everything.

Chairman Mr. Julius Walker thanked Mr. Hodges for all the behind the scenes and on the table for his excellent job and he has this school at heart. We are education kids and parents want what is best for their children and that's what I'm all about the children come first and make sure the receive a quality education so when they leave our school the will be first class act. What we are seeing here somebody is doing one heck of a job and congratulates the staff for what they have done and everyone's leadership. So as your new Chairman at any time over the next 2 years if there's something we need to do to make this place better let me know. I maybe a hub but I need the spokes. Mr. Mac Hodges stated he's only a phone call away he would help him in any way he can.

Mr. Hodges moved to adjourn the meeting and wished each an every one a very Merry Christmas and a Happy New Year and all a goodnight. The meeting adjourned at 6:11 pm.