

One Bright Ray, Inc. Board Meeting Agenda (A) December 6, 2023 at 3:00P.M.

Via Zoom

- I. Call to Order
- II. Amend, Review and Approve Minutes
 - 1. Attendance (B)
 - 2. Review board minutes from meeting held on September 20, 2023 (C)
- III. Financials Review & Updates: Charter Choices & Frances Velazquez, Chief Financial Officer
 - 1. Arbitrage Rebate & Yield Restriction Compliance Analysis (D)
 - 2. Financial Statements as of October 31, 2023 (E)
 - 3. Enrollment Analysis (F)
 - 4. Benefit Insurance Renewal (G)
 - 5. Cybersecurity Insurance Renewal Quote (H)
 - 6. Conflict of Interest form will be sent via Docusign to board members a
- IV. OBR, Inc. Updates: Monica Hawk, CEO
 - 1. Updates on Staffing (J)
 - 2. Enrollment Updates
 - 3. Middle States Accreditation Visit
- V. CHS Updates: Ms. Monica Hawk, CEO
 - 1. Graduation Numbers for Module 1
 - 2. Operational Walkthrough Preliminary Results
 - 3. Yesenia Perez, Simpson Evening student, featured in the Philadelphia Inquirer (K)
- VI. New Business
 - 4. Next Board Meeting Wednesday, February 21, 2024 at 3:00pm via Zoom
 - 5. Board Meeting Schedule (L)
- VII. Motion to Adjourn

One Bright Ray, Inc. Board Meeting Wednesday, December 6, 2023

Joseph H. G. Proietta	Present
Alberta O'Brien	Present
Cassandra McLaughlin	Present
Ludmiladia Gomez (Pitter)	Present
Erica Mendez (DeJesus)	Absent
Kelly Wojtan	Present
Michael Whisman	Present
Maria Granholm	Present
Monica Hawk	Present
Frances Velazquez	Present
Jamie Fausnaught	Present
Guest:	

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

Minutes of a Meeting of the Board of Directors Held September 20, 2023

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, September 20, 2023. 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; and Ludmiladia Gomez (Pitter), BA. Also present at the meeting were Monica Hawk, Interim Chief Executive Officer ("CEO"); LaToya Johnson, PhD, Chief Academic Officer; Frances Velazquez, Chief Financial Officer; Mike Whisman, CPA, Founder and Executive Officer with Charter Choices, Inc. ("Charter Choices"); Kelly Wojtan, MBA, Accountant with Charter Choices; and Maria Granholm, JD, of Duane Morris LLP, legal counsel. Board members Lauren Nelson, MA; 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 3:06 PM.

As the first order of business, Mr. Proietta called for a review of the minutes from the meeting of the Board held on June 14, 2023, 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 June 14, 2023 were unanimously approved by the Board members present at the meeting.

Second, Mr. Proietta invited Dr. Johnson, OBR's new Chief Academic Officer, to introduce herself. Dr. Johnson introduced herself and shared some of her background and experience with the Board. The Board congratulated Dr. Johnson on her new position and welcomed Dr. Johnson to her first Board meeting.

Third, Mr. Proietta requested a financial update. Mr. Whisman reviewed with the Board the <u>attached</u> unaudited financial statements for the two (2)-month period ended August 31, 2023 (the "<u>Financial Statements</u>"), which were previously reviewed by Charter Choices with Ms. Hawk and Ms. Velazquez. Mr. Whisman first reviewed OBR's summary balance sheet with the Board, noting that OBR's cash position increased from \$3,285,871 (unaudited) at June 30, 2023 to \$3,777,354 at August 31, 2023 and OBR's receivables decreased from \$2,255,861 at June 30, 2023 to \$1,364,940 at August 31, 2023, in each case due to the collection of previously outstanding receivables from the School District of Philadelphia (the "<u>School District</u>").

Mr. Whisman also reviewed with the Board OBR's budget-to-actual report at August 31, 2023 included with the Financial Statements. Mr. Whisman noted that there were no significant variances through August, with the exception of interest income, which was higher than budgeted (a positive variance). Mr. Whisman also pointed out the \$1,512,997 One Bright Ray Community High School ("OBR CHS") deficit, and explained that such deficit is similar to the budgeted deficit and is a function of when OBR CHS records revenue and a delay in the advance

payment typically paid by the School District. The Board briefly discussed the timing of School District receivables and management confirmed that OBR has sufficient cash flow to cover expenditures in the meantime. The Board also discussed enrollment and School District rates and their impact on the Financial Statements. Ms. Hawk confirmed that the School District is paying OBR for full enrollment in September, but thereafter will only pay OBR for students actually enrolled. Ms. Hawk provided an enrollment update, noting that OBR's Fairhill and Simpson day programs are fully enrolled, while OBR's Elmwood, Strawberry Mansion day and night and Simpson night programs are not fully enrolled. The Board discussed strategies for increasing enrollment, and managing costs in the event that certain of OBR's programs are not fully enrolled by the end of September. Ms. Hawk shared some of the measures already being taken to manage expenditures, including not having fully staffed OBR's night programs, pending higher enrollment. The Board requested to be kept apprised of any significant changes in enrollment or School District funding. In response to a request from the Board, Mr. Whisman indicated that he would include financial projections with the financial statements for the next Board meeting, but noted that those are not typically provided prior to October due to the limited data available for preparation of such projections.

Fourth, Ms. Velazquez presented to the Board proposed Resolution No. 1, <u>attached</u>, which provides for an increase in OBR's line of credit with PNC from \$500,000 to \$1,000,000, consistent with prior discussions of the Board. Ms. Velazquez explained that OBR maintains the line of credit as a resource for, among other things, covering expenditures in the event of longer than normal delays in payment of School District receivables, or other unexpected financial needs of OBR. Ms. Velazquez confirmed that the approval of Community Academy of Philadelphia ("<u>CAP</u>"), required pursuant to OBR's bond documents and lease arrangements with CAP, had already been obtained. Following a discussion of the proposed line of credit increase, upon a motion duly made and seconded, the Board approved Resolution No. 1 by roll-call vote, as set forth therein, and authorized Ms. Hawk to execute, on behalf of OBR, all documentation necessary to effect such line of credit increase.

Fifth, Ms. Velazquez presented to the Board proposed Resolution No. 2, attached, which provides for the engagement of PFM Asset Management LLC ("PFMAM") to perform calculations relating to rebate requirements under the Internal Revenue Code of 1986 with respect to OBR's bonds. Ms. Velazquez explained that OBR goes through such assessment process every five years, as required under OBR's bond documentation, to confirm that OBR's bonds are not subject to taxation. Ms. Velazquez reviewed the key terms of PFMAM's rebate compliance services proposal and proposed authorization letter, which were shared with Board members prior to the meeting, and confirmed that she, Ms. Hawk and Mr. Whisman met with PFMAM representatives and recommend proceeding with the engagement of PFMAM for such services. Mr. Proietta disclosed, for the record, that his nephew works for PFMAM, but that Mr. Proietta was not involved in OBR's process for considering and selecting PFMAM and was not aware of such process until review of the Board materials for this meeting. Following such disclosure, upon a motion duly made and seconded, the Board approved Resolution No. 2 by roll-call vote, as set forth therein. Ms. Velazquez also provided an update regarding OBR's recent completion of workers compensation, retirement and financial audits. Ms. Velazquez reported that a copy of OBR's financial audit should be available soon and, once a final copy is available, the financial audit report will be shared with the School District.

Sixth, Mr. Proietta reminded the Board that, at the last Board meeting, the Board approved the appointment of Ms. Hawk as permanent CEO of OBR, with a corresponding increase in salary from \$140,000 to \$150,000, subject to (1) review and approval by the Board of a contract with Ms. Hawk for such role and (2) Ms. Hawk's satisfactory completion of a probationary period. Mr. Proietta shared his thoughts on the wonderful job Ms. Hawk has done through such probationary period and proposed that Ms. Hawk be officially appointed CEO of OBR, effective October 1, 2023. Following a discussion of such proposal, upon a motion duly made and seconded, the Board members present unanimously approved, by voice vote, the appointment of Ms. Hawk as CEO of OBR with previously agreed salary increase, effective October 1, 2023, with a contract between OBR and Ms. Hawk reflecting such updated title and salary to follow.

Seventh, Mr. Proietta requested an update from the CEO. Ms. Hawk first provided a staffing update. Ms. Hawk discussed OBR's various efforts to balance filling necessary positions, while also taking into account OBR's budget and current enrollment. Ms. Hawk reviewed with the Board a number of new, combined and eliminated employee roles resulting from such efforts, as well as employee hires and separations since the last Board meeting. Ms. Hawk also noted some current employee vacancies, which Ms. Hawk expects to leave vacant, pending higher enrollment. Ms. Hawk noted for the record that an enrollment update was provided earlier in the meeting.

