

## **Frequently Asked Questions**

### **What is the timeline for this project & fundraising?**

The property purchase is expected to be finalized in April of 2019. Phase One will occur in spring and summer of 2019, with planned occupancy of the new facility for the start of the 2019-20 school year. The timing of Phase 2 (the building of our gymnasium/multi-purpose space) is contingent on fundraising results.

Fundraising is active now and will continue for all of 2019 and into 2020.

### **Does the school really need to move?**

TLC can continue as is, in our current space, but the financial projections over the next few years indicate that tuition will need to escalate significantly in order to afford the projected increased rent and staff compensations costs. If we remain in our same space, we can not increase enrollment nor can we add any additional revenue sources. Additionally, with the uncertainty of future Camp Rockmont ownership, there are no long term guarantees of a low rent and continued current facility use. Our current lease expires 5/2020.

The board, in line with the boards of the past several (>5 years), is in favor of pursuing our own school-owned property. Owning our own property allows TLC to have a strategic controlled enrollment expansion, in line with the strategic plan, as well opportunities for additional revenue sources (summer programming), which we will never have in our current location at Camp Rockmont. This will allow TLC to minimize annual tuition increases without loss of staff or services.

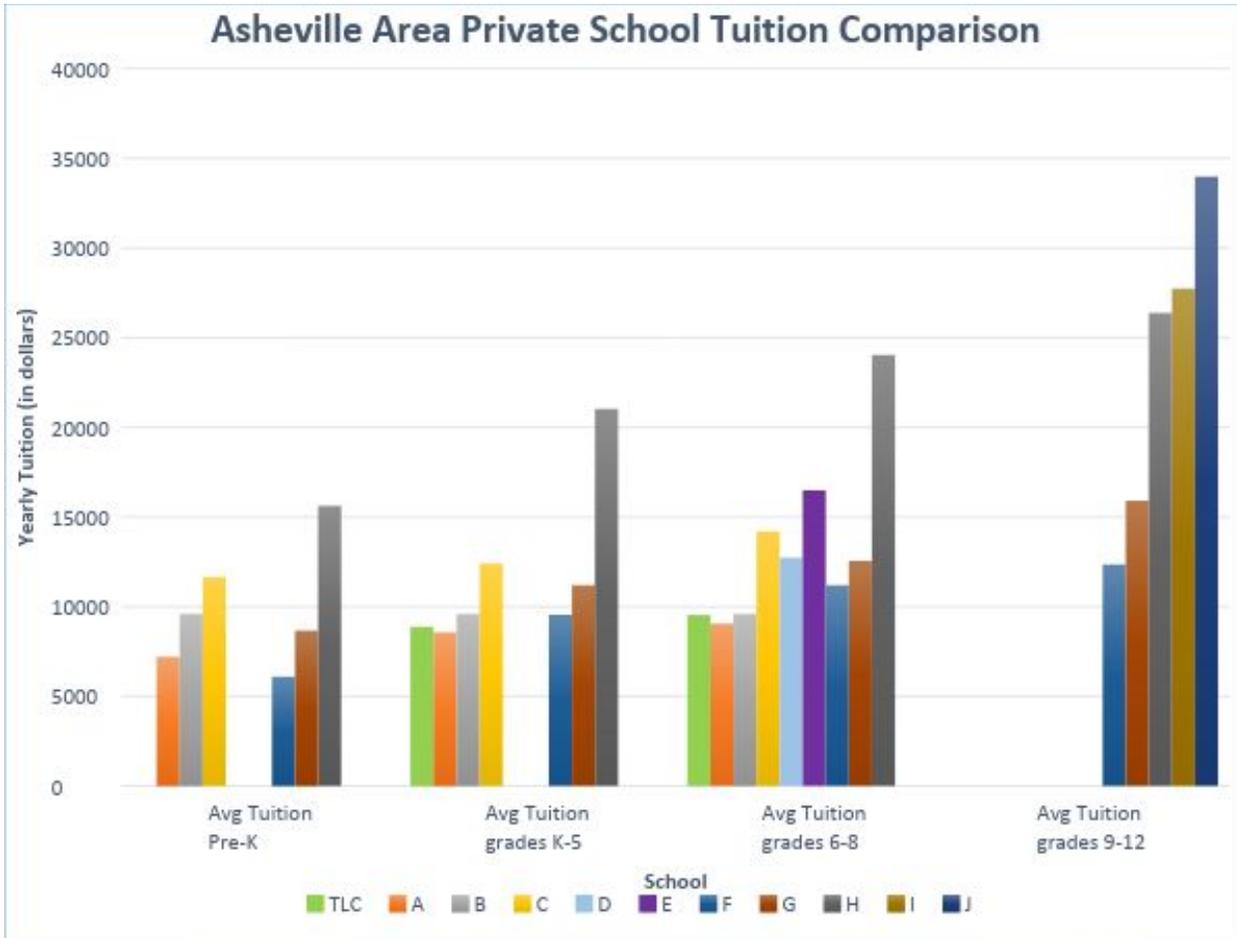
### **What happens to the size of the school if we move? If we stay?**

