



One Bright Ray, Inc. Board Meeting Agenda (A)
October 7, 2026 at 3:00P.M.
Via Zoom

I. Call to Order

II. Amend, Review and Approve Minutes

1. Review board minutes from meeting held on June 3, 2026 (B)

III. Financials Review & Updates: Frances Velazquez, CFO & Vertex Education

1. Draft of Audited Financial Statements (C)
2. Financial Statements as of August 31, 2026 (D)
3. Conflict of Interest forms (DocuSign) (E)
4. Inspection Folder (F)

IV. OBR, Inc. Updates: Monica Hawk, CEO

1. Staffing Updates (G)
2. Enrollment Updates as of 10/2/26
 - a. Day Programs - 695 out of 825 (84.2%)
 - i. Fairhill - 222 out of 270
 - ii. Simpson Day - 246 out of 270
 - iii. Elmwood - 104 out of 135
 - iv. Mansion - 123 out of 150
 - b. Simpson Evening Program - 192 out of 225 (85.3%)

V. Operations Updates: Monica Hawk, CEO

1. Summer projects update
 - a. Campuses Refreshed
 - b. Fairhill Window Repair, Parking Ballards
 - c. Simpson Retainer Wall
2. Elmwood campus concerns

VII. New Business

1. Next Board meeting (2026-2027 Board Meeting schedule) (H)

VIII. Executive Session - Legal

VIV. Motion to Adjourn

**INTERNATIONAL EDUCATION AND COMMUNITY INITIATIVES
D/B/A ONE BRIGHT RAY, INCORPORATED
Minutes of a Meeting
of the Board of Directors
Held June 3, 2026**

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 via videoconference on Wednesday, June 3, 2026. The following Board members were present at the meeting: Joseph H. Proietta, EDM, President and Founder; Alberta P. O’Brien, EdD; Joycet Velasquez, MEd; Lisette Gonzalez, MA, LPC; and Ludmiladia Gomez, BA. Also present at the meeting were Monica Hawk, Chief Executive Officer (“CEO”); Frances Velazquez, Chief Financial Officer; Michael Whisman, CPA, President of Vertex Education; and Daniel Fitzpatrick, JD, of Duane Morris LLP. Board members Cassandra McLaughlin, MS and Érica Mendez (De Jesus), BS were absent from the meeting.

Mr. Proietta served as Chair of the meeting and, having met a quorum, called the meeting to order at 3:04 p.m.

First, Mr. Proietta called for a review of the minutes from the meeting of the Board held on May 6, 2026, which were made available to the Board for review in advance of the meeting. The Board reviewed the minutes. The Board concluded that the minutes should more clearly state that certified teachers above the end of the existing salary scale would receive a 2% salary increase. Thereafter, upon a motion that was duly made and seconded, the **attached** minutes of the Board, with the above-described additional language, from the meeting held on May 6, 2026 were unanimously approved, by voice vote, by the Board members present at the meeting.

Second, Mr. Whisman reviewed with the Board the **attached** unaudited financial statements for the ten (10)-month period ended April 30, 2026 (the “Financial Statements”).

Mr. Whisman provided an overview of OBR’s annual budget-to-actual performance for the ten (10)-month period, pointing out that OBR non-profit’s end-of-year projections are in-line with the annual projections, but OBR CHS is projecting a positive variance of approximately \$130,928, which accounts for lower than budgeted revenue (due to reduced enrollment), but more than offset by lower than budgeted expenses (due to reduced staffing expenses). The OBR entities are currently projecting a gain of \$12,997 at fiscal year-end, compared with a budgeted loss of \$114,655, which would be a positive variance of \$127,642.

Mr. Whisman next reviewed with the Board OBR’s summary balance sheet at April 30, 2026, highlighting that (1) OBR’s cash and cash equivalents increased by \$253,556 from June 30, 2025 (audited) to April 30, 2026 and (2) as of March 31, 2026, OBR continued to benefit from a higher interest rate (3.3034%) on its sweep account, as compared to the lower interest rate (1.41%) on its PNC bank account.

Next, Mr. Whisman reviewed with the Board OBR’s financial covenants under its bond documents. Mr. Whisman reminded the Board that OBR is required to maintain a debt service

coverage ratio (“DSCR”) of at least 1.10 (both individually and combined with the Community Academy of Philadelphia) and, assuming current fiscal year end projections hold, OBR will have a DSCR of 1.39 and a combined DSCR of 3.20. Mr. Whisman pointed out, however, that OBR’s DSCR will need to continue to be monitored, especially moving into the next fiscal year, particularly given OBR’s ongoing enrollment challenges. Mr. Whisman also provided a brief overview of key variances reflected on the more detailed budget-to-actual reports for each of OBR non-profit and OBR CHS.

Third, Mr. Whisman, Ms. Hawk and Ms. Velazquez reviewed with the Board the **attached** draft budget for OBR’s 2026-2027 fiscal year (the “Draft Budget”). Mr. Whisman reviewed with the Board key assumptions in the Draft Budget and noted that the budgeted OBR stand-alone DSCR is 1.41. Ms. Hawk discussed how combining the evening programs would allow for reduced expenses. Ms. Velazquez provided an explanation of what the student revenue line item encompasses, in addition to explaining that the proposed four percent (4%) increase in health insurance costs would be difficult to achieve. The Board discussed the upcoming medical benefits negotiations beginning in September 2026 and how that timeline begins before the first Board meeting of the next school year, which is planned to be held on October 7, 2026. Mr. Proietta suggested that a contingency plan to manage higher health insurance costs be in place by September 2026 so that the Board is prepared to handle a potentially higher cost in the budget. It was proposed that the finance committee meet the week before the Board’s first meeting to discuss the contingency plan. Following the budget discussion, upon a motion duly made and seconded, the Board approved, by roll-call vote, the 2026-2027 Draft Budget.

