

**INTERNATIONAL EDUCATION AND COMMUNITY INITIATIVES  
D/B/A ONE BRIGHT RAY, INCORPORATED  
Minutes of a Meeting  
of the Board of Directors  
Held November 30, 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 via videoconference on Wednesday, November 30, 2022. The following Board members were present at the meeting: Joseph H. Proietta, M.Ed., President and Founder; Alberta P. O’Brien, EdD; Cassandra McLaughlin, MS; Lauren Nelson, MA; and Érica Méndez, BS. Board member Ludmiladia Gomez, BA 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; Emily Trunfio, Director of School Improvement; Michael Whisman, accountant with Charter Choices, Inc. (“Charter Choices”); Kelly Wojtan, Account Manager with Charter Choices; 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 3:01 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 28, 2022, which were circulated to the Board in advance of the meeting. 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 September 28, 2022 were unanimously approved by the Board members in attendance at the meeting.

Second, Mr. Proietta requested a financial update. Mr. Whisman reviewed with the Board the **attached** Financial Statements and Independent Auditor’s Report for the year ended June 30, 2022 (the “Audit Report”). Mr. Whisman noted that the Audit Report reflects a clean opinion of the auditors. Mr. Whisman pointed out that a number of the notes to the Audit Report are substantially identical to OBR’s prior audit report, including Note 8 which relates to, among other things, related party leases. Mr. Whisman confirmed that the financial statements for the year ended June 30, 2022 are consistent with OBR’s expectations and explained that, although such financial statements reflect a decrease in net assets, such decrease takes into account non-cash expenses, such as depreciation, which is added back for purposes of debt covenant calculations. In response to a question from a Board member, Mr. Whisman confirmed that OBR’s financial statements for the year ended June 30, 2022 reflect compliance with financial standards expected by the School District and OBR’s debt covenants. Following review and discussion of the Audit Report, upon a motion duly made and seconded, the Board approved Resolution No. 1, **attached** hereto, relating to the Audit Report, by roll-call vote, as set forth therein.

Third, Mr. Whisman reviewed with the Board the **attached** unaudited financial statements for the four (4)-month period ended October 31, 2022 (the “Financial Statements”). Mr. Whisman first reviewed with the Board the summary and management report, noting that, in future reports, the Harcum Program can be deleted given that it is no longer an ongoing OBR

program. Mr. Whisman noted that OBR's overall actual performance is largely in-line with OBR's budget for this time of year, and that the largest variance is that OBR is receiving more interest income than projected due to higher than projected interest rates. Mr. Whisman noted that the interest income resides in OBR's bond account, so is not freely useable as operating cash, but still accrues to OBR's benefit. Mr. Whisman also noted several other variances, including additional revenues expected with respect to receipt of prior year funds from the Philadelphia Youth Network, lower than budgeted personnel expenditures and higher than projected non-personnel-related expenditures (including increased advertising, cleaning and communication costs). Mr. Whisman also reviewed the calculation of OBR's debt service coverage ratio ("DSCR") and confirmed that OBR's DSCR of 3.12 is well above the DSCR of 1.10 required pursuant to OBR's debt covenants.

Next, Mr. Whisman reviewed with the Board highlights from OBR's unaudited balance sheet at October 31, 2022, as compared to OBR's unaudited balance sheet at June 30, 2022. Mr. Whisman pointed out that OBR's cash position increased from \$1,446,272 at June 30, 2022 to \$1,828,388 at October 31, 2022, and OBR's receivables decreased from \$2,727,809 at June 30, 2022 to \$2,415,720 at October 31, 2022, in each case, primarily due to the timing of receipt of receivables from the School District of Philadelphia (the "School District"). The Board and OBR's administration discussed trends related to the timing of receipt of receivables from the School District, and upcoming changes to the process for payment of such receivables by the School District. Mr. Whisman and Mr. Delgado clarified that the Financial Statements, including projections, assume that the School District will continue to pay OBR for students, including those students who have not been regularly attending; however, Mr. Delgado noted that, pursuant to OBR's contract with the School District, the School District could direct OBR to drop students who have not met certain attendance requirements, in which case the School District would cease paying the per-student allotment for each such student. The Board discussed, at length, feedback from the School District to-date regarding how the School District will proceed in such regard, how dropping students (and losing School District funding with respect to such students) would impact OBR financially, to what extent each OBR campus would be expected to be impacted, and whether OBR could sustain its program at Strawberry Mansion if the School District directed OBR to drop students (and ceased providing funds with respect to such students). Mr. Delgado agreed to keep the Board apprised of any material changes or updates, and the Board agreed to revisit the topic at the next regularly scheduled Board meeting, or an earlier specially scheduled Board meeting, if necessary.