Eighth, Mr. Proietta requested an academic update. Dr. Johnson first shared insight on various efforts and initiatives at OBR to provide teachers with more autonomy in the classroom, including additional leadership training for the Deans of Academics to bolster their ability to assist with the development of teachers. Dr. Johnson next shared with the Board OBR's recent emphasis on focused observation areas and coaching for OBR's Principals. Dr. Johnson explained that she worked with the Principals to create bi-weekly walkthroughs at each of the campuses, during which they will observe or otherwise work on specific areas of School District focus. Dr. Johnson explained that the areas of focus will be tiered so that any areas that are particularly struggling, or teachers who require additional support, will receive greater focus and support. In response to a question from the Board, Ms. Hawk reported that the new initiatives have been well-received by teachers, particularly the efforts to allow teachers more autonomy in their classrooms. The Board also discussed the lack of turnover among teachers this year and the consistently good morale of the teachers.

Ninth, Mr. Proietta asked whether there was any additional new business to come before the Board. Ms. Hawk reported that OBR will have a single graduation in July, for the whole school year, and is looking for alternative venues for graduation given how expensive OBR's prior graduation venue has gotten. The Board briefly discussed OBR's budget for prom and other student activities, including potential fundraising activities, as well as the lack of any budget for printing yearbooks, which were historically given to students at no cost. The Board discussed the possibility of a digital year-book, perhaps in video format, that could be created and shared at lower cost. In response to a question from a Board member, Ms. Hawk reported that operational walkthroughs by the School District will occur in October and/or November, with instructional walkthroughs likely occurring in February and/or March. The Board discussed the timing, purpose and focus of such walkthroughs.

Tenth, there being no additional new business to come before the Board, Mr. Proietta reminded attendees that the next Board meeting is scheduled for December 6, 2023, at 3:00 PM. Thereafter, upon a motion duly made, seconded and unanimously approved by the Board, the meeting was adjourned at 3:45 PM.

IECI Financial Statements October 31, 2023

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November 2023

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 furnish additional information as requested.

1. Actual to Annual Budget for the four months ending October 31, 2023

ACTUAL- ANNUAL BUDGET OBR			
October 31, 2023			
	Actual	EOY Projection	Annual Budget
OBR non-profit			
Revenue	424,863	1,281,152	1,252,841
Expense	-	1,670,138	1,670,138
Change in net assets	424,863	(388,986)	(417,297)
OBR CHS			
Revenue	2,701,137	12,700,546	13,716,917
Expense	3,702,736	11,952,718	12,416,212
Change in net assets	(1,001,599)	747,827	1,300,704
TOTAL			
Revenue	3,126,000	13,981,697	14,969,758
Expense	3,702,736	13,622,856	14,086,350
Change in net assets	(576,735)	358,841	883,407

• Key variances include:

OBR CHS:

- Revenues are projected to be \$1,016,371 under budget primarily due to the decreased enrollment of students.
- o Personnel expenditures are projected to be \$521,555 under budget due to:
 - Open positions and terminations for instructional and non-instructional salaries \$468,976 under budget
 - Reduced OBR and increased school administrative salaries net to \$88,864 over budget
 - Employee Benefits \$141,444 under budget

Over the summer months, Fairhill campus had some major updates including repairing the air conditioner, the roof, and plumbing. These repairs totaled just over \$36,000.

o Debt Covenant Calculation:

Debt Covenant Calculation	
	Projected Income
OBR - NonProfit	(388,986)
CHS	747,827
Harcum	-
Net	358,841
Depreciation	700,000
Amortization	27,857
	1,086,698
Interest	942,281
Available for Debt Service	2,028,979
Debt Service	1,151,305
DSCR	1.76

2. Balance Sheet

Balance Sheet Analysis	June 30, 2022 Audited	June 30, 2023 Unaudited	October 31, 2023
Cash and Equivalents	1,446,272	3,285,871	3,315,542
Receivables	2,733,864	2,255,861	2,247,858
Prepaid Expenses	101,116	27,681	59,652
Accrued Expenses	180,412	149,492	136,766
Net Income (Loss)	(113,808)	1,535,315	(576,735)

• Cash position increased by \$29,671 from June 30 to October 31, 2023.

Charter Choices is expanding service opportunities.

For nearly 20 years, Charter Choices has worked to become the premier provider of Accounting and Back Office support to charter schools in PA. Over those years, charter schools have asked us to assist in other service areas. Until now, the answer has always been, "We'd love to, but we do not have the internal expertise to assist".

We have some exciting news to share. Charter Choices has partnered with the Vertex Education Family of organizations! Vertex provides a full suite of services including Academic Support, HR, IT, Marketing and Enrollment, Campus Development and Accounting (among other things) to charter schools across the Southwestern US. As Charter Choices now joins forces with Vertex, we'll look to bring new opportunities – including many of the services schools have been asking us about to charter schools in PA, while leveraging the broad expertise of a like-minded and larger team.

Initially we will be focused on delivering additional services that have been recently requested:

- Outsourced HR Services (full employee life cycle from hiring to offboarding and everything in between).
- Marketing Services (enrollment strategies, web services, reputation management).
- <u>Information Technology</u> (infrastructure and network support).

With regards to our existing accounting operations, nothing will change in terms of the services we're delivering and the team members who are delivering them! We know how important those relationships are, to both your success and to ours. What will change and what we're most excited about is that Charter Choices now has a "deep bench" for the additional services you have been asking for as well as thought partners for our leadership team to leverage as we continue to grow and improve our service delivery.

As the months and years ahead unfold, we'll continue to deliver on our primary commitment to you – high quality back office and compliance support – while also looking to "bridge the gap" and add value to your operations with our new partnership. In the meantime, please don't hesitate to reach out with any questions or concerns. The Charter Choices Leadership Team is committed to ensuring this new partnership is an advantageous one for our valued clients and for the PA Charter School community in general.

ONE BRIGHT RAY Statements of Financial Position As of October 31, 2023

ASSETS Current Assets				
Current Assets				
Cash and Cash Equivalents	604,529	2,711,014	3,315,542	3,285,871
District Receivables	-	2,247,858	2,247,858	2,255,861
Federal Receivables	-	-	-	-
Due from Bond Proceeds	-	-	-	-
Other Receivables	-	-	-	-
Prepaid Expenses Total Current Assets	(684) 603,845	60,336 5,019,208	59,652 5,623,052	27,681 5,569,413
Fixed Assets				
Land	650,000	-	650,000	650,000
Buildings	15,856,946	-	15,856,946	15,856,946
Leasehold Improvements	4,065,974	831,350	4,897,324	4,897,323
Furniture, Fixtures & Equipment	-	1,417,863	1,417,863	1,417,863
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	2,381,982	23,645,192	23,645,191
Accumulated Depreciation	(9,814,255)	(2,030,610)	(11,844,865)	(11,844,865)
Total Fixed Assets	11,448,954	351,373	11,800,327	11,800,326
Other Assets Deferred Costs - Net	555,017	14,458	E60 47E	E60 47E
Net Other Assets	555,017	14,458	569,475 569,475	569,475 569,475
Net Other Assets	333,017	14,436	303,473	303,473
Assets Related to 2018 Financing				
Project Fund	73,157	-	73,157	71,926
Repair & Replacement Accounts	250,000	-	250,000	250,000
Debt Service Reserve Fund	1,207,294	-	1,207,294	1,186,950
Revenue Fund Total Assets Related to Financing	606,105 2,136,557		606,105 2,136,557	202,817 1,711,693
	_,,		_,,	_,,,
TOTAL ASSETS	14,744,372	5,385,039	20,129,411	19,650,906
LIABILITIES & EQUITY				
LIABILITIES				
Current Liabilities				
Accounts Payable	(0)	34,362	34,362	58,396
Accrued Expenses	(6,840)	143,606	136,766	149,492
Accrued Interest 2018 Financing	-	-	-	-
Line of Credit	-	-	-	-
Deferred Revenues	- (0.000)	1,107,400	1,107,400	15,400
Total Current Liabilities	(6,840)	1,285,368	1,278,527	223,288
Long-Term Liabilities				
Bonds Payable (Series 2018 A&B)	17,930,000	-	17,930,000	17,930,000
Issuance Cost Discount	(361,927)	101,999	(259,928)	(259,928)
Notes Payable		-	-	-
Total Long-Term Liabilities	17,568,073	101,999	17,670,072	17,670,072
TOTAL LIABILITIES	17,561,233	1,387,367	18,948,600	17,893,360
EQUITY				
Unrestricted	(3,241,725)	4,999,271	1,757,546	222,231
Net Income	424,864	(1,001,599)	(576,735)	1,535,315
TOTAL EQUITY	(2,816,861)	3,997,672	1,180,811	1,757,546
TOTAL LIABILITIES & EQUITY	14,744,372	5,385,039	20,129,411	19,650,906