Fourth, Ms. Hawk provided a position vacancies overview for 2026-2027 and noted that all open positions had received applications except for the food program manager. Mr. Proietta asked about food inspections, and Ms. Velazquez noted that inspections are completed twice a year. Mr. Proietta recommended, and it was agreed, that inspection reports would be provided at Board meetings moving forward. Additional inspections at the school include water/lead and asbestos.

Next, Ms. Hawk discussed the amended evening contract with the School District of Philadelphia. Ms. Hawk explained that OBR’s proposal to combine its two evening programs into a single evening program at the Simpson campus was approved. The evening program total capacity is being reduced from 300 to 225 seats, all at the Simpson campus, meaning that the Strawberry Mansion campus would now be closed for the purposes of the evening program. After June 10, 2026, all Strawberry Mansion students would be automatically enrolled in the Simpson evening program and it will be kept that way until September, at which time if OBR still cannot get in touch with unresponsive students, and there are other students waiting to join the program, such unresponsive students would be dropped from the program. Reflecting the reduction in program capacity, the total non-to-exceed fee for the contract term was reduced from \$10,500,000 to \$9,975,000. Ms. Velazquez noted that the budget for the evening program is for the expected 200 students at one (1) campus (despite approval for 225 students). Ms. Hawk also discussed plans for staffing the now single campus evening program. It was noted that Dr. Rodgers would be staying on to run the evening program. Teaching at the evening program will be four nights a week, while some support staff can sign-up for two nights a week. OBR will soon begin recruitment efforts for staff and students.

Next, Ms. Hawk presented the proposal to purchase snow removal equipment. The proposal stems from this past year's high cost of snow removal and the proposal is intended to save on future snow removal costs by purchasing a UTV with a snowplow attachment. This would not require registration or additional insurance. The cost range looks to be between \$13,000 - \$19,000, the lower end of that price range being equal to the cost of a single expensive snow removal season. Mr. Proietta asked if they could get a proposal for an electric UTV and generally thinks the Board should consider moving forward with this as the proposed budget for snow removal in the upcoming budget is \$15,000. There was no vote on this at this meeting, and Ms. Hawk noted that she would request information on an electric option and provide a clear plan on what is being proposed to be voted on at the next Board meeting.

Fifth, the **attached** proposed 2026-2027 OBR Board meeting schedule was presented to the Board. As there were no comments concerning the schedule, upon a motion duly made and seconded, the 2026-2027 Board meeting calendar school was unanimously approved, by voice vote, by the Board members present at the meeting.

Sixth, Mr. Proietta asked whether there was any new business to come before the Board. There being no additional new business to come before the Board, upon a motion duly made, seconded and unanimously approved by voice vote by the Board members present at the meeting, the meeting was adjourned at 3:46 p.m.

Seventh, Mr. Proietta called for an executive session to discuss legal matters. The executive session concluded and adjourned at 3:50 p.m.

DRAFT - FOR DISCUSSION PURPOSES ONLY

**INTERNATIONAL EDUCATION AND COMMUNITY INITIATIVES
DBA ONE BRIGHT RAY, INC.
PHILADELPHIA, PENNSYLVANIA**

FINANCIAL STATEMENTS

JUNE 30, 2026

DRAFT - FOR DISCUSSION PURPOSES ONLY

INTERNATIONAL EDUCATION AND COMMUNITY INITIATIVES
DBA ONE BRIGHT RAY, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
NOTES TO THE FINANCIAL STATEMENTS	7

DRAFT - FOR DISCUSSION PURPOSES ONLY

INDEPENDENT AUDITOR'S REPORT

(to be determined)

To the Board of Directors
International Education and Community Initiatives
dba One Bright Ray, Inc.
Philadelphia, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of International Education and Community Initiatives (a not-for-profit Pennsylvania corporation), dba One Bright Ray, Inc. ("the Organization"), which comprise the statement of financial position as of June 30, 2026, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2026, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

To the Board of Directors
International Education and Community Initiatives
dba One Bright Ray, Inc.

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BARBACANE, THORNTON & COMPANY LLP

INTERNATIONAL EDUCATION AND COMMUNITY INITIATIVES
DEA ONE BRIGHT FAY, LLC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2026

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 6,097,993
Accounts receivable from School District of Philadelphia	1,703,348
Other accounts receivable	2,243
Prepaid expenses	143,470
Total Current Assets	<u>7,947,054</u>

NONCURRENT ASSETS:

Lease receivable	639,213
Restricted cash and cash equivalents	1,951,084
Operating right-of-use assets	2,947,116
Property and equipment, net	8,179,407
Total Noncurrent Assets	<u>13,716,820</u>

TOTAL ASSETS	<u>\$ 21,663,874</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable and accrued expenses	\$ 534,852
Accrued interest payable	74,642
Current maturities of long-term debt	258,674
Operating lease liability	102,713
Total Current Liabilities	<u>970,881</u>

NONCURRENT LIABILITIES:

Operating lease liability	2,868,378
Long-term debt, net of current maturities	16,020,087
Total Noncurrent Liabilities	<u>18,888,465</u>

TOTAL LIABILITIES	<u>19,859,346</u>
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NET ASSETS:

Without donor restrictions	<u>1,804,528</u>
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TOTAL NET ASSETS	<u>1,804,528</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 21,663,874</u>
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The accompanying notes are an integral part of these financial statements.

