



MCCPS Board of Trustees

Monthly Board Meeting

Amended on October 30, 2018 at 1:14 PM EDT

Date and Time

Tuesday October 30, 2018 at 7:00 PM EDT

Location

MCCPS, Room 8L

Agenda

	Purpose	Presenter	Time
I. Opening Items			7:00 PM
A. Record Attendance and Guests		Paul Baker	
B. Call the Meeting to Order		Artie Sullivan	
C. Approve Minutes	Approve Minutes	Paul Baker	3 m
Meeting of Sept 25, 2018			
Approve minutes for Monthly Board Meeting on September 25, 2018			
II. Presentations			7:03 PM
A. Student Presentation	Discuss	Ellen Lodgen	5 m
Presentation made by MCCPS Students			
September - Members of the MCCPS 8th Grade			
B. PTO Liason	FYI	Artie Sullivan	5 m
PTO Liason			
III. Public Comment			7:13 PM
A. Public Comment	Discuss	Artie Sullivan	5 m
IV. Review of Previous Meeting Action Items			7:18 PM
A. Review of Previous Meeting Action Items	Discuss	Artie Sullivan	5 m

- Karl and Artie to draft letter thanking Peter for service on Finance Committee - SENT 9/28/18
- Fred and Nichole to set date for Faculty Social - HELD ON 10/17/18
- Attend Navigator Night on September 27, 2018.
- Ellen to set up Development and Fundraising training for Board.
- Nominate Vice Chairs for subcommittees
 - Finance - Complete
 - Personnel - Complete
 - Academic Excellence
 - Development
 - Communication and Community Development
 - Strategic Planning
 - Governance
- Submit Subcommittee members for reappointment to respective subcommittee.
 - Personnel - Complete
 - Governance - Complete
 - Development
 - Communication
 - Finance
 - Academic Excellence
 - Strategic Planning
- Identify potential candidates for the Board - Goal is 3 new members for SY-2019. Areas that need representation on the board -
 - Alumni
 - Faculty/Staff
 - Community
 - Parents of families residing outside of Marblehead.
- Strengthen Subcommittees if needed
 - Communication and Development
- Review Documents located in Board Member Handbook Google Drive. Invitation sent by separate email.
 - Add documents that are needed.
- Wordsmith Adopted Board Goals - SY19

V. Other Business

7:23 PM

A. Update on Board Goals for SY 19

Discuss

Artie Sullivan

5 m

- Goals
 - Strategic Plan
 - Implement the plan
 - GOAL - Adopt 2018 Strategic Plan
 - GOAL - to implement Year 1 Objectives as Outline in the Plan
 - Board Development
 - Mentoring, Orientation, Training
 - GOAL - Develop Board Member Handbook - Online
 - Formalize succession plan for Executive Team and Committee Chairs
 - GOAL - Identify and approve Vice Chairs for each subcommittee
 - GOAL - Approve Succession Plan for Board Members and Board Officers
 - GOAL - Approve Succession Plan for Head of School and Key Employees
 - Communication
 - Strengthen engagement with Stakeholders, Head of School, Parents, Students, Educators and Community
 - Strong connection between Board of Trustees and Head of School
 - Policies
 - Adopt Board Policy Adoption Policy
 - Create a Table of Content or Index of all policies
 - Each Board Committee to prioritize policy review

- GOAL - Each Board Committee to submit a minimum of 5 Policies for Board Review

- Board Expectation
- Fundraising Plan
 - Fundraising and Development Training for the Board
 - Participation of Board Members for Donations to Charter Fund
- Board Participation in Securing non-board Donations to Charter Fund
 - Board Members attend at least one Fundraising or Development Event
- Recruitment
 - Identify potential candidates for the Board
 - Areas that need representation on the board -
 - Alumni
 - Faculty/Staff
 - Community
 - Parents of families residing outside of Marblehead.
 - 3 new members for SY-2019.
- Communication
 - Board & HOS
 - Executive Committee to meet with Head of School at least once each Session
 - Board & Community
 - 100% of Board Members and 75% of Committee Members Attend Navigator Night
 - 100% of Board Members attend at least one community event each session.
 - PTO/Board Liaison
 - Board & Students
 - Student Presentations at a minimum of 6 Monthly Board Meetings.
 - At least one board member attend a minimum of 3 Student Council Meetings.
- 100% of the Board members attend either 1 school breakfast or school lunch during each session.

B. SY 2017-2018 Audit Review and Adoption Vote Karl Smith 5 m

Presentation of the Audit for SY2017-2018

C. Head of School Vision Presentation Discuss Nina Cullen-Hamzeh 30 m

Presentation by HOS for the vision of MCCPS for the next 2-3 years.

D. Board Self Assessment Review Discuss Artie Sullivan 5 m

A discussion of the Results of the Board Self Assessment. Set meeting time for deeper discussion

E. Development of Board Policies Discuss Artie Sullivan

DISCUSSIONS OF POLICY REVIEW AND DEVELOPMENT

1. Links to Policies

1. Marblehead - <https://www.marbleheadschoools.org/district/mps-policy-manual>
2. Salem - http://saalemk12.org/pages/SPS_DistSchoolCom/SPS_Policy_Manual_Folder/toc
3. MCSA - Sample Policies in Google Folder

2. Policies Submitted by Subcommittees

1. Emergency Succession Plan - Personnel

F. Policy Adoption Vote Artie Sullivan 5 m

A vote of Policy to Adopt Board Level Policies

G. HOS Succession Plan	Vote	Artie Sullivan	5 m
HOS Succession Plan			
H. Strategic Planning Update	Discuss	Fred Ferris and Jen Jewell	5 m
I. Planning for SY 2020	Discuss	Artie Sullivan	3 m

Planning for upcoming SY 2020

- 25th Anniversary Celebration
- Charter Renewal Application Process
 - Submit Charter Renewal Application by August 1, 2019
 - Preparation for 3-day Site Visit in Estimated Fall 2019
 - Prepare Accountability Plan Draft

VI. Committee Updates 8:26 PM

A. Governance Committee	Discuss	Nichole Thompson	5 m
B. Finance Committee	Discuss	Karl Smith	5 m
C. Personnel Committee	Discuss	Artie Sullivan	
D. Academic Excellence	Discuss	Sean Killeen	5 m
E. Development	Discuss	Ellen Lodgen	5 m
F. Strategic Plan Committee	Discuss	Fred Ferris and Jen Jewell	
G. Communications, and Community Relations Committee	Discuss	Ian Hunt	5 m

VII. HOS Report 8:51 PM

A. Monthly Report	FYI	Nina Cullen-Hamzeh	9 m
--------------------------	-----	--------------------	-----

HOS to share monthly report.

VIII. Public Comment 9:00 PM

A. Public Comment	Discuss	Artie Sullivan	5 m
--------------------------	---------	----------------	-----

IX. Board Member Comments and Resolutions 9:05 PM

A. Board Member Comments and Resolutions	Discuss	Artie Sullivan	5 m
---	---------	----------------	-----

This is an opportunity for Board Member Comments and Resolutions

X. Closing Items 9:10 PM

A. Recap Action Items	Discuss	Paul Baker	2 m
------------------------------	---------	------------	-----

Clerk to review actions items, add any additional items discussed.

B. Meeting Evaluation	Discuss	Artie Sullivan	3 m
------------------------------	---------	----------------	-----

Discuss how meeting went, did we stay on topic, meet goals, etc.

C. Adjourn Meeting

Vote

**Artie
Sullivan**

Cover Sheet

Approve Minutes

Section: I. Opening Items
Item: C. Approve Minutes
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Monthly Board Meeting on September 25, 2018



MCCPS Board of Trustees

Minutes

Monthly Board Meeting

Date and Time

Tuesday September 25, 2018 at 7:00 PM

Location

MCCPS, Room 8L

Trustees Present

Artie Sullivan, Ellen Lodgen, Ian Hunt, Jen Jewell, Karl Smith, Nichole Thompson, Nina Cullen-Hamzeh, Paul Baker, Sean Killeen

Trustees Absent

Fred Ferris, Tony Palladino

Trustees Arrived Late

Paul Baker

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

Artie Sullivan called a meeting of the board of trustees of MCCPS Board of Trustees to order on Tuesday Sep 25, 2018 @ 7:03 PM at MCCPS, Room 8L.

C. Approve Minutes

Jen Jewell made a motion to approve minutes from the August Board Meeting on 08-28-18 - with minor grammatical updates.

Ellen Lodgen seconded the motion.

The board **VOTED** unanimously to approve the motion.

II. Presentations

A. Student Presentation

The students explained the main aspects of the student council and their roles. The students indicated that they would enjoy regular field day and trivia night events and would like to be kept informed of events going forward

B. PTO Liason

Judith Nunez - PTO liaison - outlined planned events for the school year
Started with back to school BBQ -
Welcome dinner for 4th grade parents

Three family game nights are planned with dates yet to be determined
Three Dances - Halloween - Winter / black light - Spring
Fundraising - charter night at Super Fine - 10% on first Tuesday of every month -
Yard sale - October 13th - collecting good quality items - buy your own table or contribute and it goes back to PTO
Other events being discussed include Sky zone / laser tag / pottery
Ongoing collections..box tops and Crosby receipts

III. Review of Previous Meeting Action Items

A. Review of Previous Meeting Action Items

Items discussed:
Artie - 100% Board participation
Strategic plan
Letter of thanks to Peter Jalbert
Fred and Nicole - faculty social - SuperFine proposed as event space-Date to be determined in October
Ellen Lodgen development committee- spoken with her acquaintance regarding Board development training
Nomination of Vice Chairs to all committees to ensure smooth transition

IV. Other Business

A. Board Self Assessment Review

Artie Sullivan reviewed the Board self assessments
Provided examples and noted areas of interest.
Artie posed the question if the group wants to schedule a special meeting to review the strategy and review of the assessments
Nicole - two topics -
Homework assignment - filter it to compare your answers to the group and Nina's
Jen - make action items - either break up or have a special meeting
Jen - has this assessment been used before for governance - do they refer to this.
Ian - Pull in the data from last self assessments/comparison would be helpful. The need to delve deeper into the results are imperative to enable the Board to see move forward and identify what we lack and any training required

B. Discuss and Approve Board Goals for SY 19

Board goals for the year included within the agenda were discussed - the plan is to continue to schedule the retreat for June and that some measures may be in place after goals identified.

Update to the composition and slight tweaks are required.

Due to three (3) terms expiring within the next 12 months, the group recognized the need to recruit 3 new members by the end of the school year.

Other topics discussed:

- Executive team meetings to be held regularly with the vice chairs
- Succession plan has been drafted and is being refined. As part of the review, key employees and functions are being identified
- Retention goals - it was noted that the measurement or success criteria need further development. Key indicators from study should be clarified and realistic, attainable retention goals established - in conjunction with the strategic plan
- HOS goals - specific listing has been developed. The consensus was to have expectations clearly set for evidence of attainment and more than just a long listing of "to do's"
- Communications committee needs to develop a schedule - with a launch plan intended to strengthen the communication with the community, the school, the HOS and the board.

Karl Smith made a motion to Accept the revised board goals and expectations with rewording - with the understanding that updates may be made as we progress through the school year.

Nina Cullen-Hamzeh seconded the motion.

The board **VOTED** unanimously to approve the motion.

Paul Baker arrived late.

C. Head of School Goals for SY 18-19

HOS revisited her goals for the school year.

It was noted that the current goals were developed utilizing the prior year's goals and updated where appropriate.

Additionally it was discussed that the HOS Job description is meant to address the various aspects of goals identified.

The total fundraising goal of \$55,000 (student success, MCEF and school based) was noted and that ongoing efforts from all fronts would be needed to attain this amount.

The importance of a clear tracking mechanism and documentation was noted for monitoring progress on the ongoing goal attainment.

Various aspects of the goals such as professional development, mentoring, class observations, service learning, curriculum and academic excellence were discussed.

Artie Sullivan made motion to approve HOS goals

Karl Smith seconded the motion.

Motion approved unanimously

D. Development of Board Policies

E. Policy Adoption

F. Strategic Planning Update

G. Planning for SY 2020

V. Committee Updates

A. Governance Committee

B. Finance Committee

Karl Smith noted the monthly financial were provided and that the results were on track with expectations.

Jen Jewell requested that if the state allocation remains higher than first anticipated and once all of the additional student needs have been addressed, the board should meet to discuss what will be done with extra funding, if any, is forthcoming.

C. Personnel Committee

Personnel committee reviewed the member listing of all committees.

HOS made a motion to approve the listing of committee members

Paul Baker - seconded the motion

Ian Hunt stated that it would be great to hear from HOS regarding her visions, thoughts and aspirations

At October meeting, HOS will present to the Board.

D. Academic Excellence

Update tabled till next meeting due to time restraints.

E. Development

Update tabled till next meeting due to time restraints.