ONE BRIGHT RAY - NON-PROFIT BUDGET to ACTUAL REPORT

For the four Months Ending October 31, 2023

	[A] Actual - Unaudited	[B] YTD Budget	[C] = [A] - [B] Amount Over (Under) Budget	[D] EOY Projection	[E] Annual Budget	[F] = [D] - [E] Amount Over (Under) Budget
REVENUES						
Rental Revenues						
CAP 1100 E. Erie	333,009	334,192	(1,183)	999,028	1,002,577	(3,549)
OBRCHS Intercompany	61,085	61,301	(217)	183,254	183,904	(650)
Total Rental Income	394,094	395,494	(1,400)	1,182,281	1,186,481	(4,200)
Interest Earned on Debt	30,770	22,120	8,650	98,871	66,360	32,511
TOTAL REVENUES	\$ 424,863	\$ 417,614	\$ 7,250	\$ 1,281,152	\$ 1,252,841	\$ 28,311
EXPENDITURES						
Dues & Fees Total Operating Expenditures		-	<u> </u>	-		
Debt Service						
Depreciation	-	-	-	700,000	700,000	-
Amortization	=	=	=	27,857	27,857	-
Interest				942,281	942,281	<u> </u>
Total Debt Service	-	-	-	1,670,138	1,670,138	-
Total Expenditures	\$ -	\$ -	\$ -	\$ 1,670,138	\$ 1,670,138	\$ -
Net Change in Fund Balance	\$ 424,863	\$ 417,614	\$ 7,250	\$ (388,986)	\$ (417,297)	\$ 28,311

ONE BRIGHT RAY - OBRCHS BUDGET to ACTUAL REPORT For the four Months Ending October 31, 2023

	[A] Actual - Unaudited	[B] YTD Budget	[C] = [A] - [B] Amount Over (Under) Budget	[D] EOY Projection	[E] Annual Budget	[F] = [D] - [E] Amount Over (Under) Budget
REVENUES		2	(chack) Langer			
School District Revenue - Day	2,252,600	2,268,000	(15,400)	10,840,800	11,340,000	(499,200)
School District Revenue - Evening	361,900	405,000	(43,100)	1,509,900	2,025,000	(515,100)
Revenue from Federal Grants	-	20,400	(20,400)	-	102,000	(102,000)
Food Program Revenue	2,243	23,050	(20,807)	115,250	115,250	-
Student Revenues	6,219	3,206	3,013	34,282	40,608	(6,326)
Fundraising Revenue	141	250	(110)	1,500	1,500	-
Miscellaneous Revenue	78,034	27,520	50,515	198,814	92,559	106,255
Total School Operations Revenue	2,701,137	2,747,426	(46,289)	12,700,546	13,716,917	(1,016,371)
TOTAL REVENUES	\$ 2,701,137	\$ 2,747,426	\$ (46,289)	\$ 12,700,546	\$ 13,716,917	\$ (1,016,371)
EXPENDITURES						
Salaries						
OBR Administration Salaries	161,635	233,184	(71,549)	560,823	699,553	(138,730)
School Administration Salaries	442,574	385,332	57,242	1,383,591	1,155,997	227,594
Instructional Salaries	1,061,797	1,228,681	(166,885)	3,441,797	3,686,044	(244,248)
Non-Instructional Salaries	856,569	968,766	(112,196)	2,681,569	2,906,297	(224,728)
Total Salaries	2,522,575	2,815,964	(293,389)	8,067,780	8,447,891	(380,112)
Employee Benefits						
Health and Dental	244,661	301,596	(56,934)	826,884	904,787	(77,903)
FICA	191,931	210,520	(18,589)	587,931	631,560	(43,630)
Retirement Contributions	106,374	95,575	10,799	366,374	368,164	(1,789)
Other Employee Benefits	16,452	29,493	(13,041)	70,356	88,478	(18,121)
Total Employee Benefits	559,418	637,183	(77,765)	1,851,545	1,992,988	(141,444)
Professional Fees	157,502	157,397	104	516,479	516,892	(413)
Cleaning	27,784	27,453	331	84,237	76,099	8,138
Utilities	17,414	17,954	(540)	64,214	59,862	4,352
Maintenance	63,414	49,593	13,821	93,716	82,152	11,564
Rent	107,662	125,336	(17,673)	458,301	461,170	(2,869)
Auto	467	833	(366)	3,067	2,500	567
Insurance Communications	23,128	29,272	(6,144)	136,256	136,350	(94)
Advertising	13,108 1,907	26,994 2,667	(13,886) (759)	39,106 8,000	109,303 8,000	(70,198)
Printing	395	2,000	(1,605)	6,000	6,000	_
Food Service	32,869	22,636	10,232	144,622	111,000	33,622
Travel	1,398	1,667	(268)	5,000	5,000	-
Supplies	69,893	31,567	38,326	121,682	119,000	2,682
Food	5,154	2,000	3,154	7,654	6,000	1,654
Technology	28,545	27,775	770	58,151	52,500	5,651
Property & Equipment	2,338	5,000	(2,662)	11,349	10,000	1,349
Dues & Fees	19,843	9,645	10,198	92,492	29,135	63,357
Student Activities	32,355	34,274	(1,919)	131,370	131,370	-
Professional Development	12,814	10,483	2,331	31,500	31,500	-
Employee Appreciation	2,753	6,667	(3,913)	20,000	20,000	-
Fundraising				200	1,500	(1,300)
Total Operating Expenditures	620,743	591,213	29,530	2,033,394	1,975,333	58,061
Total Expenditures	\$ 3,702,736	\$ 4,044,360	\$ (341,624)	\$ 11,952,718	\$ 12,416,212	\$ (463,494)
Net Change in Fund Balance	\$ (1,001,599)	\$ (1,296,934)	\$ 295,335	\$ 747,827	\$ 1,300,704	\$ (552,877)

Day Programs E	expected Dec 4
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Campus	Enrollment	Sept	Oct	Nov	Dec	Drop	Grads	New Students	Dec Adjusted
Fairhill	270	270	270	265	265	35	7	16	239
Simpson	270	270	269	257	257	31	16	22	232
Elmwood	135	135	135	129	129	17	3	13	122
Mansion	150	150	117	126	126	14	3	8	117
Total	825	825	791	777	777	97	29	59	710
Percentage	100%	100%	96%	94%	94%	12%	4%	7%	86%
Shortage		0	-34	-48	-48				-115

Invoice Total \$1,400.00 ######### ######## ########## \$994,000.00 YTD Variance Invoice Variance -\$47,600.00 -\$67,200.00 -\$161,000.00 -\$114,800.00

Evening Programs

Campus	Enrollment	Sept	Oct	Nov	Dec	Drop	Grads	New Students	Dec Adjusted
Mansion Evening	150	150	81	88	88	30	4	10	54
Simpson Evening	150	150	132	133	133	42	17	13	74
Total	300	300	213	221	221	72	21	23	128
Percentage	100%	100%	71%	74%	74%	24%	7%	8%	43%
Shortage		0	-87	-79	-79			-277	-172

Invoice Variance	-\$60,900.00 -\$55,300.00	-\$120,400.00 -\$116,200.00
Invoice Total	\$700.00 \$210,000.00 \$149,100.00 \$154,700.00	\$89,600.00 YTD Variance

YTD Variance -\$281,400.00 -\$231,000.00

Evening Programs

Enrollment	Sept	Oct	Nov	Dec
150	150	81	88	88
150	150	136	133	133
300	300	217	221	221
	150 150	150 150 150 150	150 150 81 150 150 136	150 150 81 88 150 150 136 133

Percentage	100%	100%	72%	74%	74%
Shortage		0	-83	-79	-79

Invoice Total	\$700.00	\$210,000.00	\$151,900.00	\$154,700.00	
Invoice Variance			-\$58,100.00	-\$55,300.00	

Drop	Grads	New Students	Dec Adjusted
34	4	10	50
49	17	13	67
83	21	23	117

28%	7%	8%	39%
		-277	-183

\$81,900.00 YTD Variance -\$128,100.00 -\$241,500.00



December 1, 2023 Renewal Proposal





REVISED 2023 TOTAL PREMIUM ANALYSIS

Premium Analysis Prepared for IECI dba One Bright Ray

	Current		Renewal			Revised Renewal		
Line of Coverage	Carrier	Monthly Premium	Carrier	Monthly Premium	%	Carrier	Monthly Premium	%
Medical	IBC	\$71,139	IBC	\$82,577	16.1%	IBC	\$73,982	4.0%
Dental	MetLife	\$4,205	MetLife	\$4,205	0.0%	MetLife	\$4,205	0.0%
Ancillary	MetLife	\$308	MetLife	\$308	0.0%	MetLife	\$308	0.0%
Premium Analysis	Cur	rent	Renewal			Revised Renewal		
Total Monthly Premium	\$75	,651		\$87,089		\$78,495		
Total Annual Premium	\$907,814		\$1,045,068		\$941,939			
Annual Variance \$	-		\$137,254		\$34,125			
Variance %		-		15.1%		3.8%		



