

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

**Minutes of a Meeting
Of the Board of Directors
Held February 22, 2017**

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 February 22, 2017. The following Board members were present at the meeting, constituting a quorum: Alberta P. O'Brien, Executive Vice President; Aykema Mabery; Anna Duvivier, Vice President; Cassandra McLaughlin; 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; Melissa Pergine, Principal of the Fairhill Campus; Antoinette Muse, Principal of the Elmwood Campus; Derik Hrubosky, Principal of the Simpson Campus; Michael Whisman, accountant with Charter Choices, Inc.; Joseph Martin, financial consultant at Charter Choices, Inc.; and Maria Granholm, Esq., of Duane Morris LLP. Board member Joseph H. G. Proietta, M.Ed. was absent from the meeting.

Ms. O'Brien served as Chair of the meeting and, having met a quorum, called the meeting to order at 1:59 p.m.

As the first order of business, Ms. O'Brien called for a review of the minutes from the meeting of the Board held on November 30, 2016. The Board reviewed the minutes then, upon a motion that was duly made and seconded, the minutes of the Board from the meeting held on November 30, 2016 were unanimously approved. The Board ordered that the minutes be placed in OBR's minute book.

Second, Ms. Velazquez reviewed with the Board OBR's Conflict of Interest Policy. Ms. Duvivier noted that, since the policy was presented to the Board at a prior Board meeting, it was reviewed and approved by OBR's legal counsel, as requested by the Board. Ms. Velazquez instructed that the attached Annual Conflict of Interest Disclosure Form for Board Members should be completed, signed and returned to her by each member of the Board.

Third, Ms. O'Brien asked Mr. Whisman to present the attached Financial Statements as of January 31, 2017. Mr. Whisman first reviewed with the Board the budget-to-actual summaries for the seven (7) months ended January 31, 2017. Mr. Whisman reviewed the budget performance of OBR Non-Profit, noting that OBR Non-Profit's total net income was \$106,974 from June 30, 2016, as compared to the budgeted total net income of \$66,496 for the same period, resulting in a favorable variance of \$40,478. Mr. Whisman noted that the variance related to, among other things, savings from lower than budgeted interest on debt, partially offset by bank fees, which were paid earlier than anticipated/budgeted, and legal fees.

Mr. Whisman next reviewed with the Board the budget performance of OBR CHS. Mr. Whisman noted that OBR CHS' actual net loss for the seven (7) month period was \$437,502, as compared to its budgeted net loss of \$609,175 for the same period, resulting in a favorable

variance of \$171,674. Mr. Whisman reported that the variance primarily related to lower than budgeted salaries and employee benefits costs (due to timing of hiring new staff) partially offset by higher than budgeted spending on maintenance, including higher than anticipated costs for the modular units. Ms. O'Brien asked why expenses for the modular units were approximately \$75,000 higher than anticipated. Ms. Velazquez explained that OBR projected the modular units at \$300,000, but that the actual cost is approximately \$399,000, which OBR is almost finished paying off. Ms. Velazquez also noted that OBR spent approximately \$30,000 on classroom maintenance/upgrades at the Fairhill Campus, which also contributed to maintenance costs being over-budget. Mr. Delgado reminded the Board that the lower than budgeted salaries and employee benefits costs more than offset the additional modular unit and maintenance costs.

Mr. Whisman then reviewed with the Board the budget performance of the Harcum Program. Mr. Whisman reported that the Harcum Program's net loss for the seven (7) month period was \$5,981, as compared to the budgeted net income of \$3,132 for the same period, resulting in an unfavorable variance of \$9,113. Mr. Whisman explained that the variance related to lower than budgeted tuition payments and cohort support payments for such seven (7) month period.

Next, Mr. Whisman reported that OBR's overall net loss, across all programs, was \$336,509, as compared to the budgeted net loss of \$539,548, which resulted in an overall favorable variance of \$203,039.