The TLC Strategic Plan has a goal of adding additional students to our middle school classes (grades 6-8). If we move to a new facility, the number of enrolled students is projected to initially increase from a total of 75 to 85 students. A teacher:student ratio of 1:10 will be maintained for our elementary grades, and then increase slightly to 1:14 for our middle school grades. Additionally, if we move, we gain the ability in future years to add a pre-K program. We will not have that capability if we stay.

If we stay in our current facility, our current enrollment at maximum capacity. We will not be able to increase our middle school class student numbers.

### **Will tuition increase significantly if we move?**

Currently, TLC is one of the lowest priced K-8 private schools in the Asheville area. With our budget projections, annual tuition increases will remain LOWER if we move to our own property. Tuition increases will be MORE if we remain in our current facilities at Camp Rockmont.



Annual tuition increases have been part of the planned budgeting for the school over the past several years. Typically, the tuition increases by 4-6% each year. Upper grades have a higher tuition than lower grades.

Tuition increases are not predicted to be any more significant if the school moves compared to if the school remains located at Camp Rockmont. In fact, with the ability to slightly increase enrollment as well as potentially develop summer programming for an additional revenue source, our budget forecasting indicates tuition will remain lower over time if we purchase our own facility.

If we remain in our current location, tuition increases are expected to be more significant compared to our forecasted “Move” budgets. Our current lease expires in May of 2020, and if we extend or renegotiate a new lease, our rent will increase without any additional facility space or upgrades. Our staff compensation costs will continue to increase with cost of living raises and remaining competitive with area teacher compensations. Our enrollment will not be able to increase, as we have maximized our interior classroom size student occupancy.

**Will our tuition financial assistance and subsidies change?**

TLC is committed to maintaining financial aid and tuition subsidies. The board has not decreased the percentage of the annual budget which serves these needs. Our projected “move” budget continues these funds.

### **Why can't we stay at Camp Rockmont?**

This has been an ongoing effort and question of the TLC school boards for the past 10+ years. Many different options have been discussed with current camp owners and camp management. Unfortunately, none of them meet our needs in a way that is financially sustainable for our school.

Our school's first "space task force" was convened in 2004. We have had community members actively researching and working on identify a needs list as well as locations for rent or purchase for 15 of the school's 23 year history.

### **What happened to building our own building at Camp Rockmont?**

This was discussed significantly with current camp owners & management team. The camp was in favor of this, but would not give TLC a long-term property lease. Thus, the school would have paid for a building and then, after 20 years, been required to pay rent for the same space. Additionally, with the camp for sale, the board is cautious about investing in a property we don't own and may not have guaranteed use of in the future.

### **Why don't we just buy an undeveloped piece of property and build our own new facility from scratch?**

Financially, in order to obtain the acreage desired by our past and present school community to maintain the character, history, and mission of the school, significantly more money would have to be raised to purchase undeveloped property and build both a school building as well as gymnasium/community space from scratch.

### **What about renting from other local camps instead of Camp Rockmont?**

This option was also researched. Unfortunately, most of the area camps do not have many winterized buildings, placing us with the same barriers (or more) that we have at Camp Rockmont. Additionally, the buildings that are winterized are high income sources for event rentals for the camps year round. Relocating to another camp would also not allow for any TLC specific summer programming. Essentially, we were unable to find a local Asheville area camp that afforded us any advantages over what we currently have at Camp Rockmont.