REVISED 2023 MEDICAL RENEWAL

Medical Be	nefit Cor	nparison	Prepared	for IECI	dba One	Bright Ray	У	
Effective 12/1/2023				Curren	t/Renewal			
Carrier					IBC			
Plan Option		POS \$20	0/\$40/\$250			PPO \$1	5/\$35/\$150	
In-Network		In-N	etwork			In-N	etwork	
Deductible - Individual/Family		\$(0/\$0			\$	0/\$0	
Preventative Care (Age and Frequency			\$0		\$0			
Schedules apply)			Ф О				Φ0	
Primary Care / Specialist Copay	PCP \$20 (Office); \$15 (Virtual) SP \$40 (Office); \$30 (Virtual)					ice); \$10 (Virtu ce); \$25 (Virtua		
Referrals Required		`	Yes				No	
Telemedicine*			\$0				\$0	
Laboratory	\$0				Freestanging	\$0; Hospital \$	70	
Diagnostic X-Ray	\$40				;	\$35		
Complex Imaging	\$80					\$70		
ER Copay / Waived if Admitted?	\$250/ No				<u> </u>	00/ No		
Observ. Room / Waived if Admitted?	\$250/ Yes					00/ Yes		
Urgent Care	\$85			\$70				
Inpatient Hospitalization	\$250/Day; 5 Day Max			\$150/Day; 5 Day Max				
Outpatient Surgery	\$250			\$150				
Prescription	\$3 Value Generics/\$15 Generic/\$35 Brand/\$50 Non- Formulary /50% to \$500 Specialty			\$3 Value Generics/\$15 Generic/\$35 Brand/\$50 Non- Formulary /50% to \$500 Specialty				
Routine Eye Exam			\$35		\$0			
Vision Hardware	\$100	Hardware Rei	imbursement/	2 Years	\$100 Hardware Reimbursement/ 2 Years			2 Years
OOP Max - Individual/Family		\$7,900)/\$15,800		\$7,900/\$15,800			
Network		Keysto	one POS		Personal Choice PPO			
Out-of-Network		Out-of	-Network		Out-of-Network			
Deductible - Individual/Family		\$5,000)/\$10,000		\$2,500/\$5,000			
OOP Max - Individual/Family		\$30,000	0/\$60,000			\$10,00	0/\$20,000	
Member Coinsurance		5	50%				50%	
Monthly Cost Analysis	Enrolled	Current	Renewal	Revised	Enrolled	Current	Renewal	Revised
Employee Only	34	\$590.18	\$685.59	\$614.12	23	\$646.37	\$749.18	\$671.47
Employee + Child	24	\$1,052.27	\$1,222.39	\$1,094.95	8	\$1,152.51	\$1,335.82	\$1,197.25
Employee + Spouse	0	\$1,357.98	\$1,577.52	\$1,413.06	0	\$1,487.29	\$1,723.85	\$1,545.03
Employee + Family	1	\$1,731.57	\$2,011.50	\$1,801.80	0	\$1,896.46	\$2,198.09	\$1,970.08
Premium	59	\$47,052	\$54,659	\$48,961	31	\$24,087	\$27,918	\$25,022
Variance %			16.2%	4.1%			15.9%	3.9%
Total Cost Analysis	TOTAL PREMIL			IIUM - 90 Enrolled Annual				
Current	\$71,139			\$853,665				
Renewal	\$82,577				\$99	90,919		
Annual Variance % / \$	16.1%				\$13	37,254		
Revised Renewal		\$7	3,982			\$88	37,790	
Annual Variance % / \$	4.0%			\$34,125				





DENTAL RENEWAL

Dental Benefit Comparison Prepared for IECI dba One Bright Ray

Effective 12/1/2023	Cur	rent	Renewal		
Carrier	Me	tLife	Met	tLife	
Plan Option	PI	PO	PPO		
	In-Network	Out-of-Network	In-Network	Out-of-Network	
Deductible - Individual/Family	\$25/\$75 (CY)	\$25/\$75 (CY)	\$25/\$75 (CY)	\$25/\$75 (CY)	
Annual Maximum	\$1,000	\$1,000	\$1,000	\$1,000	
Preventive Services	100% (Ded Waived)	100% (Ded Waived)	100% (Ded Waived)	100% (Ded Waived)	
Basic Services	80%	80%	80%	80%	
Major Services	50%	50%	50%	50%	
Endo, Perio, Anesthesia, Oral Surgery	80%	80%	80%	80%	
Orthodontic Services	50% to \$1,00	0 Lifetime Max	50% to \$1,00	0 Lifetime Max	
Out of Network Reimbursement	N/A	Fee Schedule	N/A	Fee Schedule	
Additional Features	Additiona	l Features	Additional Features		
Frequency of Exams/Cleanings	2 Per Year	/ 2 Per Year	2 Per Year/ 2 Per Year		
White Fillings	Anterior 8	& Posterior	Anterior & Posterior		
Dependent Age Limits (Child/FTS)	To A	ge 26	To Age 26		
Open Enrollment Included?	Υ	es	Yes		
	Late enrollees cannot e	enroll unless subject to a	Late enrollees cannot enroll unless subject to a		
Late Entrant Penalties		ı life event	qualifying life event		
Guidelines	Guid	elines	Guid	elines	
Network	PPO	Any Dentist	PPO	Any Dentist	
Participation Requirements	89% and at	least 10 lives	89% and at	least 10 lives	
Rate Guarantee	1 Y	⁄ear	1 Y	′ear	
Enrollment / Rates	Enrolled	Rate	Enrolled	Rates	
Employee Only	54	\$30.54	54	\$30.54	
Employee + Dependent (s)	31	\$82.44	31	\$82.44	
Monthly Premium	85	\$4,205	85	\$4,205	
Annual Premium		\$50,458		\$50,458	
Annual Variance \$				\$0	
Variance %				\$0	



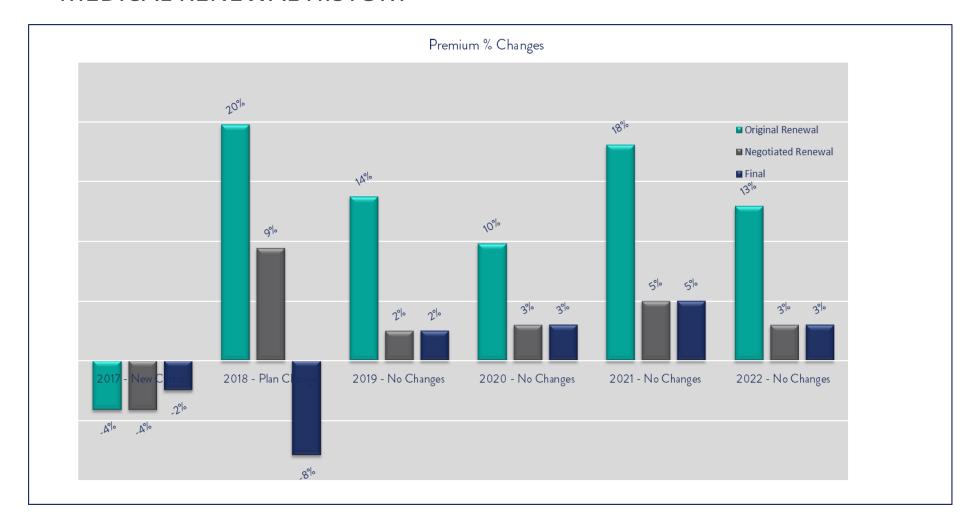
LIFE INSURANCE RENEWAL

Employer Paid Ancillary Benefit Comparison Prepared for IECI dba One Bright Ray

Effective 12/1/2023	Current	Renewal
Life & AD&D	MetLife	MetLife
Benefit Amount	Flat \$50,000	Flat \$50,000
Guaranteed Issue	\$50,000	\$50,000
Age Reduction	35% @ age 65; 50% @ age 70	35% @ age 65; 50% @ age 70
Rate Guarantee	1 Year	1 Year
Volume	\$4,882,540	\$4,882,540
Life Rate/\$1,000	\$0.046	\$0.046
AD&D Rate/\$1,000	\$0.017	\$0.017
Total Cost Analysis	Total P	remium
Enrollment	98	98
Monthly Premium	\$308	\$308
Annual Premium	\$3,691	\$3,691
Annual Variance \$		\$0
Variance %		0.0%



