APPROVED

New Heights Charter School Board of Trustees

Minutes

Finance Committee Meeting

Date and Time
Tuesday September 29, 2026 at 4:00 PM

Location
1105 West Chestnut Street
Brockton, MA 02301

New Heights Board of Trustees
Starting Time: 4 PM
Location: 1105 West Chestnut Street
Brockton, MA 02301
Join Zoom Meeting

ZOOM Meeting:
Description:
ZOOM LINK

Committee Members Present
J. Radzevich, W. Lyttle

Committee Members Absent
J. Charnel, N. Christ, S. Jackson

Ex Officio Members Present
O. Walker

Guests Present
Collen D'Alfonso, Delroy Dennis, G. Cubero-Diaz, M. Fernandes, M. Jean, M. Mollo, Marybeth Mollo, S. Graham, Valquiria Marcal

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

W. Lyttle called a meeting of the Finance Committee of New Heights Charter School Board of Trustees to order on Tuesday Sep 29, 2026 at 4:03 PM.

C. Approve Minutes

J. Radzevich made a motion to approve the minutes from Finance Committee Meeting on 08-25-26.
W. Lyttle seconded the motion.
The committee **VOTED** unanimously to approve the motion.

II. Finance

A. FY26 Audit

Audit Presentation by Colleen D'Alfonso and Valquiria Marcal — Dennis & Associates
Colleen D'Alfonso presented an overview of the Fiscal Year 2026 audit report for New Heights Charter School of Brockton and its Foundation.

Colleen explained that the audit included the financial statements for both entities, as well as Management's Discussion and Analysis (MD&A). She clarified that the auditors do not express an opinion or provide assurance on the Management's Discussion and Analysis. The auditors reported that the school was in good financial standing overall and that the audit results were favorable.

Valquiria Marcal presented the financial benchmark analysis, comparing Fiscal Year 2025 and Fiscal Year 2026 results using three color-coded risk classifications established by the Massachusetts Department of Elementary and Secondary Education (DESE).
The presentation identified both low-risk and high-risk indicators within the current year's financial benchmarks.

Valquiria explained that one high-risk indicator was associated with the timing of the school's June tuition payment. Because the payment was received near the end of the fiscal year and was not reflected in the school's cash balance as of June 30, the timing affected the calculation of certain financial ratios.

Despite this classification, the auditors emphasized that the school's overall financial position remained favorable and reflected a low-risk standing.

Question — Omari: Omari asked whether the delayed receipt of the June tuition payment was responsible for the unfavorable financial ratio reflected in the DESE benchmark analysis.

Response — Auditors: The auditors confirmed that the timing of the tuition payment could have influenced the calculated ratio because the payment was not reflected in the school's cash balance at the June 30 reporting cutoff.

The auditors also discussed the possibility that the statewide average reflected in the following year's benchmark comparisons could decrease.

Recommendations:
The auditors recommended that the administration continue closely monitoring expenditures associated with major renovation and construction projects.
Particular attention should be given to project spending, available cash balances, construction financing, and loan drawdowns to ensure adequate financial oversight as the school advances its capital improvement initiatives.

Question — Bill Lyttle: Mr. Lyttle asked whether the statement that the construction loan had not yet closed meant that the school was still awaiting final closing arrangements with the lending institution.

Response — Suzanne: Suzanne confirmed that the school was awaiting the bank's completion of the loan closing process. She reported that she had communicated with the school's loan officer and had been advised that the loan would close, although a definitive timeline had not yet been established.

Follow-Up Question — Bill Lyttle: Mr. Lyttle asked how the pending loan closing would affect the school's cash flow and its ability to finance ongoing construction and capital improvement projects.

Response: The provided notes do not identify a specific response to this question.

Subsequent Events and GASB Reporting Requirements
The auditors discussed the importance of identifying and disclosing any applicable subsequent events in accordance with the relevant Governmental Accounting Standards Board (GASB) reporting requirements.

They explained that significant events occurring after the fiscal year-end reporting date may require disclosure in the financial statements, depending on the nature and timing of those events.

The auditors confirmed that they would work directly with Suzanne to ensure that any necessary subsequent-event disclosures were appropriately addressed.

Question — Jason: Jason requested clarification regarding the cutoff date for identifying and reporting subsequent events in connection with the GASB documentation.