INTERNATIONAL EDUCATION AND COMMUNITY INITIATIVES
DEA ONE BRIGHT FAY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

REVENUES WITHOUT DONOR RESTRICTIONS:

Program revenues	\$ 11,157,385
Rental income	1,201,648
Student activity fees	8,059
Interest income	84,546
Other revenues	<u>210,890</u>

TOTAL REVENUES WITHOUT DONOR RESTRICTIONS	<u>12,662,528</u>
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EXPENSES

Program services	8,841,527
Management and general	<u>3,968,753</u>

TOTAL EXPENSES	<u>12,810,280</u>
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CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(147,752)
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NET ASSETS, BEGINNING OF YEAR	<u>1,952,280</u>
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NET ASSETS, END OF YEAR	<u><u>\$ 1,804,528</u></u>
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The accompanying notes are an integral part of these financial statements.

INTERNATIONAL EDUCATION AND COMMUNITY INITIATIVES
DEA ONE BRIGHT FAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2026

	Program Services	Management and General	Total
EXPENSES:			
Salaries	\$ 4,877,789	\$ 2,512,801	\$ 7,390,590
Payroll taxes	410,578	211,510	622,088
Employee benefits	803,653	414,003	1,217,656
Total Salaries and Related Expenses	<u>6,092,020</u>	<u>3,138,314</u>	<u>9,230,334</u>
Advertising expense	-	1,440	1,440
Bank charges	-	20,679	20,679
Depreciation	487,083	250,921	738,004
Dues and subscriptions	-	14,637	14,637
Equipment rental and maintenance	-	50,275	50,275
Insurance	102,546	52,827	155,373
Interest expense	938,376	-	938,376
Miscellaneous	10,148	-	10,148
Occupancy	281,508	145,020	426,528
Postage	-	3,160	3,160
Printing and reproduction	-	12,751	12,751
Professional fees	299,768	-	299,768
Program costs and supplies	584,013	-	584,013
School district fee	-	255,000	255,000
Telephone and internet charges	27,763	14,302	42,065
Travel	2,391	1,231	3,622
Vehicle expenses	<u>15,911</u>	<u>8,196</u>	<u>24,107</u>
TOTAL EXPENSES	<u><u>\$ 8,841,527</u></u>	<u><u>\$ 3,968,753</u></u>	<u><u>\$ 12,810,280</u></u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL EDUCATION AND COMMUNITY INITIATIVES
DEACNE BRIGHT FAY INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (147,752)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	738,004
Amortization (component of interest expense)	31,326
Operating lease expense adjustment	6,170
Decrease (Increase) in:	
Accounts receivable from School District of Philadelphia	375,993
Other accounts receivable	8,914
Rent receivable	(18,566)
Prepaid expenses	18,403
Increase (Decrease) in:	
Accounts payable and accrued expenses	(190,290)
Accrued interest payable	(1,031)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>821,171</u></u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Acquisition of furniture and equipment	(14,489)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u><u>(14,489)</u></u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Repayment of long-term debt	(275,000)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u><u>(275,000)</u></u>

NET CHANGE IN CASH AND CASH EQUIVALENTS	531,682
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>7,517,395</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 8,049,077</u></u>
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CASH AND CASH EQUIVALENTS	\$ 6,097,993
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RESTRICTED CASH AND CASH EQUIVALENTS	<u>1,951,084</u>
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	<u><u>\$ 8,049,077</u></u>
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SUPPLEMENTAL DISCLOSURES:

Interest paid	<u><u>\$ 908,081</u></u>
Taxes paid	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE A PURPOSE OF THE ORGANIZATION

International Education and Community Initiatives (a not-for-profit Pennsylvania corporation), doing business as One Bright Ray, Inc., ("the Organization") leases a facility to a charter school and provides educational support services to six contract schools in the Philadelphia area. The Organization leases its building to the Community Academy of Philadelphia ("CAP"). The Organization contracts with the School District of Philadelphia to operate One Bright Ray Community High School Simpson Campus, One Bright Ray Community High School Fairhill Campus, One Bright Ray Community High School Elmwood Campus, and One Bright Ray Community High School Mansion Campus; these facilities provide high-risk and at-risk youth, between the ages of 16-21, from the inner city of Philadelphia, with a second chance of obtaining a high school diploma.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Financial Statement Presentation

In accordance with the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC"), the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. The Organization currently has no net assets with donor restrictions.

Property and equipment

Property and equipment are stated at cost. Expenditures for property and those which substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their cost and related accumulated depreciation are removed from the accounts, and resulting gains or losses are included in the change in unrestricted net assets. Depreciation is provided by the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

Buildings and improvements	30 years
Leasehold improvements	15-20 years
Furniture, fixtures, and equipment	5-7 years

NOTES TO THE FINANCIAL STATEMENTS

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. The Organization has been classified as an organization that is not a private foundation under Sections 509(a)(1) and 170(b)(1)(a)(iv) of the Internal Revenue Code. The Organization did not engage in any unrelated business activities during the fiscal year. Management believes more likely than not that its tax-exempt status and tax positions will be sustained if examined by authorities.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Restricted Cash and Cash Equivalents

In accordance with the bond issuance agreement, the Organization maintains several cash accounts that are restricted for debt service and other purposes.

Debt Issuance Costs

Debt issuance costs consisting of original issue discount, costs of issuance, underwriter's discount, and other related financing costs are presented in the statement of financial position as a direct reduction from the carrying amount of bonds payable, consistent with the presentation of debt discounts. The costs are amortized on a straight-line basis over the life of the related bonds.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising Costs

All costs associated with advertising and promotions are recorded as expenditures in the year incurred.