F. Strategic Plan Committee

Update tabled till next meeting due to time restraints.

G. Communications, and Community Relations Committee

Update tabled till next meeting due to time restraints.

VI. HOS Report

A. Monthly Report

HOS presented her monthly update highlighting the following:

- SPED student numbers are up on last school year
- Grading changes have been instituted school wide
- Full list of current facility and staff were presented
- Attempting to find 3 more students for 7th and 8th grade.
- A new MCCPS sign has been installed out front of school
- A great start to school year, new staff are fitting in nicely and there is a great "feel-good" vibe among the staff.

VII. Public Comment

A. Public Comment

There were no public comments

VIII. Closing Items

A. Recap Action Items

Ian Hunt will reword goals for the October Board meeting

B. Meeting Evaluation

C. Adjourn Meeting

Artie Sullivan made a motion to adjourn the meeting.

Ian Hunt seconded the motion.

The board **VOTED** unanimously to approve the motion.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:45 PM.

Respectfully Submitted,
Paul Baker

Cover Sheet

SY 2017-2018 Audit Review and Adoption

Section: V. Other Business
Item: B. SY 2017-2018 Audit Review and Adoption
Purpose: Vote
Submitted by:
Related Material: Audit Presentation.pdf
MCCPS Audit, Draft 10-23.pdf
MCCPS Board Acceptance.docx

Marblehead Community Charter Public School

Finance Committee Presentation

October 16, 2018



DANIEL DENNIS & Co

Certified Public Accountants

990 Washington Street

Dedham, MA 02026

(617) 262-9898

FAX: (617) 437-9937

Web Site: <http://www.danieldennis.com>

TABLE OF CONTENTS

<i>Section</i>	<i>Page #</i>
Auditors' Letter.....	1
Summary of Auditors' Reports.....	6
Financial Ratio Profile.....	8
Discussion Items	9



DANIEL DENNIS & Co
Certified Public Accountants

October 16, 2018

**To the Finance Committee of
Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**

We have audited the combined financial statements of Marblehead Community Charter Public School and the Marblehead Charter Education Fund, Inc. (the Organization) for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 31, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the combined financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2018. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the combined financial statements in the proper period.

Accounting estimates are an integral part of the combined financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the combined financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Organization's combined financial statements were:

- The allocation of expenditures to grants. The allocation methodology used is based on management's estimate of the equitable share of expenditures applicable to each grant. We evaluated the key factors and assumptions used to develop the allocation of expenditures in determining that it is reasonable.
- The amount of on-behalf fringe benefit payments recorded in accordance with GASB No. 68. in the Combined Statements of Revenues, Expenses and Change and Net Position. This is an estimate based on the report provided by the Massachusetts Teachers Retirement System.

- The estimate of useful lives of fixed assets. We evaluated the key factors and assumptions used to develop the useful lives in determining that it is reasonable in relation to the combined financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the combined financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the combined financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the combined financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the combined financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's combined financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Compliance Findings

Massachusetts Teacher's Retirement System Eligibility (MTRS)

While testing eligibility for the MTRS it was noted that one individual was improperly enrolled in the MTRS system. We recommend that the School review employee's eligibility within MTRS each year and re-evaluate an employee's eligibility any time there is a significant change in an individual's employment status or position.

20% Excess Carryover Calculation (the Calculation) within the Charter School End of Year Report

The 2017 Calculation contained an error in reporting the debt service payments resulting in the carryover surplus amount being overstated. We recommend that the School review the calculation and ensure it follows the content required by DESE.

Suggestions and Other Comments

Timely Deposits

While performing our auditing procedures it was noted at year end cash receipts collected were held and not deposited timely, because the cash receipts related to revenue for fiscal year 2019. We recommend the School follow their fiscal policies and procedures for depositing funds timely.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the combined financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the combined financial statements, and other knowledge we obtained during our audit of the combined financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Finance Committee and management of the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Daniel Dennis & Company LLP

Description (Nature) of Audit Difference (AD)	Factual (F), Judgmental (J), or Projected (P)	Cause	Financial Statement Effect—Amount of Over- (Under-) statement of:					
			Total Assets	Total Liabilities	Fund Balance/Net Position	Revenues	Expn.	Change in Fund Balance/Net Position
Cash is overstated - Paypal cash per the general ledger is higher than the amount reported per Paypal	F	Unknown	1,332		-1,332	1,332		-1,332
Cash is understated - Bank reconciliation register balance higher than the general ledger balance.	F	Unknown	-6,678		6,678	-6,678		6,678
Accrued Expenses is understated - Invoices paid after year end were not accrued in the fiscal year 2018.	F	Unknown		-1,223	1,223		-1,223	1,223
School lunch revenue overstated. Fiscal year 2017 revenue was recorded within fiscal year 2018.	F	Unknown			2,185	2,185		2,185
Rental income understated	P	Unknown			-1,461	-1,461		-1,461
Contribution recorded in fiscal year 2018 but should have been recorded in fiscal year 2018.	F	Unknown			-3,202	3,202		3,202
Accounts payable understated - bills from Krokidas & Bluestein were not included as a payable in fiscal year 2018.	F	Unknown		-7,315	7,315		-7,315	7,315
Total			-5,346	-8,538	11,406	-1,420	-8,538	17,810
Financial statement caption totals			4,452,840	4,121,837	331,003	4,029,550	3,935,670	93,880
Current and prior year AD as % of F/S captions			-0.12%	-0.21%	3.43%	-0.04%	-0.22%	18.97%

SUMMMARY OF AUDITORS' REPORTS

Marblehead Community Charter Public School
June 30, 2018

SUMMMARY OF AUDITORS' REPORTS

Independent Auditors' Report

- Unmodified Opinion on Financial Statements
- No Opinion on Management's Discussion and Analysis (Unaudited Information)

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

- No material weaknesses over financial reporting
- Instances of non-compliance
 - Employee improperly enrolled in MTRS
 - Overstatement of the fiscal year 2017 surplus in the Calculation.

Prior Year Audit Results

- No prior audit issues relating to financial reporting
- No prior audit issues relating to instances of non-compliance

FINANCIAL RATIO PROFILE

Marblehead Community Charter Public School

June 30, 2018

<i>Ratio</i>	<i>2018</i>	<i>2017</i>	<i>2017 Average Ratio**</i>	<i>Low Risk</i>	<i>Moderate Risk</i>	<i>High Risk</i>
Current Ratio <i>(current assets divided by current liabilities)</i>	1.73:1	1.39:1	2.80:1	>=1.5	Between 1.0 and 1.5	< 1.0
Unrestricted Days Cash <i>(cash divided by (total expenses-depreciation-in-kind)/365)</i>	49 days	41 days	96 days	>=60 days	Between 30 and 60 days	< 30 days
Percentage of Program Paid by Tuition <i>(tuition divided by (total expenses-in kind))</i>	91%	91%	92%	>=90%	Between 75% and 90%	< 75%
Percentage of Program Paid by Tuition & Federal Grants <i>((tuition + federal grants) divided by (total expenses-in-kind))</i>	92%	93%	96%	>=90%	Between 75% and 90%	< 75%
Percentage of Total Revenue Expended on Facilities <i>(operating and maintenance plus financing expenses divided by total revenues)</i>	6%	7%	14%	<= 15%	Between 15% and 30%	> 30%
Change in Net Position Percentage <i>(change in net position divided by total revenue)</i>	2.7%	2.3%	2.7%	Positive %	Between -2% and 0%	< -2%
Debt to Asset <i>(total liabilities divided by total assets)</i>	0.93	0.95	0.57	<= .9	Between .9 and 1	> 1

** Calculated by DESE based on the financial information in the 2017 end of year reports.

Marblehead Community Charter Public School *Discussion Items*

FUTURE CONSIDERATIONS

- Monitor the debt covenants
- Resolution to the liability for the unpaid unemployment claims
- Replacing the Foundation as guarantor on the mortgage with the Fund.
- GASB Updates
 - GASB 87 - Leases

Due Dates

- Audit Report – November 1st
- End of Year Report – November 21st
- Form 990 and Form PC for the Fund – November 15th

**Marblehead Community Charter Public School
and
Marblehead Charter Education Fund, Inc.**

Combined Financial Statements and
Independent Auditors' Report in Accordance with
Government Auditing Standards

June 30, 2018

Draft 10-25-18

**Marblehead Community Charter Public School
Marblehead Charter Education Fund, Inc.**

June 30, 2018

Table of Contents

	<i>Page</i>
Independent Auditors' Report	1
Management Discussion and Analysis	3
Financial Statements:	
Combined Statement of Net Position	8
Combined Statement of Revenues, Expenses, and Changes in Net Position	9
Combined Statement of Cash Flows	10
Notes to the Combined Financial Statements	11
Report on Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit Of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	22
Schedule of Findings and Responses	25
Schedule of Prior Year Audit Findings	28
Board Acceptance Letter	30



DANIEL DENNIS & Co
Certified Public Accountants

Independent Auditors' Report

The Board of Trustees
**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**

Report on the Combined Financial Statements

We have audited the accompanying combined statement of net position of Marblehead Community Charter Public School (a governmental entity) (the School) and Marblehead Charter Education Fund, Inc. (a nonprofit organization) (the Fund) (collectively, the Organization) as of and for the year ended June 30, 2018, and the related combined statements of revenues, expenses and changes in net position and cash flows for the year then ended and the related notes to the combined financial statements, which collectively comprise the Organization's combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Organization as of June 30, 2018, and the respective changes in its combined financial position and combined cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Organization's fiscal year 2017 combined financial statements, and our report dated October 24, 2017, expressed an unmodified opinion on those audited combined financial statements. In our opinion, the summarized comparative information presented herein, as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the combined financial statements. Such information, although not a part of the combined financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the combined financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the combined financial statements, and other knowledge we obtained during our audit of the combined financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **October XX, 2018**, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

October XX, 2018

Marblehead Community Charter Public School
 Management Discussion and Analysis
 June 30, 2018 (Unaudited)

The following discussion and analysis of Marblehead Community Charter Public School's (the School) financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2018 with comparative totals for fiscal year 2017. Please read this in conjunction with the School's combined financial statements and the related notes, which begin on page 8.

The School as a Whole

The School received their initial charter in June 1994 to operate as a public charter school in the Commonwealth of Massachusetts. The charter is awarded in five-year increments and is subject to renewal by the Commonwealth of Massachusetts Department Elementary and Secondary Education (DESE). The School's charter was renewed during fiscal year 2015 and is effective for the five year period ending June 30, 2020. During fiscal years 2018 and 2017, the School operated grades four through eight and the enrollment was comprised of approximately 230 students for each fiscal year. The School's maximum enrollment approved by the DESE is 230 students.

The School's mission is: *to foster a community that empowers children to become capable, self-determining, fully engaged individuals who are critical and creative thinkers committed to achieving their highest intellectual, artistic, social, emotional, and physical potential.*

Financial Reporting Entity

As required by generally accepted accounting principles, and in conformance with the *GASB Statements No. 14, The Financial Reporting Entity* and *Government Accounting Standards Board (GASB) Statement No. 39, Determining Whether Certain Organizations Are Component Units and subsequently amended by GASB Statement No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34 and GASB No. 80, Blending Requirements for Certain Component Units*, the School evaluated its potential component unit and determined that Marblehead Charter Education Fund, Inc. (Fund) was a component unit of the School and should be presented as a blended component unit in the combined financial statements. The School and its blended component unit, the Fund, are referred to collectively as the Organization.

Using this Annual Report

This annual report consists of a series of combined financial statements. In accordance with *GASB Statement No. 34 - Basic Financial Statement – Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34), the School is considered a special purpose government entity that engages in only business type activities. All of the financial activity of the School is recorded in an enterprise fund within the proprietary fund group. In accordance with *GASB No. 34 and GASB Statement No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Organization issues a *Combined Statement of Net Position*, a *Combined Statement of Revenues, Expenses and Changes in Net Position* and a *Combined Statement of Cash Flows*. These statements provide information about the financial activities of the Organization, as a whole. This annual report also contains notes to the combined financial statements and other information which provides additional information that is essential to a full understanding of the information provided in the combined financial statements.

Marblehead Community Charter Public School
Management Discussion and Analysis - *Continued*
June 30, 2018 (Unaudited)

Financial Statements

The *Combined Statement of Net Position* presents the assets, liabilities and net position of the Organization as a whole, as of the end of the fiscal year and is a point-in-time financial statement. The purpose of the *Combined Statement of Net Position* is to present a fiscal snapshot of the Organization to the readers of the financial statements. Assets are resources with present service capacity that the Organization presently controls. Liabilities are present obligations to sacrifice resources that the Organization has little or no discretion to avoid. Net position represents the difference between all other elements in a statement of net position and is displayed in three components - *net investment in capital assets*; *restricted* (distinguishing between major categories of restrictions); and *unrestricted*.

