

**INTERNATIONAL EDUCATION AND COMMUNITY INITIATIVES
D/B/A ONE BRIGHT RAY, INCORPORATED
Minutes of a Meeting
Of the Board of Directors
Held April 21, 2021**

A meeting of the Board of Directors (the “Board”) of International Education and Community Initiatives, d/b/a One Bright Ray, Incorporated, a Pennsylvania non-profit corporation (“OBR”), was held by videoconference on Wednesday, April 21, 2021. The following Board members were present at the meeting: Joseph H. G. Proietta, M.Ed., President and Founder; Alberta P. O’Brien, EdD; Cassandra McLaughlin, MS; Aykema Mabery-Austin, MBA; Lauren Nelson, MA; Érica Méndez, BS; and Ludmiladia Pitter, BA. Board member Mariah Matias, BS was absent from the meeting. Also present at the meeting were Marcus A. Delgado, Chief Executive Officer and Secretary; Frances Velazquez, Director of Financial Services; Michael Whisman, accountant with Charter Choices, Inc.; Joseph Martin, financial analyst with Charter Choices, Inc.; and Maria Granholm, Esq., of Duane Morris LLP, legal counsel.

Mr. Proietta served as Chair of the meeting and, having met a quorum, called the meeting to order at 4:00 p.m.

As the first order of business, Mr. Proietta called for a review of the minutes from the meeting of the Board held on February 17, 2021. The Board reviewed the minutes and Mr. Proietta directed that the last paragraph be updated to reflect that the next Board meeting was scheduled to be held remotely by videoconference and the other Board members agreed. Thereafter, upon a motion that was duly made and seconded, the minutes of the Board from the meeting held on February 17, 2021, as revised, were unanimously approved by the Board.

Second, Mr. Proietta noted, for the record and for the benefit of the other Board members, that, effective this calendar year, he is serving as a fully independent Board member for OBR and no longer serving as an employee of, or being compensated by, Community Academy of Philadelphia.

Third, Mr. Proietta requested a financial update. Mr. Martin reviewed with the Board the **attached** unaudited Financial Statements for the nine (9)-month period ended March 31, 2021. Mr. Martin first reviewed with the Board the Summary and Management Report included with the Financial Statements, beginning with a summary of actual and projected performance compared to OBR’s budget. Mr. Martin noted that not much had materially changed since the February 2021 financials reviewed at the last Board meeting. Mr. Martin reported that OBR CHS revenue remained lower than budgeted (projected to be \$245,217 under budget for the year), due to reduced enrollment, cancellation of the food program due to the ongoing COVID-19 pandemic and a reduction in student activity, fundraising and miscellaneous revenues. He also reported that such reduced revenue was offset by lower than budgeted expenditures (projected to be \$846,214 under budget for the year).

Next, Mr. Martin reviewed OBR’s summary balance sheet with the Board, noting that OBR’s cash position decreased from \$954,606 at June 30, 2020 and \$1,303,170 at January 31,

2021 to \$759,400 at March 31, 2021, primarily due to increased receivables (due to timing of receipt of payment) from the School District of Philadelphia (the “School District”). Mr. Martin next reviewed with the Board certain line items from OBR’s detailed balance sheet. Mr. Martin also reported that OBR is currently projected to end the year with a surplus of approximately \$1,200,000. The Board discussed at length the best use for such surplus, including the potential to utilize the funds for budgetary relief next year, or to utilize some of the funds for expenditures in the current school year, the relevance of such surplus to OBR’s bond covenants and how such covenants work and the overall financial condition of OBR.

Fourth, Messrs. Whisman and Martin reviewed with the Board the attached 2019 Form 990 for OBR, and the related, attached Resolution No. 1, copies of which were distributed to Board members in advance of the meeting. The Board discussed the Form 990, including changes from OBR’s last Form 990 and, thereafter, upon a motion duly made and seconded, the Board members present at the meeting unanimously approved Resolution No. 1 by roll-call vote (with Ms. Matias recorded as absent) and authorized OBR’s Chief Executive Officer to sign the Form 990 and submit it to Charter Choices, Inc. for submission to the IRS.

Fifth, Ms. Velazquez provided a capital spending update. Ms. Velazquez reported that, based upon the discussions at the last Board meeting, OBR purchased two (2) nine (9)-passenger vans in lieu of a school bus. Ms. Velazquez also reported that OBR decided not to purchase a truck and snowplow equipment for the time being and instead has identified and established a relationship with a third party to provide snowplow services to OBR next winter. Ms. Velazquez further reported that OBR purchased smart boards, as discussed at the last Board meeting, all with 75 or 65-inch screens and mostly on carts, with only six (6) wall-mounted at the Fairhill campus. Ms. Velazquez also provided an update on timing and pricing for such smart boards, and noted some additional wiring costs associated with installation at the Fairhill campus. Ms. Velazquez reported that OBR plans to use the remainder of its project funds, which were set aside for capital expenditures as part of the 2018 bond financing, for window work at the Fairhill campus, but that it has been challenging to find contractors to visit the Fairhill campus and provide estimates or timelines for such work.

