

**INTERNATIONAL EDUCATION AND COMMUNITY INITIATIVES
D/B/A ONE BRIGHT RAY, INCORPORATED
Minutes of a Meeting
Of the Board of Directors
Held February 23, 2022**

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, February 23, 2022. The following Board members were present at the meeting: Joseph H. Proietta, M.Ed., President and Founder; Alberta P. O’Brien, EdD; Aykema Mabery-Austin, MBA; Lauren Nelson, MA; Ludmiladia Pitter, BA; Cassandra McLaughlin, MS; and Érica Méndez, BS (who joined after the meeting commenced). Board member Mariah Matias, BS was absent from the meeting. Also present at the meeting were Marcus A. Delgado, Chief Executive Officer and Secretary; Joycet Velasquez, Chief Academic Officer; Frances Velazquez, Director of Financial Services; Monica Hawk, Director of School Improvement; Michael Whisman, accountant 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 3:02 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 October 27, 2021. The Board reviewed the minutes. Thereafter, upon a motion that was duly made and seconded, the minutes of the Board from the meeting held on October 27 2021 were unanimously approved by the Board members present at the meeting; provided, however, that Mr. Proietta was not able to participate in such approval due to temporary technical difficulties, and Ms. Mendez joined the meeting following such approval.

Second, Mr. Proietta requested a financial update. Mr. Whisman reviewed with the Board the **attached** unaudited financial statements for the seven (7)-month period ended January 31, 2022 (the “Financial Statements”). Mr. Whisman reviewed with the Board the Summary and Management Report included with the Financial Statements, beginning with a review of the actual and projected financial performance of OBR, as compared to budget, for the seven (7)-month period. Mr. Whisman reviewed actual and projected revenue and expenses for each OBR program and key variances related thereto. Mr. Whisman pointed out that OBR is currently projected to have a decrease in net assets of \$84,404 at the end of the fiscal year, as compared to a budgeted decrease in net assets of \$326,513 (a positive variance of \$242,109). Mr. Whisman noted that, in light of the cessation of the Harcum College at OBR program, the existing increase in net assets of \$11,542 in respect of such program is the same as the year-end projection for such program. Mr. Whisman advised that OBR’s budget assumes that the School District of Philadelphia (the “School District”) will grant OBR a waiver for under-enrollment for April, May and June 2022. Mr. Whisman explained that if the School District does not grant, or only partially grants, such waiver, projected revenue from the School District could be reduced up to \$360,000 and, in such event, OBR will need to revisit its budget for the year and adjust its projections.

Mr. Delgado explained to the Board that, after not being permitted to drop any students for an extended period during the COVID-19 pandemic, the School District mandated that OBR drop approximately 130 students with poor attendance, which has created an enrollment deficit of approximately 118 students, as compared to OBR's budgeted enrollment. Mr. Delgado discussed with the Board the process for identifying and dropping unengaged students, the impact of under-enrollment on OBR's budget, current enrollment at the various campuses and the waiver request presented to the School District, and answered questions from the Board regarding the foregoing. Mr. Delgado advised that he expects to receive a response to the waiver request in March.

Next, Mr. Whisman reviewed OBR's debt covenant calculation and reported that OBR's current debt service coverage ratio ("DSCR") of 1.39 exceeds 1.10 DSCR required pursuant to OBR's debt covenants. Mr. Whisman noted that OBR's DSCR would need to be recalculated, and OBR's debt covenants revisited, in the event that the School District does not fully grant the aforementioned waiver.

Mr. Whisman next reviewed OBR's summary balance sheet with the Board, noting that OBR's cash position increased from \$1,958,878 at June 30, 2021 to \$2,038,951 at January 31, 2022, primarily due to the timing of School District payments, which payments been consistent with past practice. The Board discussed the process for billing and payment of receivables by the School District, including at what point students must be enrolled to be included for purposes of the monthly billing cycle and how such billing cycle aligns with OBR's current enrollment processes.

Third, Mr. Delgado provided an update regarding OBR's contract proposal ("Contract Proposal") in response to the School District's request for proposal in light of the upcoming expiration of OBR's contract with the School District. Mr. Delgado summarized key elements of the Contract Proposal, including proposed term, number of pupils per campus, per pupil rate, accelerated model and incorporation of Keystone graduation requirements, and explained how such proposed terms differ from the terms of OBR's existing contract with the School District. Mr. Delgado advised the Board that OBR submitted the Contract Proposal on January 12, 2022 and delivered oral presentations regarding such Contract Proposal on February 11, 2022. Mr. Delgado further advised that the School District's Board of Trustees will vote on the Contract Proposal on April 22, 2022. The Board discussed, at length, the request for proposal process, including the Contract Proposal, the impacts of COVID-19, the topics addressed as part of the oral presentations and the alternative pathways for satisfying Keystone graduation requirements. Mr. Delgado advised that OBR is currently working with the Philadelphia Youth Network to potentially receive a grant to be used for a pilot program through which students would engage in internships or find alternate pathways to graduation, rather than solely based upon exams. A discussion regarding graduation requirements, student engagement and enrollment ensued.

Fourth, Mrs. Velasquez provided an update regarding the various OBR campuses. Mrs. Velasquez first provided the Board with a student enrollment and engagement update for each of OBR's campuses, including the number of graduates currently estimated for OBR's winter graduation.

Next, Ms. Hawk discussed with the Board the initial reports from the operational walkthrough that occurred at OBR campuses in October and November 2021. Ms. Hawk reviewed various data points from the initial reports, compared and contrasted such data points against reports from prior years, and noted several data points for which OBR has submitted a rebuttal. The Board discussed the initial oral feedback OBR received as compared to the initial written reports, how such reports are generated and how OBR's results compare to the results of comparable schools. Ms. Hawk reported that instructional walkthroughs are scheduled to occur at the various OBR campuses in March and early April and provided insight regarding the instructional walkthrough process.

Next, Mrs. Velasquez provided an update regarding recent and upcoming school events, including plans for Student Day and Prom.

Fifth, Mr. Proietta asked if there was any new business to come before the Board. Mr. Proietta requested that management prepare a chart of OBR personnel and their responsibilities, to be provided to the Board at the next Board meeting, so that the Board can better understand the allocation of various responsibilities among individuals and across campuses.

There being no further new business, Mr. Proietta noted that the next regularly scheduled Board meeting is scheduled to be held by videoconference on April 27, 2022 at 4:00 p.m. Then, upon a motion duly made, seconded and unanimously approved, the meeting was adjourned at 3:39 p.m.