MEDICAL RENEWAL HISTORY





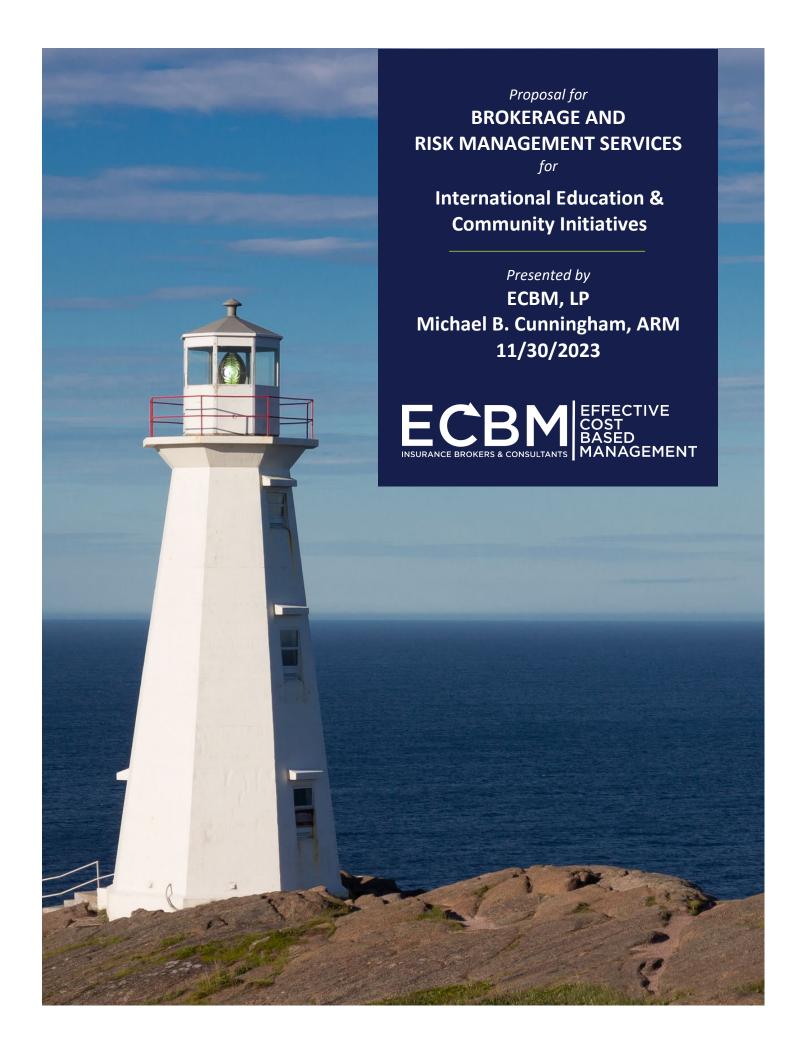


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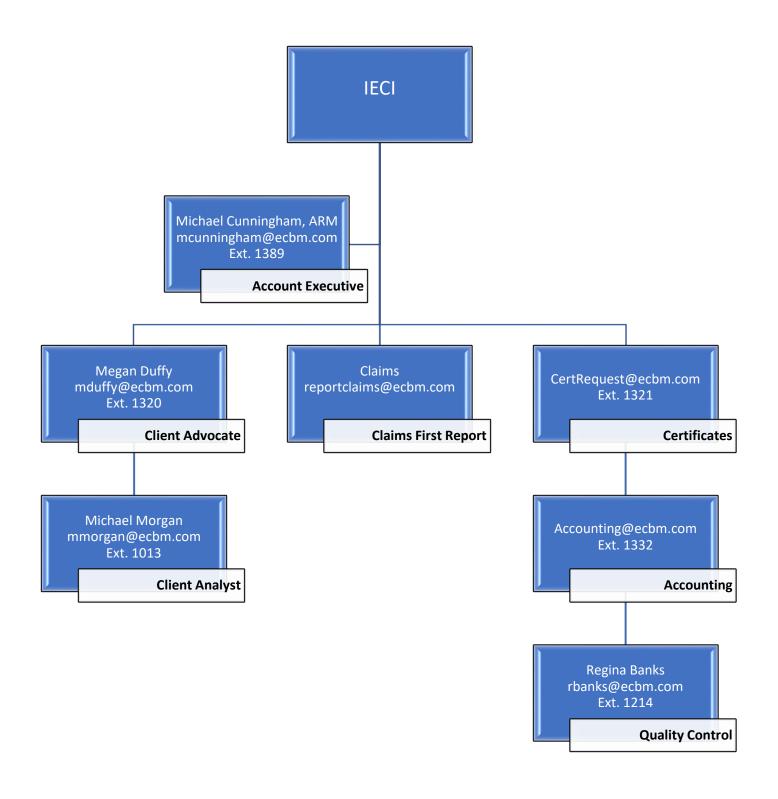
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Named Insured Schedule

International Education & Community Initiatives
DBA One Bright Ray





Main Office Phone #: (610) 668-7100

Fax #: (610) 667-2208



Cyber Liability

Policy Aggregate Limit: \$2,000,000

Liability

Limits Retentions

Privacy and Security \$2,000,000 \$10,000

Payment Card Costs \$1,000,000 Subject to Privacy and Security Retention

Media \$2,000,000 \$10,000

Regulatory Proceedings \$2,000,000 \$10,000

Breach Response

Limits Retentions \$2,000,000 \$10,000 **Privacy Breach Notification Computer and Legal Experts** \$2,000,000 \$10,000 \$100,000 **Betterment Cyber Extortion** \$2,000,000 \$10,000 **Data Restoration** \$2,000,000 \$10,000 **Public Relations** \$2,000,000 \$10,000

Cyber Crime

 Limits
 Retentions

 Computer Fraud
 \$100,000
 \$5,000

 Funds Transfer Fraud
 \$100,000
 \$5,000

 Social Engineering Fraud
 \$100,000
 \$5,000

 Telecom Fraud
 \$100,000
 \$5,000

Business Loss

Retentions Limits **Business Interruption** \$2,000,000 \$100,000 **Dependent Business** Interruption \$100,000 **Dependent Business** Interruption – System Failure **Dependent Business** \$100,000 Interruption – Outsource Provider \$100,000 **Dependent Business** Interruption – Outsource Provider – System Failure \$5,000 **Reputation Harm** \$250,00 \$1,000,000 System Failure

Additional First Party

Provisions

Accounting Costs Limit: \$25,000
Betterment Coparticipation: 99%
Period of Restoration: 180 Days



Period of Indemnity:30 DaysWait Period:12 hoursKnowledge Date10/6/2022Pending & Prior Date10/6/2022Retroactive Date:N/A

Optional Extended Reporting

Period: 12 Months Length of Reporting

75% Premium

Coverage Notes:

AFE-15001-0620 Declarations

AFE-16001-0119 General Conditions CYB-15001-0620 CyberRisk Declarations CYB-16001-0620 CyberRisk Coverage

CYB-16001-TOC-0620 CyberRisk Table of Contents AFE-17033-0620 Pennsylvania Changes Endorsement

AFE-19029-0719 Cap on Losses From Certified Acts of Terrorism Endorsement AFE-19030-0920 Federal Terrorism Risk Insurance Act Disclosure

Endorsement

CYB-19102-0620 Dependent Business Interruption – System Failure

Endorsement

CYB-19104-0620 Dependent Business Interruption - Outsource Provider

Endorsement

CYB-19105-0119 Conviction Reward Endorsement

CYB-19119-0119 Amend Privacy and Security Act to Include Violation of the

General Data Protection Regulation Endorsement

CYB-19122-0519 Vendor or Client Payment Fraud Endorsement

CYB-19123-0519 Bricked Equipment Endorsement



Program Comparison

<u>Coverage</u>	Expiring Premium	Renewal Premium	
Cyber Liability	\$14,930	\$15,826	
Total	\$14,930	\$15,826	

Program Summary

Premium Summary:

<u>Coverage</u>	<u>Premium</u>	<u>Total</u>
Cyber Liability	\$15,826	\$15,826
Total	\$15,826	\$15,826

Insurance Companies:

<u>Coverage</u>	<u>Insurance Company</u>	<u>Policy Term</u>	AM Best Rating
Cyber Liability	Travelers Indemnity Company	12/6/2023-12/6/2024	A++ (Superior)



Binding Coverage I have reviewed the proposal provided. I authorize the binding and issuance of the policies proposed to me. I have noted any changes below. Items needed to Bind: Written Confirmation to Bind 2. 3. 4. 5. I have reviewed and reject the following recommended coverage. Coverage Accept Reject I authorize the electronic delivery of my policies, endorsements, audits and similar transactions and related documents. No Yes



Signed:

On Behalf of(company):

This proposal provides a general description of the coverage recommended for your consideration and is not intended to provide coverage. While the general description might outline certain specific conditions and exclusions that apply to the contract offered, it does not contain all of the provisions, conditions, limitations, and exclusions applicable to those insurance contracts. Please refer to the actual policies for specific terms, conditions, limitations, and exclusions that will govern in the event of a loss. We will be happy to provide policy forms if you request it.