Sixth, Ms. Velazquez provided an update regarding OBR’s TIAA retirement plan. Ms. Velazquez provided an overview of such retirement plan, how such plan (and OBR’s contributions related thereto) compare to the market and PSERS, and whether any adjustments are appropriate to make OBR’s retirement plan more competitive in order to attract and retain employees.

Seventh, Mr. Delgado presented the attached draft 2021-2022 annual budget (the “Draft Budget”) to the Board for discussion, noting that the Draft Budget would be updated, as necessary, and presented to the Board for approval at a later date. Mr. Delgado explained that the Draft Budget includes a budget for each of the OBR programs, each in a separate column, as well as a column with the total budget across all three (3) programs. Mr. Delgado reviewed with the Board various differences between OBR’s 2019-2020 and 2020-2021 budgets and the Draft Budget, including changes in budgeted expenses for salaries, employee benefits, instructional supplies online, laptops and various other expenses. Following a brief discussion regarding the differences in the Draft Budget, Mr. Delgado directed the Board to the last page of the Draft Budget, which projects an overall 2021-2022 year-end deficit of \$137,188 (given the inclusion of

non-cash expenses such as depreciation and amortization), and with a \$546,006 year-end surplus budgeted for OBR CHS. Mr. Delgado answered various questions from the Board regarding the Draft Budget. The Board acknowledged that the overall year-end deficit was a result of non-cash expenses, but requested that the budget be further balanced to eliminate such deficit, if possible. Mr. Delgado agreed that management, together with Charter Choices, Inc., would revisit the Draft Budget with such request in mind and propose an updated version for the Board's consideration at the Board's next meeting.

Eighth, Mr. Delgado advised the Board that OBR's rent at its Elmwood and Mansion campuses is not being increased for the 2021 – 2022 school year and that the School District has indicated that it is willing to fund and provide ventilation machines for classrooms that are 750 square feet or larger for such campuses.

Ninth, Mr. Delgado reminded the Board that the next school year will mark the fifth (5th) and final year of OBR's existing contract with the School District and, accordingly, OBR will need to go through the School District's RFP process again for the following school year. Mr. Delgado advised that OBR's Director of School Improvement will lead OBR's efforts in the RFP process. Mr. Delgado also shared his thoughts regarding potential growth opportunities for number of slots and locations for OBR's evening program given the demand for such program.

Tenth, Mr. Delgado provided updates, and answered questions from the Board, regarding various OBR CHS matters, including the completion of walkthroughs by, and data reporting submissions to, the School District; OBR's next graduation, scheduled for August 6, 2021, with 100 day and 65 night students expected to graduate; and OBR's optional summer session from July to August, which would provide seniors who have the potential to graduate on August 6 the opportunity to take necessary classes in-person to work over the summer to graduate in August. Mr. Delgado reported that OBR is currently planning to continue with the same virtual model for next year, provided that special education and certain other students who are struggling will be permitted on campus and all employees will work from OBR's campuses. Mr. Delgado noted that OBR's plan will continue to be based upon (and may change in connection with) the School District's plans for students returning to in-person education, but that OBR has alternative plans in process to ensure OBR will be prepared to proceed accordingly.

Eleventh, Mr. Delgado provided an update regarding the Harcum College at OBR Program ("Harcum Program"). Mr. Delgado provided insight on recent and anticipated challenges with the Harcum Program, and the relationships with Harcum and I-Lead, and answered Board questions related to whether and when to reevaluate such program. Mr. Delgado reported that 40 students are actively enrolled in the Harcum Program for Spring 2021. Mr. Delgado also reported that OBR has partnered with Chestnut Hill College to provide OBR graduates with a 25% tuition reimbursement.

Twelfth, Mr. Proietta asked if there was any additional new business to come before the Board. Mr. Delgado informed the Board that he invited an employee of OBR, who decided to leave OBR to invest all of his time in his non-profit, We Love Philly, to provide an overview of We Love Philly and its mission to the Board at the next Board meeting. There being no further new business, Mr. Proietta noted that the next regularly scheduled Board meeting was scheduled

to be held by videoconference on June 16, 2021 at 4:00 p.m. Then, upon a motion duly made, seconded and unanimously approved, the meeting was adjourned at 5:02 p.m.