The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

The *restricted* component of net position consists of restricted assets reduced by liabilities related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

The *unrestricted* component of net position is the net amount of the assets and liabilities that are not included in the determination of *net investment in capital assets* or the *restricted* component of net position.

Over time, readers of the combined financial statements will be able to evaluate the Organization's fiscal health (liquidity and solvency) or financial position by analyzing the increases and decreases in net position to determine if the Organization's financial health is improving or deteriorating. The reader will also need to consider other non-financial factors such as changes in economic conditions and new or amended charter school legislation when evaluating the overall financial health of the Organization. This statement is also a good source for readers to determine how much the Organization owes to vendors and creditors and the available assets that can be used to satisfy those liabilities.

The *Combined Statement of Revenues, Expenses and Changes in Net Position* reports the financial (revenue and expenses) activities of the Organization and divides it into two categories: *Operating activities* and *Non-operating activities*. Operating activities include all financial activities associated with the operation of the Organization and its related programs. Consequently, all non-operating activities include all financial activities not related to the operation of a charter school. Changes in total net position as presented on the *Combined Statement of Revenues, Expenses and Changes in Net Position* are based on the activity presented in this statement. This statement helps to determine whether the Organization had sufficient revenues to cover expenses during the fiscal year and its net increase or net decrease in net position based on current year operations.

Marblehead Community Charter Public School
Management Discussion and Analysis - *Continued*
June 30, 2018 (Unaudited)

Financial Statements – Continued

The *Combined Statement of Cash Flows* provides information about the Organization's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from *operations, investing, and capital and noncapital financing activities* and provides answers to such questions as "from where did cash come?," "for what was cash used?," and "what was the change in the cash balance during the reporting period?" This statement also is an important tool in helping users assess the Organization's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing.

Notes to the Combined Financial Statements provide additional information that is essential to a full understanding of the information provided in the Organization's combined financial statements.

Financial Highlights

The following financial highlights are for the fiscal year ended June 30, 2018 and will provide comparative information for fiscal year 2017.

- The School held total assets of \$4,452,840 and \$4,481,748 at June 30, 2018 and 2017, respectively, of which \$3,923,573 and \$4,019,130, respectively were capital assets and the majority of the remaining assets consisted of cash. The decrease in total assets was mainly due to the decrease in capital assets as the result of fiscal year 2018 depreciation expense.
- The School had total liabilities of \$4,121,837 and \$4,244,625 at June 30, 2018 and 2017, respectively. At June 30, 2018, \$305,725 was current and \$3,816,112 was noncurrent. At June 30, 2017, \$333,264 was current and \$3,911,361 was noncurrent. The decrease in total liabilities was mainly due to the payment of mortgage principal.
- Total net position for the School was \$331,003 and \$237,123 at June 30, 2018 and 2017, respectively, of which \$320,697 and \$223,489, respectively was unrestricted. In addition, for the years ended June 30, 2018 and 2017, the School had \$10,306 and \$13,634, respectively, in net position which was related to net investments in capital assets. The increase in the net position is due to the surplus in fiscal year 2018.
- The School earned total revenues of \$4,029,550 and \$3,886,473 for the years ended June 30, 2018 and 2017, respectively of which 98%, were operating revenues and approximately 2%, were non-operating revenues (private grants, contributions, etc.) for both fiscal years ended June 30, 2018 and 2017. The increase in revenue is due to the increase in per pupil tuition and an increase in on-behalf fringe benefits calculated by the Massachusetts Teachers' Retirement System (MTRS).

Marblehead Community Charter Public School
 Management Discussion and Analysis - *Continued*
 June 30, 2018 (Unaudited)

Financial Highlights - *Continued*

- The School had total expenses of \$3,935,670 and \$3,797,168 for the years ended June 30, 2018 and 2017, respectively. For the years ended June 30, 2018 and 2017, total expenses include operating expenses of \$3,796,868 and \$3,643,088, respectively, and non-operating expenses of \$138,802 and \$154,080, respectively. The increase is mainly due to the on-behalf fringe benefits calculated by the MTRS and an increase in salary and related costs.
- The School had an increase in net position of \$93,880 for the year ended June 30, 2018 and an increase in net position of \$89,305 for the year ending June 30, 2017. In fiscal year 2018, the change in net position was comprised of operating income of \$163,710 and a non-operating loss of \$69,830. In fiscal year 2017, the change in net position was comprised of an operating income of \$148,902 and a non-operating loss of \$59,597.

Budgetary Highlights

The School's practice of conservative budgeting allows management to keep a consistent focus on controlling and monitoring expenses. Based on full enrollment of 230 students the School received slightly more tuition than budgeted.

While expansion of the academic program and increase in the Special Education population necessitated additional salaries, benefits and professional development (training and services), the School was able to achieve savings in other areas. By retiring the line of credit with East Boston Savings Bank the School was not paying interest charges in fiscal year 2018.

The Board is in the final stages of developing a strategic plan for the future of the Organization. It is anticipated that the school will establish a Capital Campaign during fiscal year 2019 to enable us to bring this vision to life.

The School budgeted tuition for fiscal year 2018 based on projected enrollment of 230 students, utilizing the average per pupil rate from the sending districts projected by DESE for fiscal year posted on the DESE Charter School web site. (*Tuition Rate Summary, Projected FY18 Rates by Charter School and Sending District (Q1)(c)*)

School's Financial Activities

The majority of the School's funding was received from DESE and is based on a standard per pupil rate. The School received \$3,055,916 in per pupil funding in fiscal year 2018 compared to \$2,960,804 in per pupil funding in fiscal year 2017. This represent approximately 76% of the School's revenue for both the fiscal years ended June 30, 2018 and 2017. In addition, the School received various government grants, which totaled \$54,242 and \$59,951 for fiscal years 2018 and 2017, respectively.

Marblehead Community Charter Public School
Management Discussion and Analysis - *Continued*
June 30, 2018 (Unaudited)

Contacting the School's Financial Management

This financial report is designed to provide the reader with a general overview of the Organization's finances and to show the accountability for the funds received. If you have questions about this report or need additional financial information, contact the Business Office of Marblehead Community Charter Public School.

Draft 10-23-18

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Combined Statement of Net Position
With Combining Information as of June 30, 2018
With Summarized Comparative Totals as of June 30, 2017

	<i>Marblehead Community Charter Public School</i>	<i>Marblehead Charter Education Fund, Inc.</i>	<i>Memorandum Only Total Primary Government June 30, 2018</i>	<i>Memorandum Only Summarized Comparative June 30, 2017</i>
Assets				
Current Assets:				
Cash	\$ 513,426	\$ 1,228	\$ 514,654	\$ 425,131
Grants and accounts receivable	3,053	720	3,773	24,630
Prepaid expenses	12,788	-	12,788	18,682
Total current assets	<u>529,267</u>	<u>1,948</u>	<u>531,215</u>	<u>468,443</u>
Noncurrent Assets:				
Capital assets, net	<u>3,923,573</u>	-	<u>3,923,573</u>	<u>4,019,130</u>
Total noncurrent assets	<u>3,923,573</u>	-	<u>3,923,573</u>	<u>4,019,130</u>
Total assets	<u>\$ 4,452,840</u>	<u>\$ 1,948</u>	<u>\$ 4,454,788</u>	<u>\$ 4,487,573</u>
Liabilities and Net Position				
Current Liabilities:				
Accounts payable	\$ 169	\$ -	\$ 169	\$ 51,227
Accrued expenses	66,656	-	66,656	59,408
Advances	-	-	-	4,289
Accrued payroll	141,745	-	141,745	124,205
Note payable - current	97,155	-	97,155	94,135
Total current liabilities	<u>305,725</u>	-	<u>305,725</u>	<u>333,264</u>
Noncurrent Liabilities:				
Note payable	<u>3,816,112</u>	-	<u>3,816,112</u>	<u>3,911,361</u>
Total noncurrent liabilities	<u>3,816,112</u>	-	<u>3,816,112</u>	<u>3,911,361</u>
Total liabilities	<u>4,121,837</u>	-	<u>4,121,837</u>	<u>4,244,625</u>
Net Position:				
Net investment in capital assets	10,306	-	10,306	13,634
Unrestricted	<u>320,697</u>	<u>1,948</u>	<u>322,645</u>	<u>229,314</u>
Total net position	<u>331,003</u>	<u>1,948</u>	<u>332,951</u>	<u>242,948</u>
Total liabilities and net position	<u>\$ 4,452,840</u>	<u>\$ 1,948</u>	<u>\$ 4,454,788</u>	<u>\$ 4,487,573</u>

See accompanying notes to combined financial statements.

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Combined Statement of Revenues, Expenses, and Changes in Net Position
With Combining Information For the Year Ending June 30, 2018
With Summarized Comparative Totals For the Year Ending June 30, 2017

	<i>Marblehead Community Charter Public School</i>	<i>Marblehead Charter Education Fund, Inc.</i>	Memorandum Only <i>Total Primary Government June 30, 2018</i>	Memorandum Only <i>Summarized Comparative June 30, 2017</i>
Operating revenues:				
Tuition	\$ 3,055,916	\$ -	\$ 3,055,916	\$ 2,960,804
Federal grants	54,242	-	54,242	59,951
Food service	111,299	-	111,299	106,025
Other revenues	102,683	-	102,683	60,205
Student activities	74,038	-	74,038	97,687
On-behalf fringe benefits	562,400	-	562,400	507,318
Total operating revenues	<u>3,960,578</u>	<u>-</u>	<u>3,960,578</u>	<u>3,791,990</u>
Operating expenses:				
Salaries	2,175,453	-	2,175,453	2,094,980
Payroll taxes	99,332	-	99,332	87,260
Fringe benefits	297,361	-	297,361	286,151
Occupancy	68,725	-	68,725	49,692
Professional services	44,350	-	44,350	29,481
Insurance	27,663	-	27,663	27,220
Student supplies and materials	162,476	-	162,476	198,013
Student activities	60,504	-	60,504	66,004
Office	27,299	-	27,299	27,194
Food service	68,123	-	68,123	67,293
Training and development	17,330	-	17,330	21,064
Repairs and maintenance	89,638	-	89,638	87,056
On-behalf fringe benefits	562,400	-	562,400	507,318
Depreciation	95,557	-	95,557	96,448
Contracted services	-	352	352	1,195
Miscellaneous	657	803	1,460	3,626
Total operating expenses	<u>3,796,868</u>	<u>1,155</u>	<u>3,798,023</u>	<u>3,649,995</u>
Operating income/(loss)	<u>163,710</u>	<u>(1,155)</u>	<u>162,555</u>	<u>141,995</u>
Nonoperating revenues/(expenses):				
Rental income	13,639	-	13,639	11,375
Contributions	14,700	14,345	29,045	34,167
Interest income	92	8	100	112
Fundraising income	23,541	2,400	25,941	71,134
Fundraising expense	-	(2,475)	(2,475)	(14,884)
Contributions from Fund/(to School)	17,000	(17,000)	-	-
Other expense	(6,601)	-	(6,601)	(10,591)
Interest expense	(132,201)	-	(132,201)	(143,489)
Total net nonoperating (expenses)/revenues	<u>(69,830)</u>	<u>(2,722)</u>	<u>(72,552)</u>	<u>(52,176)</u>
Change in net position	<u>93,880</u>	<u>(3,877)</u>	<u>90,003</u>	<u>89,819</u>
Net position, beginning of the year	<u>237,123</u>	<u>5,825</u>	<u>242,948</u>	<u>153,129</u>
Net position, end of the year	<u>\$ 331,003</u>	<u>\$ 1,948</u>	<u>\$ 332,951</u>	<u>\$ 242,948</u>

See accompanying notes to combined financial statements.