NOTES TO THE FINANCIAL STATEMENTS

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Right-of-use Asset

The right-of-use asset and the lease liability on the statement of financial position are recognized based on the present value of future cash outflows over the noncancelable lease term, calculated at the commencement of the lease using a risk-free discount rate as determined by management.

Lease Receivable

Rental income is being recognized on a straight-line basis over the life of the lease. The difference between rental income recognized and rents received, as stipulated in the lease, is reflected as "lease receivable" on the statement of financial position. At June 30, 2026, the balance of the lease receivable was \$639,213.

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. For expenses not readily traceable to a specific function, an allocation across functions was based on historical averages across functions.

NOTE C PROPERTY AND EQUIPMENT

A summary of property at June 30, 2026 is as follows:

Land	\$ 650,000
Buildings and improvements	18,710,527
Leasehold improvements	1,689,308
Furniture, fixtures, and equipment	2,098,414
	<u>23,148,249</u>
Less accumulated depreciation	14,968,842
	<u>\$ 8,179,407</u>

Depreciation expense was \$738,004 for the year ended June 30, 2026.

NOTE D CUSTODIAL CREDIT RISK

The Organization maintains its cash in highly rated financial institutions within the Organization's operating area which at times may exceed federally insured limits. Accounts are guaranteed by

NOTES TO THE FINANCIAL STATEMENTS

NOTE D CUSTODIAL CREDIT RISK (cont'd)

the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The Organization has not experienced any losses in such accounts. As of June 30, 2026, \$8,008,633 of the Organization's deposits were at risk because they exceeded the FDIC insured limits.

NOTE E RESTRICTED CASH AND CASH EQUIVALENTS

In accordance with the terms of bond agreements, the Organization has established funds that are segregated for specific use and for the security of the bondholders and are maintained by U.S. Bank, an independent trustee ("the Trustee"). (Please see Note F.) The funds are maintained in First American Government Obligation Funds, which are cash equivalents. These funds are presented as "restricted cash and cash equivalents" in the accompanying statement of financial position. The following is the composition of those funds as of June 30, 2026:

Project Fund	\$ 37,363
Debt Service Reserve Fund	1,190,532
Revenue Fund	279,717
Repairs and Replacement Fund	250,000
Bond Principal Fund	140,276
Bond Interest Fund	<u>53,196</u>
	<u>\$ 1,951,084</u>

NOTE F LONG-TERM DEBT

On October 1, 2018, the Organization refinanced its existing long-term debt and Series 2002B Bonds totaling \$12,680,000, and also received additional proceeds of \$6,385,000. The refinancing provided for the issuance of Philadelphia Authority for Industrial Development Series 2018A Bonds and Series 2018B Bonds of \$18,785,000 and \$280,000, respectively. The additional proceeds of \$6,385,000 were used to create various required reserve funds (Note E) totaling approximately \$5,600,000, and to pay for financing and accrued interest costs totaling approximately \$785,000. The Series 2018A Bonds are payable to the Trustee over 35 years with interest at 4.5% through June 1, 2029; 5.125% through June 1, 2038; 5.25% through June 1, 2048, and 5.375% through June 1, 2053. The Series 2018B Bonds have been paid off.

The Organization had pledged to provide annual revenues principally, but not limited to, the collections from CAP, a related party, pursuant to the leases between the two entities. The bond agreements require that the Organization and CAP maintain a debt service coverage ratio of 1.10 to 1.0, lease payment coverage ratio of 1.0 to 1.0, at least 45 days cash on hand, and

NOTES TO THE FINANCIAL STATEMENTS

NOTE F LONG-TERM DEBT (cont'd)

other financial covenants. However, failure to maintain these covenants would not be deemed defaults but require a management consultant's report setting forth the reasons for the deficiency, and set forth a plan to correct the deficiency. The Organization and CAP have also pledged all rights, title, and interest to their assets.

At June 30, 2026, the bond payable balance was \$17,135,000.

In the statement of financial position, long-term debt, net consists of the following:

Long-term debt	\$ 17,135,000
Debt issuance costs	<u>(856,239)</u>
Long-term debt	<u>\$ 16,278,761</u>
Current	\$ 258,674
Noncurrent	<u>16,020,087</u>
Long-term debt, net (current)	<u>\$ 16,278,761</u>

Future scheduled maturities of the debt is as follows:

<u>Year Ending June 30,</u>	
2027	\$ 290,000
2028	300,000
2029	315,000
2030	330,000
2031	345,000
Thereafter	<u>15,555,000</u>
	<u>\$ 17,135,000</u>

NOTE G LINE OF CREDIT

The Organization maintains a \$1,000,000 line of credit ("the line") with PNC Bank. Interest is payable at a variable rate equal to the daily one-month Secured Overnight Financing Rate (SOFR) plus 3.00% (7.35% at June 30, 2026). The line expires on July 31, 2026 and is subject to

NOTES TO THE FINANCIAL STATEMENTS

NOTE G LINE OF CREDIT (cont'd)

the same security and financial covenants as the Series 2018A bonds. There were no outstanding borrowings on the line as of June 30, 2026; therefore, the entire amount was available.

NOTE H LEASING AGREEMENTS

Lessor

The Organization leases facilities to CAP, a related party, through a leasing arrangement. The facilities are located at 1100-1140 East Erie Avenue, 1142-1152 East Erie Avenue, and 2816-2822 North Fourth Street, all in Philadelphia, Pennsylvania. The lease period is from October 1, 2018 through June 1, 2053. In addition to the basic rentals, the lease allows for "additional rents" for costs incurred in the performance of its obligation under the loan and costs incurred by the Organization under the terms of Organization's bond purchase agreement. For the year ending June 30, 2026, no "additional rents" have been charged. Payments are due in semi-annual installments.

