

**INTERNATIONAL EDUCATION AND COMMUNITY INITIATIVES
D/B/A ONE BRIGHT RAY, INCORPORATED**

**Minutes of a Meeting
Of the Board of Directors
Held November 30, 2016**

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 at the offices of Community Academy of Philadelphia ("CAP") on November 30, 2016. The following Board members were present at the meeting, constituting a quorum: Joseph H. G. Proietta, M.Ed., President and Founder; Alberta P. O'Brien, Executive Vice President; Aykema Mabery; Anna Duvivier, Vice President; and Yolanda M. Negrón. Also present at the meeting were Marcus A. Delgado, Chief Executive Officer and Secretary; Frances Velazquez, Director of Financial Services; Lauren Nelson, Director of College Partnerships; Joycet Velasquez, Chief Academic Officer; Kara Fisher, Director of Curriculum and Instruction; Michael Whisman, accountant with Charter Choices, Inc.; and Maria Granholm, Esq., of Duane Morris LLP. Board member Cassandra McLaughlin was absent from the meeting.

Mr. Proietta served as Chair of the meeting and, having met a quorum, called the meeting to order at 2:00 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 September 21, 2016. The Board pointed out a spelling error on the first page and ordered that the minutes be revised accordingly. Then, upon a motion that was duly made and seconded, the minutes of the Board from the meeting held on September 21, 2016 were unanimously approved, as revised. The Board ordered that the minutes, as revised, be placed in OBR's minute book.

Second, Ms. Duvivier asked if there was any update with respect to selecting additional Board members, as briefly discussed at the last Board meeting. Mr. Proietta indicated that the Board is looking to add three (3) independent directors, but that the Board had not yet identified any potential candidates.

Third, Mr. Proietta asked Mr. Whisman to present the **attached** Financial Statements as of October 31, 2016. Mr. Whisman first reviewed with the Board the budget-to-actual summaries for the four (4) months ended October 31, 2016. Mr. Whisman reviewed the budget performance of OBR Non-Profit, noting that OBR Non-Profit's total net income was \$138,008 from June 30, 2016, as compared to the budgeted total net income of \$125,350, resulting in a favorable variance of \$12,658. Mr. Whisman noted that the variance related to, among other things, savings from lower than budgeted interest and savings from prior year accrued interest being written off, partially offset by bank fees which were paid earlier than anticipated/budgeted.

Mr. Whisman next reviewed with the Board the budget performance of OBR CHS. Mr. Whisman noted that OBR CHS' actual net loss for the four (4) month period was \$604,473, as compared to the budgeted net loss of \$810,182 for the same period, resulting in a favorable variance of \$205,709.

Mr. Whisman then reviewed with the Board the budget performance of the Harcum Program. Mr. Whisman reported that the Harcum Program's actual net loss for the four (4) month period was \$56,210, as compared to the budgeted net loss of \$48,136 for the same period, resulting in an unfavorable variance of \$8,074. Mr. Proietta asked why there was an overall unfavorable variance, pointing out that, at the last Board meeting, the Harcum Program had an overall favorable variance. Mr. Delgado noted that the difference was a result of timing of incurring expenses versus receiving funds. Mr. Delgado explained that the Harcum Program received a \$5,000 advance of cohort funds, but the remainder of the cohort funds are not received until after the end of the semester. Ms. Nelson and Ms. Velazquez provided additional insight as to the timing of receipt of such funds.

Next, Mr. Whisman reported that OBR's overall net loss, across all programs, was \$522,675, as compared to the budgeted net loss of \$732,968, which resulted in an overall favorable variance of \$210,293.

Mr. Whisman next reviewed the Balance Sheet with the Board. Mr. Whisman reported that OBR's cash position decreased over the fiscal year to date from \$1,074,537 at June 30, 2016 to \$798,990 at October 31, 2016. Mr. Whisman also reported that OBR's total receivables increased from \$764,718 at June 30, 2016 to \$1,132,257 at October 31, 2016. Mr. Whisman explained that the decrease in cash position and increase in receivables related primarily to timing of receipt of payments from the School District of Philadelphia (the "School District"). The Board then reviewed the detailed Statements of Financial Position of OBR and asked Mr. Whisman questions regarding various line items, which Mr. Whisman answered.

Fourth, Mr. Whisman directed the Board's attention to a copy of the attached final draft of the Financial Statements and Independent Auditor's Report for the Fiscal Year ended June 30, 2016 (the "Auditor's Report"), which was previously provided to the members of the Board. Mr. Whisman indicated that the covenant calculations included in the Auditor's Report were submitted to Citizen's Bank and were confirmed. Mr. Whisman asked if there were any questions regarding the Auditor's Report and there were none. Then, upon a motion duly made and seconded, the Board unanimously approved the Auditor's Report.