In evaluating your exposures to loss, we have been dependent upon information provided by you. If there are areas that need to be evaluated prior to binding of coverages, please bring these areas to our attention. Should your exposures change after coverage is bound, such as the <u>beginning of new operations</u>, acquiring additional locations, or hiring employees in other states, please let us know immediately.

HIGHER LIMITS AND ADDITIONAL COVERAGES MAY BE AVAILABLE AT YOUR REQUEST.

You may have been offered higher limits and additional lines of coverage or coverage extensions in prior proposals. We may not repeat those recommendations each year. These additional coverages may continue to be available to you.

If we do not receive binding instructions from you by the effective date of coverage, this proposal will expire. Should you desire to bind coverage after that date, a request to re-open the quote must be made to the insurance companies. Terms and conditions may change.

NOTES ON COMPENSATION: Our organization and its affiliates may receive contingent payments from insurance companies. These payments are distributed based on size or agency loss experience with specific insurers and are not client specific. Upon written request we will provide a list of the companies with whom we share this relationship.



Privacy Policy

As a current customer of ECBM, LP, we would like to take this opportunity to both thank you for your business and to share with you the importance our agency places upon protecting the privacy of information we gather from you in accordance with applicable state and federal laws. The following is ECBM, LP's privacy policy.

ECBM, LP collects information about our customers from the following sources:

Information we receive from you on applications or other forms, such as your name, address, and date of birth. Information about our clients' transactions with us, such as claims and payment history. Information we receive from a consumer-reporting agency, such as a driving record or insurance score report.

We do not share information about our customers or former customers with non-affiliated third parties other than as permitted or required by law, and to provide those services usual and customary to independent insurance agents. Such services include but are not limited to insurance underwriting, shopping the renewal, rating, placement, and providing quotes for insurance.

We maintain physical, electronic, and procedural safeguards to guard your information. These safeguards include but are not limited to the following:

We restrict access to nonpublic personal information about our clients and former clients to those employees who need to know that information in order to assist in providing services or products to the customer. We will punish any employees who impermissibly share client information.

We use a secure Internet and e-mail provider to protect the confidentiality of electronic communications.

ECBM, LP appreciates your business and in order to continue building upon that relationship we believe it is necessary, not only from a legal standpoint, but also as a sound business practice that our customers understand the care our agency uses in handling your information. ECBM, LP will continue to monitor the effectiveness of this privacy policy.



Policy Audits

Certain insurance policies are subject to audit. They are based upon estimates of exposure at inception and then adjusted at the end of the policy term for the actual exposure. Being well-prepared in advance of an audit can avoid lots of uncertainty and overcharges. Not all audits are calculated in the same fashion. Below are some key points related to policy audits.

Workers' Compensation

The applicable Rating Bureau for your state of operation will assign classification codes to your operations. At inception, the premium is based upon estimated payroll by class and state.

In preparing for the audit, review your payroll records and make sure that employees are assigned to the right class code. Be mindful if the auditor engages in conversation related to the specific duties assigned to any employee or group of employees.

In some states the premium portion of time and a-half and double-time overtime earnings should be excluded from the payroll basis of premium, i.e. and only the straight time portion of overtime earnings is included for insurance premium determination purposes. Make sure you know what the rules are for your state(s).

Corporate officers' earnings are capped. This varies from state to state, as is the coverage and payroll limitations for members of LLC's. You can refer to the Payroll Limitation Guide under Resources on our website.

Finally, have certificates of insurance ready for any sub-contractors you use including temporary and staffing firms.

Automobile

Vehicles are often added and deleted by endorsement to your Automobile policy during the year. However, some policies are composite rated. The composite rate may be based on miles, revenue or units. Additionally, some policies have minimum premiums.

We want you to be comfortable with the manner in which your premiums are adjusted. Please make sure you understand how your audit will work at the inception of your policy. We will be happy to provide further explanation as necessary.

General Liability

General Liability policies are often rated on payroll, revenue or other similar factors. Again, the policy will be issued using the estimated payroll or revenue per the classification code (per \$100 or \$1000) of the stipulated exposure base. General Liability policies can also have minimums.

Inter-company and inter-department sales should handle in accordance with your coverage terms. Discuss this with us in advance.



INTERNATIONAL EDUCATION & COMMUNITY INITIATIVES

The following should be removed from gross sales for audit purposes:

- Credits for products returned, allowances for damaged, spoiled goods, and repossessed merchandise should be determined, and deducted from the General Liability sales basis of premium.
- Freight charges on sales (if freight is charged as a separate item on customer invoice) should be deducted from the General Liability sales basis of premium.
- Sales or excise taxes collected and submitted to a governmental agency should be deducted from the General Liability sales basis of premium.
- Maintain current certificates of insurance for subcontractors you use. This includes temp and staffing firms engaged during your policy period.

WHENEVER AN AUDIT IS PERFORMED, ASK THE INSURANCE AUDITOR TO PROVIDE YOU WITH A COPY OF THEIR WORK PAPERS.

It is important to note, that final premium calculation rests with the insurance carrier. Major disputes are not common, either over classification or minimums. However, they sometimes happen. ECBM will help facilitate a discussion in the event of a dispute.





One Bright Ray, Inc.

A Non-Profit Community-Based Organization

BUSINESS OFFICE 1142 East Erie Avenue Philadelphia, PA 19124

T 215.744.6000 F 215.543.5944

www.onebrightray.org

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 purpose 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 relation 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;
- 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;
- 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:

- 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.
- 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

- 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 inurement, 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.

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.

Date

Signature

EDUCATION

At 35, she's student council president and inspiring others after weathering the deepest loss

A week away from completing her final class, the student council president with report cards full of As was recently chosen by the Philadelphia School District as one of two students of the month.



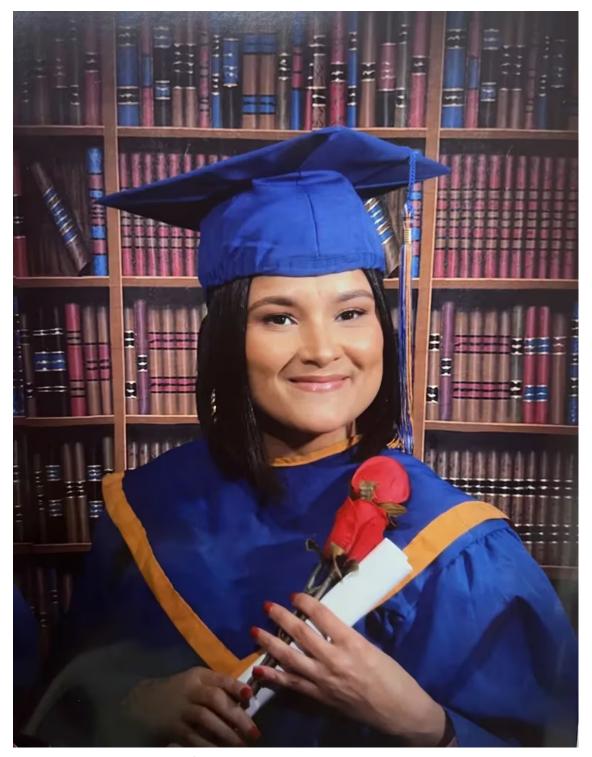
Yesenia Perez had a chaotic early life, repeated three grades, and left school at age 17. Now 35, she's about to graduate with her diploma as student council president at One Bright Ray Simpson Evening Prog ... **Read more** Charles Fox / Staff Photographer

Yesenia Perez's kids were speechless when they saw the photo — their mom beaming in a royal blue graduation cap and gown.

"They were astonished," said Perez. "Their eyes were stars and hearts."

Perez is 35, her son a freshman in high school and her daughter an eighth grader. Nathan and Maylanie knew that their mom's teen years were chaotic, and that she had left high school without a diploma, then lived through a stretch so dark it wasn't clear she'd ever emerge.

Perez had tried to earn her diploma multiple times after she dropped out. It never stuck. So when she enrolled in night school at age 34, even she wasn't sure whether finishing was in the cards.