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 \$915,568 at January 31, 2017. Mr. Whisman also reported that OBR's total receivables increased from \$764,718 at June 30, 2016 to \$1,146,275 at January 31, 2017. Mr. Whisman explained that the decrease in cash position related primarily to timing of receipt of payments from the School District of Philadelphia (the "School District"), and that the increase in receivables related primarily to timing of receipt of payments from the School District and payments due for fall tuition for the Harcum Program. Mr. Whisman then reviewed with the Board the detailed Statements of Financial Position of OBR and answered questions from the Board members regarding various line items.

Fourth, Mr. Delgado provided the Board with an update regarding the Modular Project. Mr. Delgado informed the Board that the modular units arrived and are in process. Mr. Delgado noted that the units were more expensive than anticipated, as previously discussed, and are taking more time than anticipated, but are still expected to be in place for use by March 27, when OBR's module 4 begins.

Fifth, Mr. Delgado reported to the Board that OBR's new website is up and running and that the website developer did a very good job. Mr. Delgado noted that teachers will be able to start uploading projects and other content to the website in the near future.

Sixth, Mr. Delgado next reported to the Board that, after a lot of hard work, a team of OBR employees completed a response to the School District's Request for Proposal. Mr. Delgado noted his appreciation to the OBR team who assisted with the process and explained that the response requested a five (5) year contract with the same number of student slots that

OBR currently has, but at a \$15,000/student rate. Mr. Delgado noted that he expects to hear back from the School District about student slots and rates by mid-March. Mr. Delgado discussed with the Board some of the possibilities of how OBR could use any per student rate increase, including increasing emotional and instructional support for students.

Seventh, Ms. Velasquez, as Chief Academic Officer, provided a campus-wide update to the Board. Ms. Velasquez reported that the School District would be conducting a walk-through of the school in April and that OBR is already starting to plan for the visit. Ms. Velasquez also discussed with the Board OBR's expanded use of Gradebook, restorative practice survey and training and various campus field trips, including upcoming trips to the Camden Aquarium. The Board briefly discussed OBR's use of Gradebooks, teacher feedback on using the program, and how use of the program could be improved upon.

Eighth, Mr. Hrubosky provided the Board with an update regarding the Simpson Campus. Mr. Hrubosky discussed with the Board the campus' community projects, spring running program, first student council, and other new and ongoing activities.

Ninth, Mrs. Pergine provided the Board with an update regarding the Fairhill Campus. Ms. Pergine reported to the Board on the campus' new mentorship program, graduation date postings ("hot spots"), which help keep students on track for graduation, Prom planning, including fundraising, and an upcoming trip to the Camden Aquarium.

Tenth, Ms. Muse provided the Board with an update regarding the Elmwood Campus. Ms. Muse discussed with the Board the campus' two beautification projects, a new gardening club, a college club with Mrs. Hayes and a recent, successful college days with eight (8) different presenters.

Eleventh, Ms. Nelson provided the Board with an update on the College Partnership program. Ms. Nelson reported that 102 students were enrolled for Spring and 21 students were expected to graduate in May 2017. Ms. Nelson noted that she hoped to hold an award ceremony for the graduates following their graduation in mid-May. Ms. Nelson next reported that the Harcum Program is targeting to enroll 115 students for the Fall, which would be consistent with the program's trend to grow by approximately 10 students per year. The Board briefly discussed the budget for the Harcum Program and timing for tuition and cohort payments. Mr. Delgado and Ms. Nelson then discussed with the Board to the Harcum Program's relationship with EdPlus and I-Lead and certain difficulties of not working directly with Harcum College.

Twelfth, Ms. O'Brien asked if there was any new business to come before the Board. The Board briefly discussed updates to OBR's personnel handbook, code of conduct and salary scales for the next school year.

Ms. O'Brien noted that the next Board meeting is scheduled for Wednesday, May 10, 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 2:42 p.m.