Minimum annual rental income for the Organization for each year subsequent to June 30, 2026 is as follows:

<u>Year Ending June 30,</u>	
2027	\$ 1,185,706
2028	1,182,656
2029	1,184,156
2030	1,184,981
2031	1,183,069
Thereafter	<u>27,252,282</u>
Totals	<u><u>\$ 33,172,850</u></u>

Lessee

The Organization subleases a portion of the facilities leased to CAP located at 1142-1152 East Erie Avenue and 2816-2822 North Fourth Street. The sublease is scheduled to run through June 1, 2053. In addition, the Organization also has a copier lease which expires in June 2027. The Organization calculated the present value of the rental agreements at the risk-free interest rate as of the incurrence of the leases. As of June 30, 2026, the weighted-average remaining lease term for all operating leases is 26.19 years, and the weighted average rate associated with the leases as of June 30, 2026 is 4.49%.

NOTES TO THE FINANCIAL STATEMENTS

NOTE H LEASING AGREEMENTS (cont'd)

Future discounted lease payments are as follows:

<u>Year Ending June 30,</u>	
2027	\$ 234,060
2028	183,312
2029	183,544
2030	183,672
2031	183,375
Thereafter	<u>4,224,044</u>
	5,192,007
Discount	<u>(2,220,916)</u>
Total	<u>\$ 2,971,091</u>

Other Leases

The Organization leases a school facility at 6404 Elmwood Avenue in Philadelphia from the School District of Philadelphia. The lease is renewed annually effective from July 1 to June 30 and is payable at \$9,029 per month with a 3% annual increase. The Organization is charged \$2 per square foot for utilities and is also responsible for all maintenance and occupancy costs. Rent expense was \$108,351 for the year ended June 30, 2026.

The Organization also leases another school facility at 3133 Ridge Avenue in Philadelphia from the School District of Philadelphia. The lease is renewed annually effective from July 1 to June 30 and is payable at \$10,159 per month with a 3% annual increase. The Organization is responsible for all maintenance and occupancy costs. Rent expense was \$125,040 for the year ended June 30, 2026.

NOTE I RELATED-PARTY TRANSACTIONS

In addition to the lease transactions and the debt guarantees disclosed in Notes F and H, respectively, certain board members of the Organization are also employees of CAP.

NOTE J DEFINED CONTRIBUTION PLAN

The Organization sponsors a mandatory defined contribution plan ("the Plan") covering eligible employees with one consecutive month(s) of employment. The mandatory employee

NOTES TO THE FINANCIAL STATEMENTS

NOTE J DEFINED CONTRIBUTION PLAN (cont'd)

contribution is 5% of compensation, and the Organization matches 5%. Total expense for the year ended June 30, 2026 was \$286,595.

NOTE K FUNDING

The Organization receives funding from the School District of Philadelphia based on enrollment. The rate of funding per student is determined on an annual basis.

The Organization generally receives federal funding for certain federal breakfast and lunch programs.

NOTE L CONCENTRATIONS

The Organization received 88% of its total revenues from program revenues from the School District of Philadelphia during the year ended June 30, 2026. The continued existence of the Organization is dependent on the continuance of this relationship.

NOTE M LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets consist of unrestricted cash and cash equivalents, accounts receivable from School District of Philadelphia, and other accounts receivable.

The following reflects the Organization's financial assets as of June 30, 2026, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial assets, at year-end	\$ 7,803,584
Less financial assets held unavailable for general expenditures within one year	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,803,584</u>

The Organization has a goal to maintain financial assets on hand to meet, at a minimum, 90 days of normal operating expenses, which is approximately \$3,165,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As described in Note G, the Organization also has a line of credit available in the amount of \$1,000,000, which it could draw upon in the event of an unanticipated liquidity need.

NOTES TO THE FINANCIAL STATEMENTS

NOTE N SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through (to be determined), the date the financial statements were available to be issued.

IECI
Financial Statements
August 31, 2026

Table of Contents

	Page(s)
Narrative	1 - 2
Statements of Financial Position	3
OBR Program Reports	
IECI - Budget vs. Actual	4
OBR Community HS - Budget vs. Actual	5

September 2026

Members of the Board of Trustees
IECI

This Summary and Management Report presents information we believe is important to you as members of the school board. We encourage you to review the sections of this report, and we would be pleased to provide additional information as requested.

1. Actual to Annual Budget for the two months ending August 31, 2026

ACTUAL- ANNUAL BUDGET OBR			
August 31, 2026			
	Actual	Annual Budget	Variance - favorable (unfavorable)
<i>OBR non-profit</i>			
Revenue	208,998	1,263,081	(1,054,084)
Expense	-	1,647,638	(1,647,638)
Change in net assets	208,998	(384,557)	593,555
<i>OBR CHS</i>			
Revenue	34,082	11,507,087	(11,473,005)
Expense	1,330,409	11,392,365	(10,061,955)
Change in net assets	(1,296,328)	114,723	(1,411,050)
<i>TOTAL</i>			
Revenue	243,079	12,770,168	(12,527,089)
Expense	1,330,409	13,040,003	(11,709,593)
Change in net assets	(1,087,330)	(269,834)	(817,496)

- Key variances include:
OBR CHS:
 - Total personnel expenditures are under budget by \$111,186 to the net of:
 - Instructional and non-instructional salaries are \$123,150 under budget.
 - Decreased OBR administrative and school administrative salaries are \$39,214 under budget.
 - Employee Benefits are \$51,178 over budget.