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Combined Statement of Cash Flows
With Combining Information For the Year Ended June 30, 2018
With Summarized Comparative Totals For the Year Ended June 30, 2017

	<i>Marblehead</i>		<i>Memorandum Only</i>	
	<i>Community Charter</i>	<i>Marblehead Charter</i>	<i>Total Primary</i>	<i>Summarized</i>
	<i>Public School</i>	<i>Educational Fund, Inc.</i>	<i>Government</i>	<i>Comparative</i>
			<i>June 30, 2018</i>	<i>June 30, 2017</i>
Cash flows from operating activities:				
Receipts from tuition	\$ 3,055,916	\$ -	\$ 3,055,916	\$ 2,960,804
Receipts from governmental grants	54,242	-	54,242	62,414
Receipts from food service program	108,246	-	108,246	106,025
Receipts from other	201,351	-	201,351	133,262
Payments to employees	(2,558,895)	-	(2,558,895)	(2,476,254)
Payments to suppliers and vendors	(604,681)	(1,155)	(605,836)	(576,668)
Net cash provided by/(used in) operating activities	<u>256,179</u>	<u>(1,155)</u>	<u>255,024</u>	<u>209,583</u>
Cash flows from investing activities:				
Interest income	<u>92</u>	<u>8</u>	<u>100</u>	<u>83</u>
Net cash provided by investing activities	<u>92</u>	<u>8</u>	<u>100</u>	<u>83</u>
Cash flows from non capital financing activities:				
Non-operating receipts	68,880	16,025	84,905	167,926
Non-operating disbursements	(6,601)	(19,475)	(26,076)	(76,696)
Net cash provided by/(used in) noncapital financing activities:	<u>62,279</u>	<u>(3,450)</u>	<u>58,829</u>	<u>91,230</u>
Cash flows from capital and financing activities:				
Payment of line of credit	-	-	-	(76,569)
Payments of loan principal	(92,229)	-	(92,229)	(88,813)
Interest expense	(132,201)	-	(132,201)	(143,489)
Purchase of capital assets	-	-	-	-
Net cash used in capital and financing activities	<u>(224,430)</u>	<u>-</u>	<u>(224,430)</u>	<u>(308,871)</u>
Change in cash	94,120	(4,597)	89,523	(7,975)
Cash, beginning of year	419,306	5,825	425,131	433,106
Cash, end of year	<u>\$ 513,426</u>	<u>\$ 1,228</u>	<u>\$ 514,654</u>	<u>\$ 425,131</u>
Reconciliation of operating income to net cash provided by/(used in) in operating activities:				
Total net operating (loss)/income	\$ 163,710	\$ (1,155)	\$ 162,555	\$ 141,995
<i>Adjustments to reconcile total net operating income/(loss) to net cash provided by/(used in) operating activities:</i>				
Depreciation	95,557	-	95,557	96,448
<i>Changes in operating assets and liabilities:</i>				
Grants and accounts receivable	21,577	-	21,577	(22,167)
Prepaid rent and prepaid expenses	5,894	-	5,894	7,890
Advances	(4,289)	-	(4,289)	(11,086)
Accounts payable	(51,058)	-	(51,058)	(9,709)
Accrued expenses	24,788	-	24,788	6,212
Net cash provided by/(used in) operating activities	<u>\$ 256,179</u>	<u>\$ (1,155)</u>	<u>\$ 255,024</u>	<u>\$ 209,583</u>

See accompanying notes to combined financial statements.

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**

Notes to Combined Financial Statements
June 30, 2018

1. Nature of Organization

Marblehead Community Charter Public School (the School) was formed in 1994 after receiving its charter from the Commonwealth of Massachusetts under Chapter 71, Section 89 of the General Laws of Massachusetts. The School's charter is awarded in five year increments and is subject to renewal at the discretion of the Commonwealth of Massachusetts' Department of Elementary and Secondary Education (DESE). The School's charter was most recently renewed in 2015 and expires on June 30, 2020. DESE provided approximately 78% of the funding to the School for both the years ended June 30, 2018 and 2017, through a per pupil reimbursement and Federal and Commonwealth of Massachusetts grants.

The School is located in Marblehead, Massachusetts and offers children primarily residing in Marblehead and Swampscott, in grades four through eight, a public supported academic education.

The School's mission is: *to foster a community that empowers children to become capable, self determining, fully engaged individuals who are critical and creative thinkers committed to achieving their highest intellectual, artistic, social, emotional, and physical potential. The School is dedicated to involving learning from, participating in, and serving our school community and the community at large.*

The combined financial statements consist of the following:

Primary Government

- Marblehead Community Charter Public School (the School) – operates as a middle school in Marblehead, Massachusetts and serves 230 students in grades four through eight.
- Marblehead Charter Education Fund, Inc. (the Fund) – is a legally separate, tax-exempt organization that acts primarily as a fundraising organization to supplement the resources of the School. The Fund is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Because these restricted resources can only be used by or for the benefit of the School, the Fund is considered a component unit of the School and is presented as a blended component unit.

The School and its blended component unit, the Fund, are collectively referred to as the Organization.

2. Summary of Significant Accounting Policies

The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America, as applicable to governmental units. The following is a summary of the Organization's significant accounting policies:

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2018

2. *Summary of Significant Accounting Policies – Continued*

Financial Reporting Entity

As required by generally accepted accounting principles, and in conformance with the *Government Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity* and *GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units and subsequently amended by GASB Statement No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, and *GASB No. 80, Blending Requirements for Certain Component Units* the School evaluated its potential component unit to determine the reporting entity.

The reporting entity consists of the School and its blended component unit. Component units are legally separate organizations for which the board is financially accountable for or other organizations whose nature and significant relationship with the School are such that exclusion would cause the combined financial statements to be misleading or incomplete. The School is financially accountable if it appoints a majority of the Fund's board members and (1) is able to impose its will on the Fund, or (2) there is a potential to provide specific financial benefit to or impose a burden on the School.

The Fund was evaluated and is included as a blended component unit in fiscal years 2018 and 2017. The blended component unit, although a legally separate entity, is in substance, part of the School's operations and therefore, the financial data is combined and reported within the financial data of the primary government for the respective fiscal year.

The Fund is a non-profit organization that reports under Financial Accounting Standards Board (FASB) accounting standards, including *Accounting Standards Codification 958 (ASC 958), Financial Reporting for Non-Profit Organizations*. As such, certain revenue recognition criteria and financial presentation features are different from GASB revenue recognition and financial presentation features. No modifications have been made to the Fund's financial information in the School's reporting entity for those differences.

Complete financial statements for the Fund can be obtained from the School's Business Office.

Financial Statement Presentation

The School, in accordance with *GASB Statement No. 34 - Basic Financial Statement – and Management's Discussion and Analysis - for State and Local Governments*, is considered a special purpose governmental entity that engages in only business type activities and is not a component unit of another governmental entity. Therefore, all of the financial activity is recorded in the enterprise fund.

Basis of Accounting

The accrual basis of accounting is used for all governmental entities that operate as business type entities. Accordingly revenue is recognized when earned and capital assets and expenditures are recorded when received and incurred, respectively.

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2018

2. *Summary of Significant Accounting Policies – Continued*

Basis of Accounting - Continued

Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the School has elected to apply the provisions of all relevant pronouncements of the FASB that do not conflict with or contradict GASB pronouncements.

Tax Status

The School was established under a charter granted by DESE and operates as a part of the Commonwealth of Massachusetts and is therefore, generally exempt from income taxes under Section 115 of the Internal Revenue Code.

The Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Fund is also exempt from Massachusetts income taxes.

The Fund evaluates its tax positions taken or expected to be taken in its tax returns to determine whether the tax positions are more-likely-than-not of being sustained by the applicable federal or state authority. The Fund has evaluated the tax positions taken in its previously filed returns and those expected to be taken in its 2018 returns and believes they are more-likely-than not to be sustained if examined by federal or state tax authorities. The Fund's returns are subject to examination by federal and state tax authorities for up to a three year period after the returns have been filed (2015 - 2017).

Cash and Cash Equivalents

For the purpose of the *Combined Statement of Net Position* and the *Combined Statement of Cash Flows*, the Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents. As of June 30, 2018 and 2017, the Organization did not hold any cash equivalents.

Capital Assets

Capital assets are recorded at cost or at fair market value at the date of donation. Capital assets purchased with a cost or value greater than \$5,000 are capitalized. Depreciation is computed on the straight-line basis using estimated useful lives of 39 years for building, 3 years for computer hardware and software, 5 years for office equipment and office furniture, and 10 years for equipment.

Grants and Accounts Receivable

Grants and accounts receivables are presented net of the allowance for doubtful accounts. Management's periodic evaluation of the adequacy of the allowance is based on its past experience. Receivables are written off when deemed uncollectible. At June 30, 2018 and 2017, no allowance for doubtful accounts had been recorded, as management considers all receivables to be fully collectible.

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2018

2. *Summary of Significant Accounting Policies – Continued*

Operating Revenue and Expenses

Operating revenue and expenses generally result from providing educational and instructional services in connection with the Organization's principal ongoing operations. The principal operating revenues include tuition and Federal and Commonwealth of Massachusetts grants. Operating expenses include educational costs, administrative expenses and depreciation on capital assets. All other revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

Classification of Net Position

The following are the net position classifications:

- Net Investment in Capital Assets – book value of capital assets net of any related debt
- Restricted – amounts that can be spent only for specific purposes because of externally imposed restrictions by grantors or contributors
- Unrestricted Net Position – portion of funds to support operations

The Organization applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates

The preparation of the combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Compensated Absences

Employees of the School are entitled to paid vacations and paid holidays, depending on the job classification, length of service, and other factors. Any unused absences not used by fiscal year end are not paid out and therefore the School does not accrue for these.

Advances

Revenue is recognized when earned, however funds received that are not earned as of year end are recorded within the liabilities as advances.

On-Behalf Payments

The School recognizes its proportional share of pension revenue and expense, as reported by Massachusetts Teachers' Retirement System (the MTRS), as on-behalf payments in the *Combined Statement of Revenues, Expenses, and Changes in Net Position*.

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2018

2. Summary of Significant Accounting Policies – Continued

Summarized Comparative Information

The combined financial statements include certain prior-year summarized comparative information in total but not by individual reporting entity. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's combined financial statements for the fiscal year ended June 30, 2017, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

3. Deposits with Financial Institutions

The Organization maintained its cash accounts at two financial institutions. These balances at times may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit per financial institution. Management acknowledges the possibility of risk in this arrangement; however, the size and longevity of the depository institution minimizes such risk. In addition, one of the financial institutions is a Massachusetts Chartered Savings Bank that maintains additional insurance through the Depositors Insurance Fund, a private industry sponsored insurance company.

As required by GASB Statement No. 40, *Deposits and Investment Risk Disclosures*. The following represents a summary of deposits as of June 30, 2018 and 2017:

	2018	2017
Fully insured deposits	\$ 590,753	\$ 212,491
Uncollateralized	<u>299</u>	<u>-</u>
Total	<u>\$ 591,052</u>	<u>\$ 212,491</u>

4. Other Receivables

Grants and other receivables at June 30, 2018 and 2017 are as follows:

	2018	2017
Commonwealth of Massachusetts	\$ 3,053	\$ -
Other	<u>720</u>	<u>24,630</u>
Total	<u>\$ 3,773</u>	<u>\$ 24,630</u>

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2018

5. Capital Assets

The following are the capital assets as of June 30, 2018 and 2017:

School

	<i>Balance</i>			<i>Balance</i>
	<i>July 1, 2017</i>	<i>Additions</i>	<i>Deletions</i>	<i>June 30, 2018</i>
<i>Capital assets not being depreciated</i>				
Land	\$ 687,400	\$ -	\$ -	\$ 687,400
Total capital assets not being depreciated	<u>687,400</u>	<u>-</u>	<u>-</u>	<u>687,400</u>
<i>Capital assets being depreciated</i>				
Building	3,562,600	-	-	\$ 3,562,600
Building improvements	33,184	-	-	33,184
Equipment and computers	86,648	-	-	86,648
Total capital assets being depreciated	<u>3,682,432</u>	<u>-</u>	<u>-</u>	<u>3,682,432</u>
<i>Less accumulated depreciation</i>				
Building	258,822	91,348	-	\$ 350,170
Building improvements	6,124	3,318	-	9,442
Equipment and computers	85,756	891	-	86,647
Total accumulated depreciation	<u>350,702</u>	<u>95,557</u>	<u>-</u>	<u>446,259</u>
Capital assets, net	<u>\$ 4,019,130</u>	<u>\$ (95,557)</u>	<u>\$ -</u>	<u>\$ 3,923,573</u>
	<i>Balance</i>			<i>Balance</i>
	<i>July 1, 2016</i>	<i>Additions</i>	<i>Deletions</i>	<i>June 30, 2017</i>
<i>Capital assets not being depreciated</i>				
Land	\$ 687,400	\$ -	\$ -	\$ 687,400
Total capital assets not being depreciated	<u>687,400</u>	<u>-</u>	<u>-</u>	<u>687,400</u>
<i>Capital assets being depreciated</i>				
Building	3,562,600	-	-	3,562,600
Building improvements	33,184	-	-	33,184
Equipment and computers	86,648	-	-	86,648
Total capital assets being depreciated	<u>3,682,432</u>	<u>-</u>	<u>-</u>	<u>3,682,432</u>
<i>Less accumulated depreciation</i>				
Building	167,473	91,349	-	258,822
Building improvements	2,806	3,318	-	6,124
Equipment and computers	83,975	1,781	-	85,756
Total accumulated depreciation	<u>254,254</u>	<u>96,448</u>	<u>-</u>	<u>350,702</u>
Capital assets, net	<u>\$ 4,115,578</u>	<u>\$ (96,448)</u>	<u>\$ -</u>	<u>\$ 4,019,130</u>

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2018

6. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at June 30, 2018 and 2017 are as follows:

	<i>2018</i>	<i>2017</i>
Payables to vendors	\$ 66,825	\$ 110,635
Accrued payroll	<u>141,745</u>	<u>124,205</u>
Total	<u>\$ 208,570</u>	<u>\$ 234,840</u>

7. Mortgage Payable

The School entered into a \$4,250,000 mortgage agreement with a financial institution during fiscal year 2015 at a fixed interest rate of 3.29% through August 2024, then adjusted annually to the Federal Home Loan Bank of Boston advance rate plus .50% through August 2044. The mortgage is secured by the property located on 17 Lime Street, Marblehead, Massachusetts and substantially all assets of the School. The mortgage is also guaranteed by the Marblehead Community Charter Public School Foundation, Inc. (prior component unit). The principal balance outstanding as of June 30, 2018 and 2017 was \$3,913,267 and \$4,005,496, respectively. Interest expense was \$132,201 and \$135,617 for the years ended June 30, 2018 and 2017, respectively.