### **What happens to TLC if we can't make the purchase of the Bee Tree property financially work?**

We can back out of this during the due diligence phases. A final decision will need to be made by April 4, 2019. If we do not move forward in purchasing the Bee Tree property, then the facilities committee will begin searching for new potential locations. The school will work with Camp Rockmont on a potential lease extension with minimal rent increase in our current facilities as-is. We will not be able to expand our total student enrollment above the current 75 kids/year average. Tuition costs will continue to increase without any additional services or programming for the school. Rent for our current facilities will increase after 5/2020 (when the current lease expires). No upgrades will occur to our current facilities. The school will continue to struggle with finding community event space. TLC will be unable to offer any additional summer programming.

### **How do we know that the Bee Tree location is the right property?**

Over the past 7-10 years, the board and facilities committees have generated a list of property/facility “must haves”. This location fulfills the majority of our checklist. Of the many properties that have been investigated over the past several years, this is the one that has the most “yes” checks and least “nos”.

### **Can our community truly afford this?**

We believe so! Current yearly tuition for TLC remains among the lowest in the Asheville area for private K-8, K-12, and private high schools. Many of our families move on from TLC to these more expensive school for high school and some for middle school. If we can manage to have the 107 households with a graduated student over the 23 year history of TLC finance one year’s extra tuition each, then we can easily make our fundraising goal.

\*Your gift does not need to be in one lump sum. Installment payments over 2-3 years are absolutely acceptable!

A gift of \$150/mo (1 coffee shop latte/day) = \$1,800/year x 3 years = \$5,400

A gift of \$200/mo x 36 months = \$7,200

A gift of \$400/mo x 24 months = \$9,600 = 1 years tuition spread over 2 years.

A gift of \$600/mo x 36 months = \$21,600 = 2 years tuition spread over 3 years

### **What are the various ways a school (or non-profit) raises money?\***

1. Annual Giving (Annual Funding): Donor gifts solicited every year. Donors typically give based on their individual household annual earnings. In order to increase an organization’s annual funding, it encourages as many donors as possible to participate and also encourages individuals to become major donors. Annual Giving funds are counted on for an organization to meet its yearly operating income needs.
2. Capital Funding: Occasionally an organization needs something in addition to its annual predictable operating needs & expenses. For this, additional money needs to be raised beyond the annual budget. For small capital needs (new computers or desks), the school typically just adds money to its annual budget and raises the funds with an extra appeal to targeted donors or submits a proposal to a foundation or grant. When capital improvements involve buying, retrofitting, or renovating a building, however, the organization usually needs to conduct a campaign to raise the money from a number of sources. A capital campaign encourages donors to give larger gifts, which often come from funding sources other than an individual household’s annual earnings (such as gifts of assets).
3. Endowment Funding: Organizations that envision being needed forever, or at least as far into the future as they can predict, invest some of their money (reserve funds) and use only the interest from the investment to provide part of their annual operating income. The principal that is set aside is referred to as an “endowment”. Endowments can be created or increased by donors giving specifically to this fund, typically through estate gifts bequeathed in their will or a transfer of assets from the donor to the organization.

\*\*Taken from *Fundraising for Social Change*, 7th edition, by Kim Klein.

Additionally, schools often run summer programming (Day Camps) on their campuses. This is not currently an option for TLC, as Camp Rockmont's Co-Ed Day Camp uses our classrooms for this purpose.

| <b>Summer Program</b>  | <b>Weekly Rates</b> |
|------------------------|---------------------|
| Camp Rockmont Day Camp | \$400/week          |
| JCC Camp Ruach         | \$225/week          |
| Odyssey                | \$240/week          |
| ABYSA                  | \$225/week          |
| CDS Camp Bell          | \$215/week          |

**How does TLC fund the school's yearly operating budget?**

TLC has 3 predictable revenue sources which, combined, fund the yearly operating budget for the school. The revenue sources are tuition (81%), Annual Giving Campaign (5-6%), the all-school musical (4-5%) and other (8%).

**Does TLC have an endowment?**

No, at this time TLC does not have an endowment.