2. Balance Sheet

Balance Sheet Analysis	June 30, 2025 Audited	June 30, 2026 Unaudited	August 31, 2026
Cash and Equivalents	5,606,344	6,097,993	6,245,112
Receivables	2,090,398	1,705,491	1,355,762
Prepaid Expenses	161,973	143,570	31,756
Accrued Expenses	752,234	570,801	226,475
Net Income (Loss)	612,352	593,666	(1,087,330)

- Cash position increased by \$147,120 from June 30, 2026, to August 31, 2026.
- As of August 31, 2026, the interest rate on the PNC bank account is 1.41% and the investment sweep account is 3.3036%

Financial Covenants

CAP's lease agreement with OBR has a lease coverage ratio. Below is a summary of the projected ratios for both CAP and OBR for the period ending August 31, 2026.

	CAP	OBR
Change in Fund Balance	891,121	(290,651)
Lease Costs	1,185,706	-
Depreciation & Amortization	-	727,857
Interest Expense	-	919,781
	2,076,827	1,356,987
Lease Costs/Debt	1,185,706	919,781
Ratio	1.75	1.48
Required -stand alone	1.00	1.10
Required -combined	1.10	1.10

ONE BRIGHT RAY
Statements of Financial Position
As of August 31, 2026

	(1) OBR Non-profit	(2) OBR CHS	TOTAL	June 30, 2026 Unaudited
ASSETS				
Current Assets				
Cash and Cash Equivalents	669,669	5,575,443	6,245,112	6,097,993
District Receivables	-	1,355,762	1,355,762	1,705,491
Federal Receivables	-	-	-	-
Prepaid Expenses	100	31,656	31,756	143,570
Total Current Assets	669,769	6,962,861	7,632,630	7,947,053
Fixed Assets				
Land	650,000	-	650,000	650,000
Buildings	15,856,946	-	15,856,946	15,856,946
Leasehold Improvements	4,065,974	865,914	4,931,887	4,931,887
Furniture, Fixtures & Equipment	-	1,562,157	1,562,157	1,562,157
Vehicles	-	86,884	86,884	86,884
Other Fixed Asset	-	45,886	45,886	45,886
Closing Costs	690,289	-	690,289	690,289
Fixed Assets Total	21,263,209	2,560,840	23,824,049	23,824,049
Right of Use - Lease Asset	-	3,051,562	3,051,562	3,051,562
Accumulated Depreciation	(10,557,921)	(3,672,917)	(14,230,838)	(14,230,838)
Total Fixed Assets	10,705,288	1,939,486	12,644,773	12,644,773
Other Assets				
Deferred Costs - Net	555,017	65,630	620,647	620,647
Net Other Assets	555,017	65,630	620,647	620,647
Assets Related to 2018 Financing				
Project Fund	23,794	-	23,794	37,363
Repair & Replacement Accounts	250,000	-	250,000	250,000
Debt Service Reserve Fund	1,215,271	(17,732)	1,197,539	1,190,532
Revenue Fund	657,228	17,732	674,959	473,189
Total Assets Related to Financing	2,146,293	-	2,146,293	1,951,085
TOTAL ASSETS	14,076,366	8,967,977	23,044,343	23,163,557
LIABILITIES & EQUITY				
LIABILITIES				
Current Liabilities				
Accounts Payable	-	(12,834)	(12,834)	39,724
Accrued Expenses	75,673	150,802	226,475	570,801
Deferred Revenues	-	1,365,000	1,365,000	-
Total Current Liabilities	75,673	1,502,968	1,578,641	610,525
Long-Term Liabilities				
Bonds Payable (Series 2018 A&B)	17,135,000	-	17,135,000	17,135,000
Issuance Cost Discount	(299,275)	101,999	(197,276)	(197,276)
Lease Obligations	-	3,069,368	3,069,368	3,069,368
Total Long-Term Liabilities	16,835,725	3,171,367	20,007,092	20,007,092
TOTAL LIABILITIES	16,911,398	4,674,335	21,585,733	20,617,618
EQUITY				
Unrestricted	(3,044,030)	5,589,970	2,545,940	1,952,274
Net Income	208,998	(1,296,328)	(1,087,330)	593,666
TOTAL EQUITY	(2,835,032)	4,293,642	1,458,610	2,545,940
TOTAL LIABILITIES & EQUITY	14,076,366	8,967,977	23,044,343	23,163,557

ONE BRIGHT RAY - NON-PROFIT
BUDGET to ACTUAL REPORT
For the Two Months Ending August 31, 2026

	<u>[A]</u> Actual - Unaudited	<u>[B]</u> YTD Budget	<u>[C] = [A] - [B]</u> Amount Over (Under) Budget
<u>REVENUES</u>			
Rental Revenues			
CAP 1100 E. Erie	166,987	166,617	370
OBRCHS Intercompany	30,631	30,563	68
Total Rental Income	<u>197,618</u>	<u>197,180</u>	<u>437</u>
 Interest Earned on Debt	 11,380	 13,333	 (1,954)
 TOTAL REVENUES	 <u><u>\$ 208,998</u></u>	 <u><u>\$ 210,514</u></u>	 <u><u>\$ (1,516)</u></u>
<u>EXPENDITURES</u>			
Debt Service			
Depreciation	-	-	-
Amortization	-	-	-
Interest	-	-	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>
 Total Expenditures	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>
 Net Change in Fund Balance	 <u><u>\$ 208,998</u></u>	 <u><u>\$ 210,514</u></u>	 <u><u>\$ (1,516)</u></u>