The following summarizes the long term debt activity of the Organization for the year ended June 30, 2018 and 2017:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
June 30, 2018	<u>\$4,005,496</u>	<u>\$ -</u>	<u>\$ 92,229</u>	<u>\$3,913,267</u>	<u>\$ 97,155</u>
	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
June 30, 2017	<u>\$4,094,309</u>	<u>\$ -</u>	<u>\$ 88,813</u>	<u>\$4,005,496</u>	<u>\$ 94,135</u>

Aggregate maturities of the long-term debt for the term of the loan are as follows:

<i>Fiscal Year</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2019	\$ 97,155	\$ 127,275	\$ 224,430
2020	100,400	124,030	224,430
2021	103,753	120,677	224,430
2022	107,218	117,212	224,430
2023	110,800	113,630	224,430
Thereafter	<u>3,393,941</u>	<u>1,306,799</u>	<u>4,700,740</u>
Total	<u>\$3,913,267</u>	<u>\$1,909,623</u>	<u>\$5,822,890</u>

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2018

8. Line of Credit

The School has a \$300,000 line of credit with a financial institution expiring on December 31, 2018. Advances on this line of credit are payable on demand and carried an interest rate of 1% over the prime rate, which was 5.5% and 4.75% at June 30, 2018 and 2017, respectively. The credit line is collateralized by a security interest in substantially all business assets of the School. The outstanding balance on the line of credit for both years ended June 30, 2018 and 2017 was \$0. Interest paid during fiscal years 2018 and 2017 was \$0 and \$2,995, respectively.

9. Operating Lease Commitments

The School leased certain office equipment under non-cancelable operating leases that expire between March 2019 and December 2020.

Rent expense on the leases was \$13,456 and \$12,607 during the years ended June 30, 2018 and 2017, respectively. The following represents minimum lease payments for the remaining term of the leases:

<i>Fiscal Year</i>	<i>Amount</i>
2019	\$10,323
2020	\$ 2,426
2021	\$ 1,213

10. Retirement Plans

Massachusetts Teachers Retirement System

The Commonwealth of Massachusetts provides for retirement benefits to the School's eligible teachers through the Massachusetts Teachers' Retirement System (the MTRS), a contributory retirement system administered by the Massachusetts Teachers' Retirement Board. The MTRS is governed by Massachusetts General Laws (M.G.L.), Chapter 32, as well as regulations contained in the Code of Massachusetts Regulations (CMR). Oversight is provided by a seven member board. The MTRS issues a publicly available annual report that includes financial statements and required supplementary information, which may be obtained by writing to Public Employee Retirement Administration Commission (PERAC), 5 Middlesex Avenue, Suite 304, Somerville, Massachusetts, 02145.

This retirement plan requires an employee contribution of five, seven, eight, or eleven percent (depending on the plan and the employment date) of the employee's compensation. The School is not assessed under this plan. This retirement system is a contributory defined benefit plan covering all the employees deemed eligible. Members of the plan become vested after 10 years of creditable service. A retirement allowance may be received upon reaching age 55 and upon attaining 20 years of service.

The plan also provides for retirement at age 55 if the participant (1) has a record of 10 years of creditable service, (2) was first employed by the School after January 1, 1978, (3) voluntarily left School employment on or after that date, and (4) left an accumulated annuity deduction in the fund.

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2018

10. Retirement Plans – Continued

The MTRS retirement plan, under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, is required by statute to determine the net pension liability for all participants. The net pension liability for the retirement plan at the June 30, 2017 measurement date was determined by an actuarial valuation prepared as of January 1, 2017 rolled forward to June 30, 2017. At June 30, 2018 and 2017, the School's share of MTRS net pension liability was \$5,388,374 and \$4,973,387, respectively.

11. On-Behalf Payments

In accordance with *GASB Statement 68, Accounting and Financial Reporting for Pensions*, the School is required to recognize its proportional share of pension revenue and expenses, as reported by MTRS, as on-behalf payments in their combined financial statements. As of June 30, 2018 and 2017, the School recognized \$562,400 and \$507,318, respectively of on-behalf revenues and expenses.

11. Contingencies

Grant Funding

The School is subject to audit of its Federal and State grants and contracts and as such, if determined that funds are not expended in accordance with the grant and contract agreements, the grantor agency has the right to recapture these funds. As of the date of these statements, the materiality of adjustments to final costs, if any, cannot be determined and therefore no adjustment has been recorded in the accompanying combined financial statements.

Cumulative Surplus Revenue

Effective July 1, 2010, any cumulative surplus revenue generated by the School must comply with M.G.L. c. 71, §89 (as amended by Chapter 12 of the Acts of 2010 under §7 (hh)). In accordance with this legislation and subsequent DESE regulations, if the School's cumulative surplus revenue, as defined, exceeds 20% of its operating budget and its budgeted capital costs for the succeeding fiscal year, the amount in excess of said 20% shall be returned by the School to the sending district or districts and the Commonwealth in proportion to their share of tuition paid during the fiscal year.

Unemployment Insurance

Previously to January 1, 2010, the School was self-insured in regards to unemployment insurance with the Commonwealth of Massachusetts. As of June 30, 2018 and 2017, the financial statements include a liability of \$40,978 payable to the Commonwealth of Massachusetts for unpaid unemployment claims. The actual amount due to the Commonwealth inclusive of interest, if any, cannot be determined as of June 30, 2018.

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2018

12. Related Party Transactions

During fiscal year 2018 and 2017, the Fund donated \$17,000 and \$51,221, respectively to the School.

13. Concentrations

During fiscal year 2018 and 2017, DESE provided 78% for both fiscal years of the Organization's revenue through Federal and Commonwealth funding.

14. Rental Income

In fiscal years, 2018 and 2017, the School leased out approximately 700 square feet of the building and parking spaces for elderly housing and residents in the neighborhood. All leases are tenancy at will. Related rental income for the fiscal years ended June 30, 2018 and 2017 was \$13,639 and \$11,375, respectively.

15. Subsequent Events

The Organization has evaluated subsequent events through **October XX, 2018**, which is the date the combined financial statements were available to be issued. There are no recognized subsequent events, events that provide additional evidence about conditions that existed at the *Combined Statement of Net Position* date, or non-recognized subsequent events, or events that provide evidence about conditions that did not exist at the *Combined Statement of Net Position* date, which are necessary to disclose to keep the combined financial statements from being misleading.

**REPORT ON INTERNAL CONTROL AND
ON COMPLIANCE IN ACCORDANCE
WITH
GOVERNMENT AUDITING STANDARDS**

Draft 10-23-18



DANIEL DENNIS & Co
Certified Public Accountants

Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance
And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With
Government Auditing Standards

The Board of Trustees

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined statement of net position of Marblehead Community Charter Public School and the Marblehead Charter Education Fund, Inc., (collectively, the Organization), as of and for the year ended June 30, 2018, and the related combined statements of revenues, expenses and changes in net position and cash flows, and the related notes to the combined financial statements, which comprise the Organization's combined financial statements, and have issued our report thereon dated **October XX, 2018**.

Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Organization's internal control over financial reporting (internal controls) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's combined financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that might be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the combined financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2018-01 and 2018-02.

The Organization's Response to Findings

The Organization's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Organization's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and **not** to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is **not** suitable for any other purpose.

October XX, 2018

**SCHEDULE OF FINDINGS AND
RESPONSES**

Draft 10-23-18

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Schedule of Findings and Responses
For the Year Ended June 30, 2018

2018-01 MTRS Eligibility

Condition

One of five individuals selected for Massachusetts Teacher's Retirement System (MTRS) eligibility testing was improperly enrolled into MTRS.

Criteria

Eligibility for membership in the MTRS is primarily determined by the definition of "teacher" in M.G.L. c. 32, §1 and within other sections of Chapter 32, Chapter 71 §89(y).

Effect

Non-compliance with DESE's MTRS regulations.

Cause

The School did not have the necessary internal controls in place to determine the individual's eligibility.

Recommendation

We recommend that the School review its internal controls over MTRS eligibility to ensure all individuals are properly enrolled or not enrolled.

Management's Response

The individual in question was previously enrolled in MTRS but was working in a different capacity at another charter school. The MCCPS Business Manager reenrolled the new employee into MTRS using the available job description 'Other'. The School in the future will contact MTRS representatives for guidance anytime an employee has an atypical job title.

Responsibility

The management of the School will be responsible for implementation of the corrective action.

Timing

The corrective action will be implemented during fiscal year 2019.

Marblehead Community Charter Public School and

Marblehead Charter Education Fund, Inc.

Schedule of Findings and Responses - *Continued*

For the Year Ended June 30, 2018

2018-02 20% Excess Carryover Calculation within the CSEOYR

Condition

There was an error related to debt service payments resulting in an overstatement of the surplus in the 20% excess carryover calculation (the calculation).

Criteria

In accordance with M.G.L. c. 71, § 89 any cumulative tuition revenue surplus in excess of 20% of its operating budget and its capital costs must be returned by a Commonwealth charter school to the sending district(s). The charter school must calculate the cumulative tuition revenue surplus using the prescribed Department format and include this schedule as part of the Charter School End of Year Financial Report (CSEOYFR).

Effect

The surplus carried into the next fiscal year is overstated.

Cause

The School did not have the necessary internal controls in place to ensure the calculation was prepared in accordance with the prescribed guidelines.

Recommendation

We recommend that the School review the calculation and ensure it follows the content required by DESE.

Management's Response

The School will revise and resubmit an updated calculation to DESE.

Responsibility

The management of the School will be responsible for implementation of the corrective action.

Timing

The corrective action will be implemented during fiscal year 2019.

SCHEDULE OF PRIOR YEAR FINDINGS

Draft 10-23-18

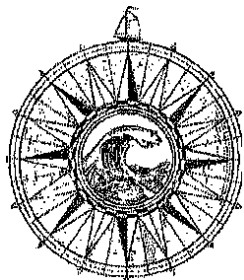
**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2018

No Prior Year Findings

Draft 10-23-18

BOARD ACCEPTANCE LETTER

Draft 10-23-18



Marblehead Community Charter Public School
17 Lime Street Marblehead, MA 01945
Tel: 781-631-0777 Fax: 781-631-0500
Web: marbleheadcharter.org

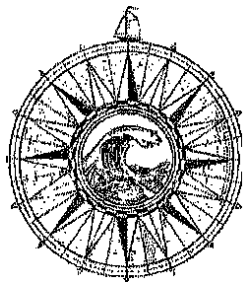
ACCEPTANCE OF THE BOARD OF TRUSTEES

We, the Board of Trustees of Marblehead Community Charter Public School and Marblehead Charter Education Fund, Inc. or its designated committee or individual, have voted to accept the representations of management and the expression of the opinions made by Daniel Dennis & Company LLP as embodied in the combined financial statements and independent auditors' reports for the year ended June 30, 2018.

We also certify that the representations made by management and the disclosures in the combined financial statements are accurate and have been correctly and completely disclosed as required by accounting principles generally accepted in the United States of America and the Commonwealth of Massachusetts Charter School Audit Guide for the period ended June 30, 2018.

Board President or Treasurer
or Other Designated Person

Open Date, 2018



Marblehead Community Charter Public School
17 Lime Street Marblehead, MA 01945
Tel: 781-631-0777 Fax: 781-631-0500
Web: marbleheadcharter.org

ACCEPTANCE OF THE BOARD OF TRUSTEES

We, the Board of Trustees of Marblehead Community Charter Public School and Marblehead Charter Education Fund, Inc. or its designated committee or individual, have voted to accept the representations of management and the expression of the opinions made by Daniel Dennis & Company LLP as embodied in the combined financial statements and independent auditors' reports for the year ended June 30, 2018.

We also certify that the representations made by management and the disclosures in the combined financial statements are accurate and have been correctly and completely disclosed as required by accounting principles generally accepted in the United States of America and the Commonwealth of Massachusetts Charter School Audit Guide for the period ended June 30, 2018.