Fifth, Mr. Delgado provided the Board with an update regarding the Modular Project. Mr. Delgado informed the Board that soil testing was completed and OBR submitted the results to the city and is awaiting the issuance of a final permit. Mr. Delgado also informed the Board that modular units were ordered, with at least a 10-12 week turnaround time. The Board discussed the permit process and anticipated timing for the permit and modular units. Mr. Delgado indicated that he would follow up to find out more information with respect to timing.

Sixth, Mr. Delgado reported three (3) teachers at Fairhill worked together to submit an application for a technology grant to the Michael and Susan Dell Foundation. Mr. Delgado briefly discussed the grant process and commended the teachers for their hard work and initiative.

Seventh, Mr. Delgado provided the Board with an update regarding OBR's website. Mr. Delgado indicated that the new website would be up in a week or so. Mr. Delgado discussed some of the new features of the website, including better functionality on mobile devices and

improved overall look. The Board briefly discussed the addition of a public information page through which to voluntarily provide information to the public regarding OBR, including the names of Board members and Board minutes. Ms. Duvivier suggested that Mr. Delgado look at CAP's Board of Directors webpage as an example.

Eighth, Mr. Delgado reported to the Board the School District's Request for Proposal ("RFP"), in connection with OBR obtaining a new contract, would be released January 2, 2017. Mr. Delgado noted that the School District is considering creating different rates for the different types of students OBR serves. Mr. Delgado estimated a three (3) week turnaround to write a proposal responding to the RFP.

Ninth, Ms. Fisher provided the Board with an update regarding OBR's Middle States accreditation. Ms. Fisher reported that the attached certificate of accreditation was received and would cover the period from December 1, 2016 to December 1, 2023. Ms. Fisher thanked the Board members for their support throughout the accreditation process. Ms. Fisher further reported that OBR has already created action plan teams to work on OBR's objectives to (1) improve academic achievement, (2) improve student engagement/performance and (3) improve access/use of resources (information and technology). Ms. Fisher briefly discussed the progress being made with respect to each objective. The Board also discussed OBR updating its classification to nonprofit for purposes of Middle States.

Tenth, Ms. Velasquez shared with the Board details regarding various campus updates including mid-year site visits by the School District scheduled for December 9 (Elmwood Campus), 12 (Simpson Campus) and 13 (Fairhill Campus), leadership performance at the Simpson Campus, additional of additional support staff at the Fairhill Campus and student engagement and attendance at the Elmwood Campus. The Board discussed the various updates as well as new Pennsylvania truancy laws and whether they apply to OBR.

Eleventh, Ms. Nelson provided the Board with an update on the College Partnership program. Ms. Nelson reported that Fall enrollment is at 102 students and Spring enrollment is anticipated to be between 110 – 115 students. Ms. Nelson also discussed various student achievements and the need to hire a new program assistant for the Harcum Program because the current program assistant is leaving. Mr. Proietta asked whether there were any developments with Pierce College and the potential partnership for a business management program. Ms. Nelson indicated that a partnership with Pierce is still in the pipeline and could possibly start in the Fall. Mr. Delgado added that OBR is hesitant to invest in the opportunity until there is a more concrete understanding of how the program would work.

Twelfth, Mr. Proietta noted for the record that, prior to the general Board meeting, an executive session was held among Mr. Proietta, Ms. Duvivier, Mr. Delgado and Ms. Velasquez to discuss legal matters.

Thirteenth, Mr. Proietta asked if there was any new business to come before the Board.

Ms. Duvivier raised the topic of a Board scholarship. The Board briefly discussed the value of a Board scholarship to students and the logistics of such a scholarship given that OBR

holds two (2) graduations a year. After such brief discussion, the Board agreed to table further discussion until the next Board meeting.

Mr. Proietta raised the topic of OBR's personnel policy and asked that the policy be provided to the members of the Board well in advance of the next Board meeting for the Board's review, comment and approval. Mr. Proietta also requested that the Board be provided with salary scales for the current year. Mr. Delgado agreed to provide the requested items.

Mr. Proietta noted that the next Board meeting is scheduled for Wednesday, February 22, 2017 at 2:00 p.m. at the offices of CAP.

There being no further business to come before the Board, upon a motion duly made, seconded and unanimously approved, the meeting was adjourned at 2:58 p.m.

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