**Does TLC have a reserve fund or savings?**

Yes, the TLC school board has historically managed the annual operating budget in a manner that the school has been building a reserve fund.

**How will the TLC reserve fund be used to buy our own property?**

If the capital campaign can raise the funding needed for Phase One (renovations), the amount of money in the reserve fund can then help pay the monthly mortgage payments for the next few years. This allows for a minimal increase in tuition, slight increase in enrollment, maintenance of current teacher:student ratios, and continuation of the typical operating expenses for the school's annual budget.

**What happens if we can only fund Phase One (down payment and initial renovations)?**

The school can remain financially stable and solvent with the purchase of the property by a small increase in number of enrolled students if the funds needed for initial renovations of the existing property can be raised. The school would then need to find a nearby gymnasium space for our musical rehearsal season (January - March), which would create some logistical challenges in the

school day, but is “doable”. The students would not have any indoor gymnasium space located on campus for rainy day PE class or community events.

**If Phase One is fully funded, can the TLC operating budget cover the operating costs of the school at the new property?**

Yes. The Finance Committee has been doing projected budgets for 2019-20 (our last year under our current lease @ Camp Rockmont) as well as for several years forward, both under a “Stay” and “Move” scenario. These projected budgets clearly indicate the school will be able to afford the operating costs of owning our own property IF we are able to fund the down payment for the mortgage and the renovations costs with donations.

\*Our projected budgets do NOT include any summer revenue at this time; if we add summer programming, that will be “bonus” income.

**Who can I ask about different ways to donate?**

Accountants (CPAs) are a great source of information re: tax deductions and advantages for giving/donations. They can also help with understanding various ways of giving (donating from your annual income vs an investment asset transfer). Financial advisors as well as Trust & Estate attorneys are an additional source of information about methods of giving and asset transfers. If you do not have one of these resources, the TLC community has a variety of families with professional experience in these areas. If you would like to be put into contact with any of them, please let us know!

**How can I donate?**

There are a variety of different ways to donate, including some tax-advantaged methods. An accountant or financial advisor can give the best insight into options, based on the newer tax laws in effect. Donations in one lump sum OR installment payments spread over 2-3 years are welcome. There is no one “right” way to donate.

For those of you with investments, some people may consider transferring an investment asset to the school. Others may consider donating a year or two’s interest off the investment to the school. Depending on the investment, please beware of any early withdrawal penalties.

For those of you wanting to itemize deductions with charitable giving, the amount will need to exceed the 2019 standard household deduction of \$24,400 (joint filing) or \$18,350 if filing as individual Head of Household. Options, for those of you that might want to spread your donation out over 2-3 calendar years, is to look at “bunching” or a donor-advised fund (DAF). Again, please consult your accountant or financial planner about these options.

A pledge card is available in paper and electronic forms. Completion of this allows our financial committee to track our donations and monitor progress towards our fundraising goal. Both one time single payment donations as well as installment payments on a recurring timeframe (monthly, quarterly, yearly) are welcome.

All payment forms are welcome, including PayPal, credit cards, checks, and electronic fund transfers (bill pay) from your bank. For currently enrolled families, an additional Smart Tuition invoice can be set up.

### **What about “In-Kind” donations?**

There are two types of donations that can be made to a 501(c)(3). A cash donation is the transfer of funds to a nonprofit. An in-kind donation is the transfer of *any other* type of asset. *In-kind gifts* are contributions of goods or services, other than cash grants. Examples of in-kind gifts include:

- **Goods**, like computers, software, furniture, and office equipment, for use by your organization or for special event auctions
- **Services**, like meeting space, photocopy and mail services, and administrative/financial support
- **Expertise**, like legal, tax, or business advice; marketing and website development; and strategic planning
- **Cash equivalents**, like stocks, bonds, and mutual funds

### **Where do I mail my pledge card or donation to?**

Our mailing address is:

The Learning Community School, PO Box 1143, Black Mountain, NC 28711

You can also complete your pledge online at our website via the Putting Down Roots page.  
<http://thelearningcommunity.org/>

### **Who do I contact if I have more questions?**

Please reach out to the current TLC Board Chair, Nicki Groves.

Email: [boardchair@thelearningcommunity.org](mailto:boardchair@thelearningcommunity.org)