Signature: _____

Title: _____

Date: October 30, 2018

Cover Sheet

Policy Adoption

Section: V. Other Business
Item: F. Policy Adoption
Purpose: Vote
Key Result: ORGANIZATIONALLY VIABLE/BOARD CONTINUITY
Submitted by:
Related Material: Emergency Succession Policy.docx
POLICY ADOPTION - PROPOSAL.docx

Marblehead Community Charter Public School
Emergency Succession Plan
-----, 2018

Emergency Succession Policy

Marblehead Community Charter Public School believes that in order for essential school functions to continue, the school will maintain an Emergency Succession Plan for all key Administrative Roles.

The Board of Trustees will review the Emergency Succession Plan on an annual basis.

POLICY ADOPTION Proposal

Adoption of new policies or changing existing policies is solely the responsibility of the Board of Trustees. Policies will be adopted and/or amended only by the affirmative vote of a majority of the members of the Board of Trustees when such action has been scheduled on the agenda of a regular or special meeting.

To permit time for study of all policies or amendments to policies and to provide an opportunity for interested parties to react, proposed policies or amendments will be presented as an agenda item to the Board in the following sequence:

1. Information item - distribution with agenda
2. Discussion item - first reading of proposed policy or policies; response from Head of School; report from any advisory Committee assigned responsibility in the area; Committee discussion and directions for any redrafting
3. Action item - discussion, adoption or rejection.

Amendments to the policy at the action stage will not require repetition of the sequence, unless the Board so directs.

The Board of Trustees may dispense with the above sequence to meet emergency conditions.

Policies will be effective upon the date set by the Board of Trustees. This date will ensure that affected persons have an opportunity to become familiar with the requirements of the new policy prior to its implementation.

Read –

Adopted -

Cover Sheet

HOS Succession Plan

Section: V. Other Business
Item: G. HOS Succession Plan
Purpose: Vote
Submitted by:
Related Material: Emergency Succession Plan For MCCPS HOS.docx

Emergency Succession Plan For Marblehead Community Charter Public School

The Board of Trustees of Marblehead Community Charter Public School recognizes that this is a plan for contingencies due to the disability, death, or departure of the Head of School. If the organization is faced with the unlikely event of an untimely vacancy, Marblehead Community Charter Public School has in place the following emergency succession plan to facilitate the transition to both interim and longer-term leadership.

The Board of Trustees of Marblehead Community Charter Public School has reviewed the job description of the Head of School. The job description is attached. The Board of Trustees has a clear understanding of the Head of School's role in organizational leadership, program development, program administration, operations, Board of Trustees relationships, financial operations, resource development, and community presence.

Succession Plan in Event of a Temporary, Unplanned Absence:

Short-Term

A temporary absence is one of less than three months in which it is expected that the Head of School will return to his/her position once the events precipitating the absence are resolved. An unplanned absence is one that arises unexpectedly, in contrast to a planned leave; such as a vacation or a sabbatical. The Board of Trustees is authorized (or authorizes the Executive Committee) of Marblehead Community Charter Public School to implement the terms of this emergency plan in the event of the unplanned absence of the Head of School.

In the event of an unplanned absence of the Head of School, the Assistant Head of School (or other highest ranking staff member) is to immediately inform the Board Chair (or highest ranking volunteer board member) of the absence. As soon as it is feasible, the Chair should convene a meeting of the Board of Trustees to affirm the procedures prescribed in this plan or to make modifications as the Board of Trustees deems appropriate.

At the time that this plan was approved, the position of Acting Head of School would be:

William Sullivan, Assistant Head of School

Should the standing appointee to the position of Acting Head of School be unable to serve, the back-up appointee for the position of Acting Head of School will be:

(1) Matt Cronin, Director of Curriculum

If this Acting Head of School is new to his/her position and fairly inexperienced with this organization, the Board of Trustees may decide to appoint a back-up appointees to the acting Head of School position. The Board of Trustees may also consider the option of splitting executive duties among designated appointees.

Authority and Compensation of the Acting Head of School

The person appointed as Acting Head of School shall have the full authority for decision-making and independent action as the regular Head of School.

The Acting Head of School may be offered a temporary salary increase during the Acting Head of School Period as negotiated with the Board of Trustees.

Board Oversight

The Board of Trustees responsible for monitoring the work of the Acting Head of School shall be Board Chair, other board member appointed.

The above named people will be sensitive to the special support needs of the Acting Head of School in this temporary leadership role.

Immediate Action Items –

- The Acting Head of School and the Chair of the Board of Trustees will make notifications to the Massachusetts Department of Elementary Education of the change in leadership.
- The Acting Head of School and the Chair of the Board of Directors will send a joint statement to the Marblehead Community Charter School community of the change in leadership.
- Removal of previous Head of School from all bank accounts.
- Change all passwords and security codes.
- Retrieve all keys in possession of previous Head of School
- Deactivate Head of School email address, and forward all email to Acting Head of School email address.

Communications Plan

Immediately upon transferring the responsibilities to the Acting Head of School, the Board Chair (or highest ranking Board member) will notify staff

members, members of the Board of Trustees, and key volunteers of the delegation of authority.

As soon as possible after the Acting Head of School has begun covering the unplanned absence, Board members and the Acting Head of School shall communicate the temporary leadership structure to the following key external supporters of Marblehead Community Charter Public School. This may include (but not be limited to) Massachusetts Department of Elementary and Secondary Education, Town government officers (Police, Fire, Schools, Board of Health, Town Manager, Park and Recreation), foundation program officers, and major donors.

The Message to the Faculty, Staff, Students, Parents and Community shall be:

The Board of Trustees would like to thank NAME for their service as Head of School for the MCCPS Community. At this time NAME has notified the Board of Trustees of a Short-Term Leave of Absence, Long-Term Leave of Absence, or has decided to leave MCCPS for future endeavors (depending on circumstances).

As of this email, in accordance with the Emergency Succession Plan, Mr. William Sullivan is the Acting Head of School.

The Board of Trustees will meet on DATE to formally appoint an Acting Head of School. All members of our community are invited to attend this very important meeting.

Completion of Short-Term Emergency Succession Period

The decision about when the absent Head of School returns to lead Marblehead Community Charter Public School should be determined by the Head of School and the Board Chair. They will decide upon a mutually agreed upon schedule and start date. A reduced schedule for a set period of time can be allowed, by approval of the Board Chair, with the intention of working their way back up to a full-time commitment.

Succession Plan in Event of a Temporary, Unplanned Absence:

Long-Term

A long-term absence is one that is expected to last more than three months. The procedures and conditions to be followed should be the same as for a short-term absence with one addition:

The Board of Trustees will give immediate consideration, in consultation with the Acting Head of School, to temporarily filling the management position left

vacant by the Acting Head of School. This is in recognition of the fact that for a term of more than three months, it may not be reasonable to expect the Acting Head of School to carry the duties of both positions. The position description of a temporary manager would focus on covering the priority areas in which the Acting Head of School needs assistance.

Completion of Long-Term Emergency Succession Period

The decision about when the absent Head of School returns to lead Marblehead Community Charter Public School should be determined by the Head of School and the Board Chair. They will decide upon a mutually agreed upon schedule and start date. A reduced schedule for a set period of time can be allowed, by approval of the Board Chair, with the intention of working the way up to a full-time commitment.

Succession Plan in Event of a Permanent Change in Head of School

A permanent change is one in which it is firmly determined that the Head of School will not be returning to the position. The procedures and conditions should be the same as for a long-term temporary absence with one addition:

The Board of Trustees will appoint a Transition and Search Committee within 30 days to plan and carry out a transition to a new permanent Head of School. The Board will also consider the need for outside consulting assistance depending on the circumstances of the transition and the board's capacity to plan and manage the transition and search. The Transition and Search Committee will also determine the need for an Interim Head of School, and plan for the recruitment and selection of an Interim Head of School and/or permanent Head of School.

Checklist for Acceptance of All Types of Emergency Succession Plans

- Succession plan approval. This succession plan will be approved by the Executive Committee and forwarded to the full Board of Trustees for its vote and approval. This plan should be reviewed annually.
- Job Descriptions. Two job descriptions are attached to this plan. The first Job Description reflecting the current responsibilities. The second job description reflects how the responsibilities will be assigned within the context of an emergency/unplanned absence of the Head of School.
- Copies. Copies of this Emergency Succession Plan along with the corresponding documentation shall be maintained by The Board Chair, the Head of School, the Acting Head of School Appointee, and the human resources department.

The Emergency Succession Plan and the supporting documents (the information and contact inventory, job descriptions) should be reviewed, updated and approved by the Board of Trustees annually. This plan must also be updated and approved by the Board of Trustees when one or more of the employees in this plan change.

This plan may also be implemented in the case of an unplanned absence of the Acting Head of School or Interim Head of School.

Adopted: _____

Appendix A

MARBLEHEAD COMMUNITY CHARTER PUBLIC SCHOOL FUNCTIONAL JOB DESCRIPTION
--

Position Title: MCCPS Head of School

Reports to: MCCPS Board of Trustees

Position Summary:

The Head of School (HOS) of the Marblehead Community Charter Public School (MCCPS) is expected to lead the Board, Faculty, Staff, Students, Parents and Community Members in further strengthening the vision of the school and implementing its strategic plan. The HOS will lead the continuous improvement process, advance the successful academic program consistent with the MCCPS mission and charter, and be accountable for the results. The HOS will promote school-wide innovation and cultivate an extraordinary professional team. The HOS will create and strengthen networking and optimize the school's financial and regulatory systems. The HOS is responsible for implementing policies established by the MCCPS Board of Trustees (Board) and is directly accountable to the Board. The HOS is authorized to take such actions as may be necessary for proper conduct of the School, subject to the budgetary guidelines and in accordance with the school's strategic plan and related policies as adopted by the Board. The HOS will ensure the school upholds and complies with the terms of the current Charter granted to MCCPS, as approved, and shall adhere to any and all applicable laws.

Essential Functions:

1. Ensure that the Board of Trustees is kept fully informed on the conditions and operations of MCCPS. Attend and participate fully in Board meetings.
2. Establish a sound organizational structure for MCCPS, in consultation with the Board.
3. Plan, formulate and recommend for approval to the Board of Trustees policies and programs to further the mission of the School.
4. Ensure that all MCCPS funds, physical assets, and property are appropriately safeguarded, administered and maintained.
5. Hire, evaluate and set compensation package for all faculty and staff as necessary in accordance with School policy.
6. Enable the professional development of faculty and staff. Inspire innovation at every level.
7. Supervise curriculum development and ensure its continuous evaluation and improvement.
8. Oversee student services including student discipline and reporting to appropriate government agencies.
9. Communicate regularly and effectively with the MCCPS community in accordance with School policy.
10. Maintain and improve community relations, including relations with the town of Marblehead.
11. Substantially improve the development and fundraising capacity of MCCPS.
12. Understand and follow DESE regulations, state and federal laws, and any applicable regulations; recommend appropriate corrective actions and strategies for compliance.

Qualification/Education/Experience:

1. Must be able to perform each essential duty satisfactorily.
2. Master's degree (M.Ed.) in Education or Special Education preferred.
3. Two or more years of experience in education administration. Must have demonstrated experience with personnel supervision in a school.
4. Must hold a school administrator certificate or a state approved equivalent.
5. High energy level, superior interpersonal skills and ability to function in a team atmosphere.
6. Ability to communicate clearly and effectively in oral and written form.
7. Knowledge of modern principles, methods, and techniques of administration and program planning.
8. Ability to apply principles of logical or scientific thinking to a wide range of intellectual and practical problems.

RECEIPT AND REVIEW OF FUNCTIONAL JOB REQUIREMENTS

I, _____, have read, understand and agree to the above functional job description. I understand the essential functions, qualifications, education, experience, and physical demands of the position and acknowledge that I am capable of performing all of the essential functions of this position without reasonable accommodation or I have informed you of my need for an accommodation. The MCCPS Board of Trustees reserves the right to change any part of this job description, as circumstances require.

It is intended that the terms of the executed employment contract, including any approved amendments to that contract, are incorporated within the job description for the duration of that contract and thereby become part of the job description.

Employee's Signature _____ Date _____

Appendix B

Emergency HOS Succession Plan

Position Title: MCCPS Head of School

Reports to: MCCPS Board of Trustees

Overview of Position Responsibilities:

The Head of School (HOS) of the Marblehead Community Charter Public School (MCCPS or School) is expected to lead the MCCPS Board of Trustees (Board), Faculty, Staff, Students, Parents and Community Members in further strengthening the vision of the School and implementing its strategic plan. The HOS will lead the continuous improvement process, advance the successful academic program consistent with the MCCPS mission and charter, and be accountable for the results. The HOS will promote school-wide innovation and cultivate an extraordinary professional team. The HOS will create and strengthen networking and optimize the School's financial and regulatory systems. The HOS is responsible for implementing policies established by the Board and is directly accountable to the Board. The HOS is authorized to take such actions as may be necessary for proper conduct of the School, subject to the budgetary guidelines and in accordance with the School's strategic plan and related policies as adopted by the Board. The HOS will ensure the School upholds and complies with the terms of the current Charter granted to MCCPS, as approved, and shall adhere to any and all policies and applicable laws.