ONE BRIGHT RAY - OBRCHS
BUDGET to ACTUAL REPORT
For the Two Months Ending August 31, 2026

	[A] Actual - Unaudited	[B] YTD Budget	[C] = [A] - [B] Amount Over (Under) Budget
<u>REVENUES</u>			
School District Revenue - Day	-	-	-
School District Revenue - Evening	-	-	-
Revenue from Federal Grants	-	-	-
Food Program Revenue	-	2,500	(2,500)
Student Revenues	1,123	1,201	(78)
Fundraising Revenue	-	-	-
Miscellaneous Revenue	32,959	32,688	271
Total School Operations Revenue	34,082	36,389	(2,307)
TOTAL REVENUES	\$ 34,082	\$ 36,389	\$ (2,307)
<u>EXPENDITURES</u>			
Salaries			
OBR Administration Salaries	81,285	86,353	(5,068)
School Administration Salaries	161,344	195,490	(34,146)
Instructional Salaries	115,876	147,033	(31,157)
Non-Instructional Salaries	358,952	450,945	(91,993)
Total Salaries	717,456	879,821	(162,365)
Employee Benefits			
Health and Dental	237,268	164,966	72,302
FICA	54,762	74,408	(19,646)
Retirement Contributions	33,182	35,575	(2,393)
Other Employee Benefits	2,677	1,762	915
Total Employee Benefits	327,889	276,711	51,178
Professional Fees	61,651	39,625	22,026
Cleaning	2,297	2,500	(203)
Utilities	8,610	10,017	(1,407)
Maintenance	13,300	16,000	(2,700)
Rent	54,325	39,858	14,468
Auto	-	200	(200)
Insurance	12,197	40,215	(28,018)
Communications	6,812	7,027	(215)
Advertising	120	240	(120)
Printing	721	2,251	(1,530)
Food Service	8,659	8,700	(41)
Travel	246	408	(161)
Supplies	23,820	32,167	(8,347)
Food	1,607	1,004	603
Technology	56,341	42,800	13,541
Property & Equipment	1,380	1,380	0
Dues & Fees	10,538	4,958	5,580
Student Activities	3,316	12,500	(9,184)
Professional Development	18,225	16,200	2,025
Employee Appreciation	898	900	(2)
Student Assessment	-	-	-
Fundraising	-	-	-
Total Operating Expenditures	285,064	278,949	6,115
Total Expenditures	\$ 1,330,409	\$ 1,435,480	\$ (105,071)
Net Change in Fund Balance	\$ (1,296,328)	\$ (1,399,091)	\$ 102,764



ANNUAL CONFLICT OF INTEREST DISCLOSURE FORM

Name (please print)

Department

Date

Rank/Position at IECI/OBR

It is the policy of International Education and Community Initiatives d.b.a. One Bright Ray, Incorporated (“OBR,” “we,” “us” or “our”) to address how issues of actual, potential and perceived conflicts of interest involving directors on OBR’s Board of Directors (the “Board”), officers and management employees (as defined below) should be identified, disclosed and managed.

OBR-108 Conflict of Interest Policy:

SECTION 1. PURPOSE

The purpose of this conflict of interest policy is to protect the tax-exempt interests of OBR when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer or management employee of OBR or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Maintenance of OBR’s tax-exempt status is important both for its continued financial stability and for public support. The IRS and state regulatory tax officials view the operations of OBR as a public trust, which makes us subject to scrutiny by and accountable to such governmental authorities as well as members of the public. Consequently, there exists between OBR and its Board, officers and management employees a public fiduciary duty which carries with it a broad and unbending duty of loyalty and fidelity. The Board, officers and management employees have the responsibility of administering the affairs of OBR honestly and prudently, and of exercising their best care, skill and judgment for the sole benefit of OBR. These persons, so interested, shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with OBR or knowledge

gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

SECTION 2. PERSONS CONCERNED

This policy applies to any interested person. Any director, officer or management employee who has a direct or indirect financial or other interest (each an “interest”), as described in Section 3, is an interested person. A person is a “management employee” if she or he is an employee of OBR who can influence the actions of OBR through actions including, but not limited to, making purchasing decisions or having proprietary information concerning OBR.

SECTION 3. WHERE CONFLICT MAY ARISE

A director, officer or management employee has an interest if the person has, directly or indirectly, through business, investment, family, friends or other OBR employees, an ownership or investment interest in, or arrangement, whether or not compensatory, with:

1. Any entity, organization or individual with which OBR transacts or arranges for the supply of goods and services;
2. Any entity, organization or individual from whom OBR leases property or equipment;
3. Any competing or affinity organizations;
4. Any individual or organizational donor or other individual or entity supporting OBR;
5. Any agencies, organizations, or associations that affect the operations of OBR;
6. OBR or with any entity, organization or individual with which OBR has a transaction or arrangement;
7. Any entity, organization or individual with which OBR is negotiating a transaction or arrangement or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property;
8. Any third party entity dealing with OBR to serve as a director, board member, manager, or employee (or former employee); and
9. Any record of using OBR time, personnel, equipment, supplies, or goodwill for activities, programs, and purposes other than those approved by OBR.

Compensation includes direct and indirect remuneration for services with respect to individual transactions involving OBR as well as receipt of gifts or favors that are not insubstantial. Receipt of any gift is disapproved except for gifts less than \$50.00 in value that could not be refused without discourtesy. No personal gift of money should ever be accepted.