Yesenia Perez, who's soon to graduate from One Bright Ray, a Philadelphia School District alternative program, took a nontraditional path to her diploma. She's 35 and overcame a chaotic childhood a ... **Read more** Courtesy of Yesenia Perez

Now, Perez is a week away from completing her final class, and the student council president with report cards full of A's was recently chosen by the Philadelphia School District as one of two students of the month from among the system of 113.000 pupils.

Coming up on the holiday season, it's safe to say that Perez is as thankful as she's ever been.



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"It's just so good," said Perez — of the recognition she's receiving now, of the obstacles she's surmounted. "I'm proud of myself, my family is proud of me. I did *this* all by myself."

From the street to an epiphany

Perez grew up in Kensington, at F and Allegheny, one of seven siblings. Her mother moved the family to Puerto Rico when Perez was 8, then back to Philadelphia when she was 12.

Moving around was disruptive, and Perez was restless. Between language barriers and other issues, Perez had to repeat three grades.

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"There was too much going on, my mom was traveling back and forth. It messed me up," said Perez.

By the time she graduated from Stetson Middle School, Perez was 16. She briefly attended Edison High, then switched to an alternative school for overage, under-credited students.

But it didn't last. Perez, by her own admission, was a handful. She fought and didn't care much about work.

"I argued with all the teachers. I had a super temper. I just didn't want to be told what to do; I wanted to be my own boss. I had my file that was full of pink slips from stupid stuff that I did," said Perez.

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Marcus Delgado, then the principal of Fairhill Community High School, Perez's first alternative program, remembers Perez vividly.

"She was one of my difficult students to deal with," Delgado said. That's being kind, Perez said — Delgado once had to escort her out of the building because she was so disruptive.



Yesenia Perez holds a necklace with a photo of her son, Javielito, who died at age 4. She's about to graduate with her high school diploma at age 35.

Charles Fox / Staff Photographer

Eventually, Perez met the man who would be her children's father and decided she was finished with school. She was 17.

"I just wanted to stay in the street, and I decided I didn't need no education," she said.

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Perez gave birth to three children, Javier, Nathan, and Maylanie.

And then, in 2011, Perez lost Javier — Javielito to his family, a boy with soft brown eyes and close-cropped hair. The 4-year-old picked up a gun that his father thought was hidden in the house and shot himself.



Vesenia Perez holds a medallion and hutton memorializing her late son lavier Merle Ir

Javier Merle Sr., Perez's husband, went to prison for nine years on charges of involuntary manslaughter. The loss of their oldest child sent Perez "out of my mind," she said. "I didn't sleep, I didn't eat. The situation I was going through was unbearable."

It took nearly losing Nathan and Maylanie to the child welfare system for Perez to get herself together, with the help of her mother and her sisters and intensive therapy.



Javier Merle, known as Javielito to his family, died in 2011. The 4-year-old accidentally shot himself in the head.

"My kids made me strong," said Perez. She tried to go back to school to earn her GED, but the program wasn't a good fit and life kept intruding. Perez moved to Ohio for a fresh start, then to Philadelphia again to be closer to her Things started to gel for Perez last year, when Merle came home from prison, enrolled in trade school, and graduated into steady work as an HVAC technician. A cousin of Perez's had experienced success at One Bright Ray, an alternative program that allows nontraditional students to earn diplomas.

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Nathan and Maylanie were getting closer to high school themselves, and Perez wanted to set a good example. So Perez took a chance and enrolled herself. Every day, she would drive her kids to school, work as a personal-care assistant, then drive from her home in the Northeast to East Erie Avenue and K Street, where One Bright Ray's Simpson campus had its night school.

"It was something that I always wanted to do, but I couldn't — life just hit me," she said. "But I think that me coming back to school, it was meant for me now."

Growing into a leader

Teacher Sally-Ann Naidoo saw something in Perez the moment she walked into her English class: This was a student who was perceptive, smart, but above all, hardworking.

"Yessy would tell me, 'I don't know if I can do this, I don't think I'm doing it right,'" Naidoo said. She may have lacked confidence at first, but she did not lack determination. "She would strive to do better, every day."

After years away from school, Perez was hungry for knowledge. Her son teased her that she was too old for high school — he's now at George Washington High, and her daughter's at Baldi Middle School — but Perez plowed on.

And Perez found herself growing into a leader.

Whatever she could volunteer for, she did, organizing a Hispanic heritage celebration, winning the student council president role, running a school store to sell snacks for people rushing from work to school without time to eat dinner, helping older students navigate technology challenges.



Yesenia Perez and her husband, Javier Merle, at Yesenia's prom at One Bright Ray Simpson Evening Program. Courtesy of Yesenia Perez

"Coming to school it was like a free time, away from reality — bills, rent, husband, kids. I get to come here and learn with people that I actually build relationships with. It's kind of awesome," she said.

Throwing herself into high school at age 35 was a revelation. One Bright Ray students are close, Perez said, and they and staff have worked together to create traditional school moments she never had as a teenager: a prom — she and her husband in coordinating red outfits — and a senior class outing to an Italian restaurant.

"I'd never been to a restaurant like that," she said. "I had to sit there classy, like with a napkin. It was decent for me, like a little fantasy."

Resilience-plus

After Perez finishes her final class Nov. 29, she's planning to become a notary public. She'd also like to work for One Bright Ray, helping other older students adjust to school after decades away.

Naidoo said Perez is a problem-solver, inclusive, and kind, someone her teachers admire.

On Tuesday night, Perez stood at the foot of a table overflowing with food — turkey, stuffing, greens, macaroni and cheese, pasteles, and rice, an early Thanksgiving dinner for the night school. She directed things, making sure plates were full, deciding who would say grace and where to place the cans of lemonade and iced tea.



The Philadelphia Inquirer

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Yesenia Perez (right) helps serve a Thanksgiving meal at the at the One Bright Ray Simpson campus. Charles Fox / Staff Photographer

After Principal Kareem Edwards helped serve the food, he watched Perez and her classmates joke and share moments of fellowship between classes.

All of his students, who range from teenagers to middle age and beyond, are resilient, Edwards said.

But Perez, he said, "is unique, an inspiration," he said. "She's full of service, with a big heart. Other students look at her and say, 'If she can do it, maybe I can do it."

And Delgado, Perez's first alternative school principal, who once had to physically throw her out of the building? After becoming CEO of One Bright Ray, he went on to become deputy secretary for the Pennsylvania Department

1



Yesenia Perez talks with classmates Nicha Torres (left) and Anthony Thomas at the One Bright Ray Simpson campus.

Charles Fox / Staff Photographer

"I told her, 'Someday, you'll get that diploma, and I'm going to be the one to give it to you," Delgado said. (He said he'll keep his promise at the ceremony this summer, when all One Bright Ray students from the year are honored.)

Sounds good to Perez.

"I want my kids to look at their parents and say, 'We came from a struggle, and look at where we are now," she said.



Nathan Merle, Javier Merle, Yesenia Perez and Maylanie Merle pose for a photo last December. The family lives in Northeast Philadelphia.

Courtesy of Yesenia Perez



Kristen A. Graham 💆 💆



I cover Philly schools, taking readers inside one of the largest districts in the country. I love a good drum line and a great classroom tale.

2023-2024 BOARD MEETING TENTATIVE SCHEDULE

DATE	TIME	LOCATION		
Wednesday, September 20, 2023	3:00 p.m.	Zoom (Virtual Meeting)		
Wednesday, December 6, 2023	3:00 p.m.	Zoom (Virtual Meeting)		
Wednesday, February 21, 2024	3:00 p.m.	Zoom (Virtual Meeting)		
Wednesday, April 17, 2024	3:00 p.m.	Zoom (Virtual Meeting)		
Wednesday, May 29, 2024	3:00 p.m.	Zoom (Virtual Meeting)		

One Bright Ray Inc. BOARD OF DIRECTORS DATE

RESOLUTION: # 12/6/23-1

WHEREAS, the Board of Directors retain the right to content to approve insurance proposals;

BE IT RESOLVED, that the Board of Directors of One Bright Ray, Inc. hereby reaffirms and retains its exclusive authority to consent to review and approve the request to renew the Cybersecurity Insurance Policy effective December 6, 2023.

BE IT FURTHER RESOLVED, that this resolution shall take immediate effect upon approval and shall supersede any conflicting resolutions or provisions.