	Essential Function from HOS Job Description	Designated Successor	Learning Needs/Action Plan
1.	Ensure that the Board is kept fully and regularly informed on the conditions and operations of MCCPS.	Assistant HOS	
2.	Attend and participate fully in Board meetings, except when matters relating to the HOS' employment are at issue.	Assistant HOS	
3.	Establish a sound organizational structure for MCCPS in consultation with the Board.	Assistant HOS	

4.	Plan, formulate and recommend for approval to the Board policies and programs to further the mission of the School.	Assistant HOS	
5.	A. Hire, supervise, and evaluate for all faculty and staff as necessary in accordance with School policy.	Assistant HOS	
	B. Set compensation packages for all faculty and staff as necessary in accordance with School policy.	Assistant HOS w/Business Manager	
6.	Facilitate the professional development of faculty and staff.	Director of Curriculum, Instruction, & Technology	
7.	Supervise curriculum development and implementation and ensure its continuous evaluation and improvement.	Director of Curriculum, Instruction, & Technology	
8.	Inspire innovation at every level and demonstrate best practices in order to assure the success and continuous improvement of the academic program of the School.	Director of Curriculum, Instruction, & Technology	
9.	Oversee student services, including student discipline, special education and disability accommodations, and reporting to appropriate government agencies.	Assistant HOS	
10.	Communicate regularly and effectively with the MCCPS community, both internal and external, consistent with School policy, creating a climate of collaboration and collegiality among all constituents and stakeholders.	Assistant HOS	
11.	Maintain and improve community relations, including those with the town of Marblehead.	Assistant HOS	

12.	Work with the Finance Committee and the business manager to formulate and recommend an annual budget for the School.	Assistant HOS	
13.	Substantially improve the development and fundraising capacity of MCCPS in order to supplement the School's budget.	Assistant HOS	
14.	Ensure that all MCCPS funds, physical assets, and property are appropriately safeguarded, administered and maintained.	Assistant HOS	
15.	Comply with DESE regulations, state and federal laws, and any applicable regulations. Recommend appropriate corrective actions and strategies for compliance.	Assistant HOS	

Appendix C

HOS Succession Plan, other tasks

(some overlap with HOS job description & superintendent's checklist)

Compliance

<u>Finances</u>	<u>Technology</u>	<u>Health & Safety</u>	<u>Educational</u>
<i>State/Fed Grants management</i>	<i>Develop, update, implement Tech Plan</i>	<i>certifications, trainings: AED, CPR, 1st aid &, restraint</i>	<i>Exhibition (educational, marketing, facilities concerns)</i>
<i>end of year report</i>	<i>EPIMS, SIMS, etc</i>	<i>Discipline & Commendations</i>	<i>Coordin Prog Rev</i>
<i>misc. filings</i>		<i>Supervision of Students, recess schedule</i>	<i>Annual Reports, Charter Renewal, & site visits</i>
<i>Monthly reimburs</i>	<i>Parents' & Teachers' Corners</i>	<i>Food Service</i>	<i>DESE directives</i>
<i>state auditor, inspect gener, MASBO</i>	<i>website – manage, update, etc.</i>	<i>health services</i>	<i>state standards, MCAS, ACCESS</i>
<i>insurance, liability, workers comp, disabil</i>	<i>maintenance, security, expansion of computers & access to technol</i>	<i>attendance, tardies</i>	<i>RTI, IEPs, 504s, accommodating for needs (OT, SLP)</i>
<i>manage/oversee various accounts</i>	<i>ordering, installing all hardware, software; maintain inventory</i>	<i>HIPPA</i>	<i>Reporting to parents – CUE, SPED progress reports, SPED PAC,</i>
<i>fincom duties</i>	<i>training for fac, staff, and students</i>	<i>athletics</i>	<i>Prof Devel Plans</i>
<i>develop, manage budget</i>		<i>building needs</i>	
<i>accountables: quickbooks, annual audit, credit line, Mass Devel loan,</i>		<i>grounds needs</i>	

<i>Boston Private (2 accts), National Grand (checking, food service, payroll, petty cash)</i>			
<i>PayPal: food service, athletics, SAF, fundraisers</i>			
<i>finances, income, expenses</i>			
<i>vendors Acct Payable: lease, payables, purchase orders</i>			

Parent/Student Services

Curriculum	Assessment	Events	Parents
<i>Academic offered</i>	<i>MCAS</i>	<i>coordination of events, set-up, etc.</i>	<i>MAP goals</i>
<i>graduation</i>	<i>Academic Probation</i>	<i>yearbook, calendar,</i>	<i>volunteerism</i>
<i>materials, equip, furniture: storage, ordering, disposal, etc</i>		<i>grade level fundraising</i>	
<i>Exhibition program</i>		<i>fundraising events</i>	
<i>Film Fest after Exhibition</i>		<i>community building events</i>	
<i>Enrichment & day after</i>			
<i>lesson plans/grades</i>			
<i>acceleration & remediation</i>			

Schoolwide

<u>Admin/ILT</u>	<u>Fundraising</u>	<u>Information</u>	<u>Development</u>
	<i>fundraising, donorschoose</i>	<i>Satisfaction Surveys</i>	<i>build relationships with community, other schools, local organizations, donors, etc.</i>
<i>plan, effectuate, evaluate prof devel</i>	<i>manage rentals</i>	<i>enrollment, open houses, admissions</i>	<i>Ed Foundation</i>
<i>School year calendar</i>	<i>grade level events to fund trips</i>	<i>Handbook</i>	<i>organize & structure formal giving: stewardships, corporate sponsorships</i>
<i>Academic Schedule: who teaches when</i>	<i>auction</i>	<i>regular emails/notices</i>	
<i>Clean-up Crew</i>	<i>fashion show</i>	<i>Highlight, Constant Contact</i>	
<i>Recycling: paper, etc.</i>	<i>wine tasting</i>	<i>update databases, including Power School, Constant Contact, LGL, Salesforce</i>	
<i>sub coverage</i>	<i>calendars for sale</i>	<i>maintain, transfer student files</i>	
<i>student teachers, practicums</i>	<i>dances</i>	<i>publicity, getting articles into the newspaper</i>	
	<i>school store: note cards, school clothing, etc.</i>	<i>directory</i>	

	<i>in-school fundraising efforts</i>		

Human Resources

fac/staff		support	
<i>Hiring, Supervision, & Evaluation</i>	<i>legislative liaison</i>	<i>plan, effectuate, and evaluate prof devel</i>	<i>birthday list</i>
<i>insurance: health, dental, workmen's comp, unemploy</i>		<i>consult meetings</i>	<i>provide lunch on prof devel days and snacks on Wed</i>
<i>contracts</i>		<i>Induction/mentoring</i>	<i>teachers' contact list</i>
<i>MTRS, 403b</i>		<i>substitutes (nurse, too)</i>	
<i>payroll</i>		<i>graduate courses with area colleges</i>	
<i>board membership</i>		<i>internship program</i>	
<i>student records, staff records</i>		<i>department lunches</i>	
<i>CORI, SORI</i>		<i>school visits as prof devel</i>	
<i>fac/staff attendance, time off requests</i>			

Cover Sheet

Governance Committee

Section: VI. Committee Updates
Item: A. Governance Committee
Purpose: Discuss
Key Result: BOARD EFFICIENCY
Submitted by:
Related Material: Board_Composition_Report_10.24.18.pdf
HOS Renewal Vote Preparation Document - DRAFT.pdf
MCCPS Trustee Networking and Orientation Guide - DRAFT.pdf

MCCPS Board of Trustees Composition Report

10/24/18

Overview

Number of Trustees: 11 total, 11 voting members

Number of MCCPS Teachers: 2 total

Number of MCCPS Parents: 6 total

Number of Unaffiliated Members: 2 total

Ex Officio: 1 total

Current Available Seats: 4 full, three year terms

Current Board Status

Chair: Arthur Sullivan III, MCCPS Parent, voting, serving first full term
Term expires January 2021

Vice Chair: Ian Hunt, Unaffiliated Member, serving first full term
Term expires May 2020

Treasurer: Karl Smith, Treasurer, MCCPS Parent, serving first full term
Term expires August 2019

Clerk: Paul Baker, MCCPS Unaffiliated Member, voting, serving first full term
Term expires June 2019

Jennifer Jewell, MCCPS Parent, voting, serving first full term
Term expires August 2019

Ellen Lodgen, MCCPS Faculty, voting, serving second full term
Term expires October 2020

Sean Killeen, MCCPS Unaffiliated Member, voting, serving first full term
Term expires August 2019

Anthony Palladino, MCCPS Faculty, voting, serving first term
Term expires January 2020

Fred Ferris, MCCPS Parent, voting, serving first full term
Term expires May 2020

Nichole Thompson, MCCPS Parent serving first full term
Term expires February 2019

Nina Cullen-Hamzeh, Head of School, voting
Ex officio term

Notes for HOS Renewal - DRAFT for Discussion

The intent of this document is to provide a reference for Board Members specific to the Head of School discussion and vote. The information provided is either recommended as a “best practice” and/or researched Q&A’s that address questions that have come up in past HOS discussions and votes. Governing documents and sources used for compiling information include MCCPS By-laws, the HOS contract, Federal and State guidelines and Robert Rules of Order. This information is a draft, subject to change and presented for discussion only.

Recommended Procedure (At the discretion of the Chair)

Call the Meeting to Order

Chair Action: Once you have determined you have a quorum, signal for quiet and call the meeting to order “The meeting will come to order”

Clerk: Record attendance and guests

Chair Action: Welcome participants and make some informative comments regarding expectations for the meeting:

Thank you for coming to the MCCPS Board Meeting tonight. A copy of our agenda has been posted, however, for those who have not seen it there are 3 main topics for discussion and/or vote tonight including:

1. The Board will Review and Approve the minutes from October (or decide to move to next meeting)
2. Public Comment
3. Head of School Renewal - Discussion and Vote

Draft Speaking Notes from Chair to Public Re: Public Comment

This in an open meeting and the public is invited to attend. As noted in the agenda, we will allow as much participation as time permits during Public Comment. For those of you who have not participated in this type of format before, please note, an individual may not address the public body without permission of the Chair. If you have a comment or question, please raise your hand for acknowledgement from the Chair. Once acknowledged, you “have the floor”. We will receive your comments and questions but will not be able to respond directly at this time. Follow-up actions will be recorded and assigned where applicable.

Head of School Renewal - Discussion and Vote

Notes regarding general information and procedure:

- The Chair will determine if a quorum is present, provide an overview of the Board’s role and responsibilities as outlined in the By-laws and provide a summary of the vote scheduled.
- Public Comments may be received as well as any comments and/or questions from the Board before the motion is made.

- The Chair will make a motion (“I move to vote to renew the HOS contract pending mutually agreeable terms to be memorialized in a written contract executed on or before (date)”; after the motion is seconded, the Chair will invite Board of Trustee Members for discussion.
- In past years, the HOS has stepped out of the meeting during the vote
- The Chair will provide instructions on the vote. For example:

Chair: As many as are in favor of the adoption of the resolution will, as their names are called, answer “yea”; those opposed will answer “no” or “nay”.

The Clerk will call the roll in alphabetical order, however, the Chair has the choice of having his name called last.

After one person has answered his/her call, it is too late to renew the debate.

If a Trustee does not wish to vote, he/she answers “abstain”.

The Clerk will give the final number of those voting on each side, and the number abstaining (if applicable) to the Chair.

- The Chair will declare the results.
- The Chair will provide summary (how many votes were cast, how many “yes”, how many “no”) and declares that the motion “carries” or is “denied”
- If the HOS is not present for the vote, the Chair will invite the HOS into the room and communicate results of the vote
- The meeting is adjourned

FAQ's:

From past renewals, we have keep a running list of FAQ's:

Q: What is a quorum?

A: A quorum is the number of members who must be present (a majority) in order that business can be conducted. For example,

- If 11 Trustees are present, 6 make up a quorum
- If 10 Trustees are present, 6 make up a quorum
- If 9 Trustees are present, 5 make up a quorum

Simply put, a quorum is the number of persons present at the time. If a Trustee steps out of the room, he/she is no longer considered part of the quorum. It is also important to note that the quorum refers to the number of members present, not to the number actually voting on a particular question.

Q: How many members of the Board are eligible to vote?