Response: The auditors discussed the need to consider events occurring after the fiscal year-end reporting date and before the applicable reporting cutoff. However, the precise cutoff date was not captured in the provided notes.

Follow-Up Question — Jason: Jason asked whether an issue that arose after the current audit reporting period would instead be included in the following fiscal year's audit report.

Response — Colleen D'Alfonso: Colleen confirmed that an issue arising after the applicable current-year reporting period would be addressed in the following year's report, as appropriate.

Important Deadlines
The auditors identified the following deadlines:

1. **October 30, 2026:** Submission of the complete Fiscal Year 2026 audit report.
2. **November 13, 2026:** Availability of the End-of-Year Report.
3. **November 16, 2026:** Submission of the Foundation's Form 990 and Form PC.

Question — Will: Will asked whether the Board of Trustees was required to formally vote on the Foundation's Form 990 and Form PC before the documents could be submitted.

Response — Auditors: The auditors explained that a formal Board vote was not required for the filing of these forms. Instead, the documents would be provided to the appropriate trustees for review and signature, indicating their acknowledgment and acceptance of the forms prior to filing.

The auditors expressed their appreciation to Suzanne for her preparation, responsiveness, and cooperation throughout the audit process. They noted that the school's financial records, supporting documentation, and reporting materials were well organized and in good condition, contributing to an efficient audit process. Omari and members of the Finance Committee also expressed their appreciation for Suzanne's work and dedication.

B. YTD (July & August)

The meeting focused on reviewing year-to-date financial performance and discussing capital expenses. Suzanne presented budget versus actuals, noting that revenue was

slightly under budget due to timing of grant revenue, while personnel costs were running 14% under budget.

C. Capital Projects

The Finance Committee reviewed several proposed capital expenditures totaling approximately **$110,000**, including HVAC heat pump repairs, electrical upgrades to accommodate a new cafeteria oven, a professional audio system, and a vinyl gymnasium floor covering intended to protect the newly installed flooring.

D. Bill Pay Financial Breach

Omari gives a brief overview along with addressing any questions any Board member may have.

Gilberto speaks on the BillPay software account compromise via email unauthorized contact. Based on the internal investigation, there is no other software we use that has been compromised.

Bill asks if the amount that was taken recoverable? Alex from Mullen who is a council with the investigation. New Heights has cyber coverage and whether we can recover the funds through the insurance coverage is still being evaluated.

What is the deductible for the policy? Suzanne depends it does depend on what the claim falls under. There is $2500 or $1200 fee but is unsure to tell which price falls under where our incident falls.

Jason asks if the thread actor can still access? The forensic is still evaluating the case but at this point there has not been any indication that there is any other network.

Jason asks if they can get through any other sites, Gilberto answers no and other layers of security have been applied. Have we changed our controls internally so that there is a different control where this can;t happen again.

Gilberto says there is now a face-to-face step before any MFA or password changes can happen within any software affiliated with our school.

Omari also speaks to the training that was conducted with the Head of Fraud Dept at BayCoast Bank on a call with Dr. Johnston and Dr. Fernandes. There will also be a training for the entire school on a scheduled Friday for thorough training on future compromise.

Jason suggests giving a written policy through the organization of who has authority to make said changes.

Omari asks Suzanne to speak to any further controls put in place. Suzanne says she has lowered credit card payments and moving forward, another company is being evaluated due to the fact that virtual cards can be created and she can't manage that aspect.

Jason asks how many cards are out there? Maybe 15

Is there a list of who owns them? Yes, Suzanne has a list.

Omari asks for Alex to speak to the $50,00 deductible? She explains that in addition to the transfer costs from the fraud itself, right now we have two vendors engaged (Mullen Law) and through counsel, a forensic investigation firm that will analyze the email environment and work through evidence and determine what the suspects were doing while they had access to the systems. Legal fees are not a fixed fee but a budget of $10,000 for legal fees.

Bill asks how the impact of the lost funds play into this? Alex speaks to the Cyber Security Coalition team that is also working on this case.

When was this event? August 165-17th. When did we discover it? It was first discovered on August 14th and was reported on the 15th.

III. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 5:03 PM.

Respectfully Submitted,
W. Lyttle
J. Radzevich made a motion to adjourn meeting.
W. Lyttle seconded the motion.
The committee **VOTED** unanimously to approve the motion.