Having an interest is not necessarily a conflict of interest. Under Section 5, a person who has an interest must disclose such interest to the Board, and may have a conflict of interest only if the Board or an appropriate committee decides that a conflict of interest exists.

SECTION 4. INTERPRETATION OF THIS STATEMENT OF POLICY

The parties with whom a person may have an interest and the relations that may give rise to an interest listed in Section 3 are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officers and management employees will recognize such areas and relations by analogy.

The fact that one of the interests described in Section 3 exists does not necessarily mean that a conflict of interest exists, or that the conflict of interest, if it does exist, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances, it is necessarily adverse to the interests of OBR.

However, it is the policy of the Board that the existence of any of the interests described in Section 3 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the Board, officers and management employees to scrutinize their transactions and external business interests and relationships for potential conflicts and to immediately make such disclosure.

SECTION 5. DISCLOSURE POLICY AND PROCEDURE

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the potential interest and be given the opportunity to disclose all material facts to the directors and members of appropriate committees with Board delegated powers considering the proposed transaction or arrangement.

Disclosure of an interest involving a director or management employee must be made to the chief executive officer (or if she or he is the one with the conflict, then to the Board chair), who shall bring the matter to the attention of the Board or the appropriate committee considering the proposed transaction or arrangement. Disclosure of an interest involving directors must be made to the Board chair (or if she or he is the one with the conflict, then to the Board vice-chair), who shall bring these matters to the Board or to the appropriate committee.

A transaction or arrangement with a party with whom an actual or potential conflicting interest exists may be undertaken only if all of the following procedures are implemented:

1. An interested person makes a presentation at the Board or the appropriate committee meeting, but, after the presentation, she or he shall leave the meeting and shall be excluded from the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest;
2. The chair of the Board or the appropriate committee shall, if appropriate, appoint a disinterested person or a committee to investigate alternatives to the proposed transaction or arrangement;
3. After exercising due diligence, the Board or the appropriate committee shall determine whether OBR can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest;

4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or the appropriate committee shall determine by a majority vote of the disinterested directors (even if the disinterested directors constitute less than a quorum) whether the contemplated transaction or arrangement is in OBR's best interest, for its own benefit, and whether it is just, fair and reasonable. In conformity with the above determination, the Board or the appropriate committee shall make its decision as to whether to enter into the transaction or arrangement. The decision of the Board or the appropriate committee on these matters will rest in their sole discretion, and their concern must be the welfare of OBR and the advancement of its purpose; and
5. The interested person provides competitive bids or comparable valuations to the Board demonstrating market value, if applicable.

Directors, officers and management employees must avoid any interest, influence or relationship that would qualify as a conflict of interest or appear to be a conflict with OBR. If the Board or the appropriate committee has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, it shall inform such interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the Board or the appropriate committee determines the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 6. RECORDS OF PROCEEDINGS

The minutes of the Board and all committees with Board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have an interest in connection with an actual or possible conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present and the Board's or the appropriate committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

SECTION 7: COMPENSATION

1. A voting director of the Board who receives compensation, directly or indirectly, from OBR for services is precluded from voting on matters pertaining to that director's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from OBR for

services is precluded from voting on matters pertaining to that member's compensation.

3. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from OBR, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

SECTION 8: ANNUAL STATEMENTS

Each director, principal officer and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands that in order for OBR to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

SECTION 9: PERIODIC REVIEWS

To ensure that OBR operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
2. Whether partnerships, joint ventures and arrangements with management organizations conform to OBR's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further tax-exempt purposes and do not result in enurement, impermissible private benefit or in an excess benefit transaction.

SECTION 10: USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Section 9, OBR may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

Disclosure of any Conflicts of Interest:

--

I have received a copy of, and have read and understood, the International Education and Community Initiatives d.b.a. One Bright Ray, Incorporated (“OBR”) Conflict of Interest Policy (OBR-108) approved by OBR’s Board of Directors (the “Board”). I understand that by signing this Annual Conflict of Interest Disclosure Form for Board Members, I hereby agree to comply with OBR’s Conflict of Interest Policy and understand that OBR is federally tax-exempt and that in order for OBR to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes. I understand that as a Board member it is my obligation to act in a manner which promotes the best interests of OBR and to avoid conflicts of interest when making decisions and taking actions on behalf of OBR.

Should a possible conflict of interest arise in my responsibilities to OBR, I recognize that I have the obligation to notify, based on my position, the applicable designated individual (i.e., the chief executive officer or Board chair), and to abstain from any participation in the matter until the OBR can determine whether a conflict exists and how that conflict shall be resolved. If any relevant changes occur in my affiliations, duties or financial circumstances, I recognize that I have a continuing obligation to file an amended “Conflict of Interest Disclosure Form” with the appropriate designated office.

I understand that the information on this form is solely for use by OBR and is considered confidential information. Release of this information within OBR will be on a need-to-know basis only. Release to external parties will be only when required by law and/or federal regulations.

Signature

Date

Board
One Bright Ray, Inc.
1142 E. Erie Ave.
Philadelphia, PA 19124



2026–2027 BOARD MEETING TENTATIVE SCHEDULE

DATE	TIME	LOCATION
Wednesday, October 7, 2026	3:00 p.m.	Zoom (Virtual Meeting)
Wednesday, November 18, 2026	3:00 p.m.	Zoom (Virtual Meeting)
Wednesday, February 3, 2027	3:00 p.m.	Zoom (Virtual Meeting)
Wednesday, April 28, 2027	3:00 p.m.	Zoom (Virtual Meeting)
Wednesday, June 2, 2027	3:00 p.m.	Zoom (Virtual Meeting)