Next, Mr. Whisman provided an overview to the Board regarding a federal employee retention tax credit ("ERTC") program. Mr. Whisman explained that Charter Choices engaged counsel to evaluate, and seek an opinion from the IRS, regarding whether charter schools are eligible for the ERTC. Mr. Whisman encouraged the Board and OBR's administration to look into the ERTC program and to have initial discussions regarding whether such a program could be beneficial to OBR. Mr. Whisman advised that he will provide an update at the next Board meeting to the extent that Charter Choices has obtained any guidance or opinion from the IRS with respect to such to the program by then.

Fourth, Mr. Delgado provided the Board with various updates with respect to OBR. First, Mr. Delgado provided an update regarding enrollment, including ongoing enrollment efforts, the positive impact on enrollment of the School District having recently released report

cards, and which OBR campuses are in greatest demand by enrolling students. Next, Mr. Delgado provided updates regarding recent leadership changes at the School District. Mr. Delgado reported that the School District's new Deputy Superintendent of Academic Services recently visited OBR's Simpson campus and OBR was able to share with Ms. Savage a number of OBR's more recent experiences and challenges, including the absence of any federal or special education funding.

Next, Mr. Delgado reported to the Board that, in light of low enrollment at, and uncertainty regarding the sustainability of, OBR's program at Strawberry Mansion Campus, OBR's administration has considered the potential need for additional office space. Mr. Delgado explained that, currently, OBR's administration shares cubicles at OBR's Strawberry Mansion Campus, but that if such campus were to close, OBR would not have anywhere to house its central administration. Mr. Delgado asked the Board for input regarding whether it would make sense for OBR to rent or buy real estate to serve such purpose. and gave some suggestions as to options that may be available, and locations which may be desirable in light of OBR's existing campuses. The Board and OBR's administration discussed various options, including renting space, buying built-out space, buying and renovating space, etc., and the pros and cons of each option. Following such discussions, the Board requested that Mr. Delgado explore several options, including the expected costs thereof, and present a proposal to the Board at the next Board meeting, and Mr. Delgado agreed to do so.

Next, Mr. Delgado introduced Mrs. Trunfio, OBR's Director of School Improvement, to the Board and advised that Mrs. Trunfio would be presenting the Board with an update regarding OBR's Middle States Association reaccreditation.

Fifth, Mrs. Velasquez provided several OBR CHS updates. First, Mrs. Velasquez provided an update regarding operational campus walkthroughs. Mrs. Velasquez reported that the operational walkthrough at the Strawberry Mansion Campus occurred on November 10, 2022 and that walkthroughs at the remaining campuses were scheduled over the coming weeks, with the last scheduled for OBR's Simpson Campus on December 13, 2022. Mrs. Velasquez reported that OBR held a senior event on the Spirit of Philadelphia in October, which was very well received by attendees, a number of whom have already asked to do it again. Mrs. Velasquez then provided graduation updates, noting that 39 day students have completed the new Act 158 requirements (as discussed previously by the Board) and 2 have not; and all 16 night students have completed the new Act 158 requirements. Thus, OBR expects a total of 55 graduates for module one. Mrs. Velasquez also noted that OBR was honored to be identified and acknowledged by the School District as an example for how to comply with Act 158.

Sixth, Mrs. Trunfio reviewed the attached presentation regarding OBR's Middle States reaccreditation, including the impact of OBR moving to the Middle States Association's systems wide protocol versus excellence by design protocol, and answered questions from the Board regarding such reaccreditation process and the timing thereof.

Seventh, Mr. Proietta asked whether there was any new business to come before the Board. There being none, Mr. Proietta noted that the next Board meeting was scheduled to be held by videoconference on Wednesday, February 22, 2022, at 3:00 p.m.; however, Mr. Proietta advised that an earlier special Board meeting may be necessary per earlier Board discussions.

Then, upon a motion duly made, seconded and unanimously approved by the Board members in attendance, the meeting was adjourned at 3:57 p.m.