NAY

ABSENT ABSTAIN COMMENT

Recording of the vote:

Board Members:

Board Members.	ILA		(AB)	(ABT)	COMMENT
Joseph H. Proietta	✓				
Alberta P. O'Brien	✓				
Cassandra McLaughlin	✓				
Ludmiladia Gomez	✓				
Erica Mendez			1		
Summary: Y		N	AB		ABT
The motion has Passed	√	Failed	Ве	een Tabled	

Frances Velazquez

12/6/23 Frances Velazquez, BS, Secretary

YEA

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

Minutes of a Meeting of the Board of Directors Held September 20, 2023

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, September 20, 2023. 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; and Ludmiladia Gomez (Pitter), BA. Also present at the meeting were Monica Hawk, Interim Chief Executive Officer ("CEO"); LaToya Johnson, PhD, Chief Academic Officer; Frances Velazquez, Chief Financial Officer; Mike Whisman, CPA, Founder and Executive Officer with Charter Choices, Inc. ("Charter Choices"); Kelly Wojtan, MBA, Accountant with Charter Choices; and Maria Granholm, JD, of Duane Morris LLP, legal counsel. Board members Lauren Nelson, MA; 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 3:06 PM.

As the first order of business, Mr. Proietta called for a review of the minutes from the meeting of the Board held on June 14, 2023, 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 June 14, 2023 were unanimously approved by the Board members present at the meeting.

Second, Mr. Proietta invited Dr. Johnson, OBR's new Chief Academic Officer, to introduce herself. Dr. Johnson introduced herself and shared some of her background and experience with the Board. The Board congratulated Dr. Johnson on her new position and welcomed Dr. Johnson to her first Board meeting.

Third, Mr. Proietta requested a financial update. Mr. Whisman reviewed with the Board the <u>attached</u> unaudited financial statements for the two (2)-month period ended August 31, 2023 (the "<u>Financial Statements</u>"), which were previously reviewed by Charter Choices with Ms. Hawk and Ms. Velazquez. Mr. Whisman first reviewed OBR's summary balance sheet with the Board, noting that OBR's cash position increased from \$3,285,871 (unaudited) at June 30, 2023 to \$3,777,354 at August 31, 2023 and OBR's receivables decreased from \$2,255,861 at June 30, 2023 to \$1,364,940 at August 31, 2023, in each case due to the collection of previously outstanding receivables from the School District of Philadelphia (the "<u>School District</u>").

Mr. Whisman also reviewed with the Board OBR's budget-to-actual report at August 31, 2023 included with the Financial Statements. Mr. Whisman noted that there were no significant variances through August, with the exception of interest income, which was higher than budgeted (a positive variance). Mr. Whisman also pointed out the \$1,512,997 One Bright Ray Community High School ("OBR CHS") deficit, and explained that such deficit is similar to the budgeted deficit and is a function of when OBR CHS records revenue and a delay in the advance

payment typically paid by the School District. The Board briefly discussed the timing of School District receivables and management confirmed that OBR has sufficient cash flow to cover expenditures in the meantime. The Board also discussed enrollment and School District rates and their impact on the Financial Statements. Ms. Hawk confirmed that the School District is paying OBR for full enrollment in September, but thereafter will only pay OBR for students actually enrolled. Ms. Hawk provided an enrollment update, noting that OBR's Fairhill and Simpson day programs are fully enrolled, while OBR's Elmwood, Strawberry Mansion day and night and Simpson night programs are not fully enrolled. The Board discussed strategies for increasing enrollment, and managing costs in the event that certain of OBR's programs are not fully enrolled by the end of September. Ms. Hawk shared some of the measures already being taken to manage expenditures, including not having fully staffed OBR's night programs, pending higher enrollment. The Board requested to be kept apprised of any significant changes in enrollment or School District funding. In response to a request from the Board, Mr. Whisman indicated that he would include financial projections with the financial statements for the next Board meeting, but noted that those are not typically provided prior to October due to the limited data available for preparation of such projections.

Fourth, Ms. Velazquez presented to the Board proposed Resolution No. 1, attacked, which provides for an increase in OBR's line of credit with PNC from \$500,000 to \$1,000,000, consistent with prior discussions of the Board. Ms. Velazquez explained that OBR maintains the line of credit as a resource for, among other things, covering expenditures in the event of longer than normal delays in payment of School District receivables, or other unexpected financial needs of OBR. Ms. Velazquez confirmed that the approval of Community Academy of Philadelphia ("CAP"), required pursuant to OBR's bond documents and lease arrangements with CAP, had already been obtained. Following a discussion of the proposed line of credit increase, upon a motion duly made and seconded, the Board approved Resolution No. 1 by roll-call vote, as set forth therein, and authorized Ms. Hawk to execute, on behalf of OBR, all documentation necessary to effect such line of credit increase.

Fifth, Ms. Velazquez presented to the Board proposed Resolution No. 2, attached, which provides for the engagement of PFM Asset Management LLC ("PFMAM") to perform calculations relating to rebate requirements under the Internal Revenue Code of 1986 with respect to OBR's bonds. Ms. Velazquez explained that OBR goes through such assessment process every five years, as required under OBR's bond documentation, to confirm that OBR's bonds are not subject to taxation. Ms. Velazquez reviewed the key terms of PFMAM's rebate compliance services proposal and proposed authorization letter, which were shared with Board members prior to the meeting, and confirmed that she, Ms. Hawk and Mr. Whisman met with PFMAM representatives and recommend proceeding with the engagement of PFMAM for such services. Mr. Proietta disclosed, for the record, that his nephew works for PFMAM, but that Mr. Proietta was not involved in OBR's process for considering and selecting PFMAM and was not aware of such process until review of the Board materials for this meeting. Following such disclosure, upon a motion duly made and seconded, the Board approved Resolution No. 2 by roll-call vote, as set forth therein. Ms. Velazquez also provided an update regarding OBR's recent completion of workers compensation, retirement and financial audits. Ms. Velazquez reported that a copy of OBR's financial audit should be available soon and, once a final copy is available, the financial audit report will be shared with the School District.

Sixth, Mr. Proietta reminded the Board that, at the last Board meeting, the Board approved the appointment of Ms. Hawk as permanent CEO of OBR, with a corresponding increase in salary from \$140,000 to \$150,000, subject to (1) review and approval by the Board of a contract with Ms. Hawk for such role and (2) Ms. Hawk's satisfactory completion of a probationary period. Mr. Proietta shared his thoughts on the wonderful job Ms. Hawk has done through such probationary period and proposed that Ms. Hawk be officially appointed CEO of OBR, effective October 1, 2023. Following a discussion of such proposal, upon a motion duly made and seconded, the Board members present unanimously approved, by voice vote, the appointment of Ms. Hawk as CEO of OBR with previously agreed salary increase, effective October 1, 2023, with a contract between OBR and Ms. Hawk reflecting such updated title and salary to follow.

Seventh, Mr. Proietta requested an update from the CEO. Ms. Hawk first provided a staffing update. Ms. Hawk discussed OBR's various efforts to balance filling necessary positions, while also taking into account OBR's budget and current enrollment. Ms. Hawk reviewed with the Board a number of new, combined and eliminated employee roles resulting from such efforts, as well as employee hires and separations since the last Board meeting. Ms. Hawk also noted some current employee vacancies, which Ms. Hawk expects to leave vacant, pending higher enrollment. Ms. Hawk noted for the record that an enrollment update was provided earlier in the meeting.

Eighth, Mr. Proietta requested an academic update. Dr. Johnson first shared insight on various efforts and initiatives at OBR to provide teachers with more autonomy in the classroom, including additional leadership training for the Deans of Academics to bolster their ability to assist with the development of teachers. Dr. Johnson next shared with the Board OBR's recent emphasis on focused observation areas and coaching for OBR's Principals. Dr. Johnson explained that she worked with the Principals to create bi-weekly walkthroughs at each of the campuses, during which they will observe or otherwise work on specific areas of School District focus. Dr. Johnson explained that the areas of focus will be tiered so that any areas that are particularly struggling, or teachers who require additional support, will receive greater focus and support. In response to a question from the Board, Ms. Hawk reported that the new initiatives have been well-received by teachers, particularly the efforts to allow teachers more autonomy in their classrooms. The Board also discussed the lack of turnover among teachers this year and the consistently good morale of the teachers.

Ninth, Mr. Proietta asked whether there was any additional new business to come before the Board. Ms. Hawk reported that OBR will have a single graduation in July, for the whole school year, and is looking for alternative venues for graduation given how expensive OBR's prior graduation venue has gotten. The Board briefly discussed OBR's budget for prom and other student activities, including potential fundraising activities, as well as the lack of any budget for printing yearbooks, which were historically given to students at no cost. The Board discussed the possibility of a digital year-book, perhaps in video format, that could be created and shared at lower cost. In response to a question from a Board member, Ms. Hawk reported that operational walkthroughs by the School District will occur in October and/or November, with instructional walkthroughs likely occurring in February and/or March. The Board discussed the timing, purpose and focus of such walkthroughs.

Tenth, there being no additional new business to come before the Board, Mr. Proietta reminded attendees that the next Board meeting is scheduled for December 6, 2023, at 3:00 PM. Thereafter, upon a motion duly made, seconded and unanimously approved by the Board, the meeting was adjourned at 3:45 PM.