A: There are currently 11 members of the MCCPS Board including 1 Ex officio position. There are 10 are eligible to vote (not including the "Ex officio" position). No member can be compelled to refrain from voting simply because it is perceived that he/she may have some "conflict of interest" with respect to the motion under consideration. However, if a member has a direct personal or monetary interest in a motion under consideration, the rule in Roberts Rules of Order (newly revised in brief) is that he/she should not vote on such a motion. If a Trustee has a conflict of interest, s/he can disclose this to the state to apply for approval to participate in the vote.

Q: If a Trustee recuses him/herself due to a conflict of interest, is he/she still considered part of the quorum?

A: Yes. As long as the Trustee remains in the room, s/he is considered part of the quorum.

Q: Is it true that, once a quorum has been established, it continues to exist no matter how many members leave during the course of the meeting?

A: No. Once a quorum has been established, the continued presence of a quorum is presumed to exist only until the chair or other member notices that a quorum is no longer present.

If a quorum is no longer present, the Chair waits until there is one, or until after a reasonable time, there appears to be no prospect that a quorum will assemble, the chair announces the absence of a quorum and motions to adjourn the meeting.

Q: What does a "majority" mean?

A: The word "majority" in this context means *more than half* of the votes cast by persons entitled to vote, excluding abstentions. For example:

- If 7 votes are cast, a majority (more than 3.5) is 4
- If 6 votes are cast, a majority (more than 3) is 4
- If 5 votes are cast, a majority (more than 2.5) is 3

Q: What does a “yes” vote mean?

A: That you are voting to approve the renewal of the HOS contract. This vote is not for contract parameters.

Q: What does a “no” vote mean?

A: That you are not voting to approve the renewal of the HOS contract.

Q: What does to abstain mean?

A: To abstain means to refrain from voting. Although it is the duty of every member who has an opinion on a question to express it by his/her vote, she/he can abstain since he/she cannot be compelled to vote. According to Roberts Rules of Order, an abstention does not count as a vote under the general rules outlined.

Q: What if there is a tie?

A: Specific to the language of the motion (“I move to vote to renew...”), in the event there is a tie in votes (for example 3-3), the motion does not carry because it does not have the majority (4) votes.

Q: What if the Board does not vote before the stated deadline in the HOS contract?

A: If a vote is not taken by the deadline stated, that is considered an automatic non-renewal of the contract.

Q: Do I need to be in person to vote?

A: Voting by Trustees can only take place in person. An absent Board Member may not designate an alternative to represent him or her at a Board meeting, or use any technological or manual means of conveying his or her vote to a meeting where there are not in advance.

Q: What if someone is late to the meeting?

A: If a Trustee arrives late, per the vote and approval of the Board, he/she can vote. However, the Trustee must hear the motion to be eligible to vote. Once the voting has started, there should be no interruptions.

Q: Can the meeting be held in Executive Session?

A: Unless there is discussion that falls within an exception to the Open Meeting Law, deliberation over the contract is held in open session.

Q: What would make the discussion eligible for closed session?

A: Executive session can be applied if the discussions will deal with the reputation, character, physical or mental health, or any complaints or charges brought against the Head of School. The Board can go into executive session but only if the Head of School received notice from the Board at least 48 hours before the proposed executive session. The HOS can waive the 48 hour requirement by written agreement.



Networking, Orientation and Training for New Trustees - DRAFT

MCCPS Board of Trustee Training – November 2018

Contents

Introduction

- 1.0 Networking, Interviewing and Voting
 - 1.1 Introduction
 - 1.2 Governance Committee Interview and Vote
 - 1.3 Nomination of Prosepctive Candidate to the Board and Vote

- 2.0 Board of Trustee Orientation

- 3.0 Training

- 4.0 Exiting Board Members

Introduction: The goal of the Networking, Orientation and Training program for prospective and new trainees is to provide an experience that is engaging, informative, consistent and reflects our commitment to supporting an efficient and high performing Board.

The following principles were utilized when creating the program:

1. Create a uniform and consistent process.
2. Build a user friendly reference document that outlines key steps in the process and provide resources and links that can be easily accessed by any Committee and/or Board Member.
3. Material and program components will align with the requirements outlined in the Charter, By-laws, training requirements outlined by the Department of Elementary and Secondary Education (DESE) and in-line with the school's mission.

1.0 Networking, Interviewing and Voting

- 1.1. **Networking** - The goal of the networking introduction is to provide enough information for the prospective candidate to understand a high-level view of the Board of Trustees, the type of work conducted and general ways of working.

Sample Introduction Topics	Example Speaking Points	References
Personal Introduction	Hi, my name is XX, I am a parent of XX children at MCCPS and a member of the Governance Committee. My role as a member of the Committee is to provide an introduction to people who may be interested in volunteering their time on the Board.	NA
Candidate introduction	Tell me about yourself and how/who referred you to us?	NA
High-level Overview	<p>The Board of Trustees is made up of parents, community members and teachers who volunteer their time to serve on the Board.</p> <p>Trustees shall serve a term of three (3) years from the date of their appointment, or until their successors are seated. This allows for continuity and lends to a high-performing Board. No Trustee shall serve more than two (2) consecutive, three-year terms.</p> <p>The Board of Trustees shall consist of at least nine (9) and not more than fifteen Trustees (15). In alignment with the School's Charter, teachers, community members and parents are encouraged to serve on the Board.</p>	MCCPS By-laws Article II
Roles & Responsibilities of the Board	<p>The Board holds the Charter from the state and is responsible for ensuring that the policies of the school:</p> <ul style="list-style-type: none"> (a) Comply with all applicable laws and regulations; and (b) Ensure that the school is an academic success, organizationally viable, faithful to the terms of its charter, and earns 	MCCPS By-laws Article II

MCCPS Board of Trustee Training

	<p>charter renewal</p> <p>(c) Oversee the financial affairs of the school and approve the budget</p> <p>(d) Hire and oversee the Head of School</p>	
Policy vs. Day to Day	<p>The primary purpose of the Board is to ensure that the school's focus and mission is in accordance with the Charter and By-laws.</p> <p>The Head of School (HOS) shall have the sole authority to exercise managerial powers over the day to day operations of the school and to select, appoint, evaluate, and/or remove the school faculty and staff in accordance with applicable federal and state laws and general school policies.</p>	MCCPS By-laws Article V
Board Meetings	<p>The Board of Trustees will meet monthly during the year; typically the meetings are held the last Tuesday of the month.</p> <p>In addition, there is an annual meeting referred to as "the retreat" that is typically held on a Saturday in June.</p>	MCCPS By-laws Article IV
Roberts Rules of Order	Roberts Rules of Order shall govern the conduct of all meetings of the school.	Roberts Rules of Order
Open Meeting Law (OML)	<p>The Open Meeting Law requires all meetings be held in public (with some exceptions) and it establishes rules that public bodies must follow in the creation and maintenance of records relating to those meetings.</p> <p>All Board related work must be conducted during these meetings.</p>	www.mass.gov/ago/openmeeting
Other items of Note	<p>Trustees must participate in person and are expected to prepare for and attend all meetings.</p> <p>Meetings typically are scheduled from 7:00 – 9:00 p.m. and are held at MCCPS.</p> <p>Sometimes Trustees will be asked to serve on a Committee and/or task force in addition to serving on the Board (i.e.: Finance, Personnel, Governance, Academic Excellence, Strategic Planning and Development, Communications, and Community Relations</p>	

MCCPS Board of Trustee Training

<p>Next Steps and Questions</p>	<p>If you are interested in learning more, we encourage you to begin to attend Board meetings as a member of the public so you can get a better understanding for the work performed and observe the way in which meetings are conducted.</p> <p>Another great way to gain an understanding of the School and work performed on the Board is to attend and/or participate as a member of the Governance Committee. This group typically meets the first Tuesday of the month from 7:00 – 9:00 p.m. at MCCPS. Governance Committee meetings are published on the school calendar, but I can also provide you the schedule for the upcoming meetings.</p> <p>In addition, take some time to read through our Charter and By-laws; both can be found on our website.</p> <p>All Board of Trustee candidates interview with the Governance Committee. The Committee will vote to approve the candidate and present the qualifications of potential Trustee to the Board for review, discussion and vote.</p> <p>If approved, the candidate will take an immediate seat on the Board but will not have voting rights until approved by the State. This approval usually takes between 1-2 months.</p> <p>Do you have any questions?</p> <p>Thank you for your time today! Please reach out to me if you have any additional questions that may come up.</p> <p>I hope to see you at the next Board Meeting currently scheduled for XX.</p>	
---------------------------------	---	--

Networking, Interviewing and Voting

1.2. Governance Committee Interview and Vote:

Key Steps	Detail	References
Schedule the Interview	<p>Schedule the candidate for his/her interview and notify the Governance Committee Chair to reserve time on the Agenda for the agreed upon date.</p> <p>Request a resume from the candidate and provide copies to the Committee prior to the interview via Board on Track (attach to agenda)</p>	NA
Conduct the Interview	<p>Provide an introduction to the candidate and begin to conduct the interview.</p> <p>Provide an overview of the interview process (Governance Committee Interview, Vote, Nomination to the Board, Vote and approval from the State).</p> <p>Conduct the interview</p> <p>Ask the candidate if he/she has any questions.</p>	Interview Guide- See Appendix
Vote	<p>The Governance Committee may vote immediately or postpone the to another day if additional information is needed. The candidate may remain for the vote or choose to leave. It is his/her decision.</p> <p>When vote is conducted the Chair will initiate the procedure. Trustee positions to be filled on the Board shall be by an affirmative vote of the majority of Committee members.</p>	Vote

Networking, Interviewing and Voting

1.3 Board Interview and Vote – The Chair of the Governance

Committee will present the prospective candidate to the Board for an interview and vote. The following the following steps should be followed:

Key Steps	Details	References
Schedule the Interview	Schedule the candidate for his/her interview and request time from the Board Chair to reserve time on the Agenda for the agreed upon date. Provide a copy of the candidate's resume prior to the interview via Board on Track (attach to agenda the Friday prior)	NA
Conduct the Interview	The Chair of the Governance Committee will present the candidate, provide an introduction and ask the Trustees if they have any questions. The Trustees will conduct an interview and ask the candidate if he/she has any questions.	Interview Guide
Vote	The Chair of the Board of Trustee will conduct a vote. Trustee positions to be filled on the Board shall be by an affirmative vote of the majority of Trustees.	Voting Language to be read by the Secretary – See Appendix
Welcome to the Table	If the vote is affirmative, the candidate will be welcomed to the table of Board of Trustees. He/she will be able to participate in the meeting, however, will not be able to vote until approved by the State.	

MCCPS Board of Trustee Training

2.0 Board of Trustee Orientation

Once a candidate has been approved, the following actions need to be taken:

Key Steps	Details	References
Congratulatory Letter	The applicable Governance Committee Member will customize congratulatory letter template and send it to the candidate via email with the Chair of the Governance Committee and the Board on c.c. This step should occur within 3-5 days of the vote.	See Appendix and Board on Track for Sample Letter
Orientation Package	The Orientation Package for new Trustees should be attached to the congratulatory email.	See Appendix for Orientation Package
Paperwork to the State for Approval	The Chair of the Governance Committee will send the letter of request to the state along with the candidate's resume. This step should occur within 3-5 days of the vote.	See Appendix for Sample Letter to State
State Required Training	Once the candidate's information is submitted in the website, the candidate will be sent state required training.	See Appendix for Links
Approval from the State - Status	The Chair of the Governance Committee will monitor the approval status of the candidate and notify him/her, along with the Chair of the Board of Trustees, when he/she has been approved by the state and is an eligible voting member of the Board.	See Appendix for Links
Board on Track - Trustees	Once approved by the state, the Chair of the Governance Committee will update his status on the Board on Track	See Appendix for Links

MCCPS Board of Trustee Training

3.0 Board of Trustee Training

Once a candidate has been approved by the State, the following action items should be taken:

Key Steps	Details	References
Assign Mentor	Work with the Chair of the Board, HOS and/or Chair of Governance to assign a Board Mentor; review expectations	Mentor Guide – Best Practices (In Progress)
Orientation Material and Training Curriculum for New Trustees	Provide an overview of Training Topics and recommend best practices for housing material (i.e.: binder, Board on Track etc.)	See Appendix for Training Topic Resource Guide and Check-off List
Check-in	The applicable Governance Committee Member should reach out to the new board member after his/her second board meeting to see if he/she has any questions or additional training needs.	
Annual Board on Track Board Assessment	Trustee should participate in the annual board assessment on Board and Track and identify any gaps in knowledge he/she may have	Board on Track
Annual State Required Training	Participate in Annual State Required Training	
June Training – Retreat	Participate in Annual Training at the June retreat.	
Ad Hoc Training as needed	Support individual training as needed.	

4.0 Exiting Board Members

How a Trustee exits the Board is as important as how we help a Trustee transition to his/her role and term. Three recommended key elements to the exit process include:

1. Regularly review board composition, upcoming expiring terms, skill sets exiting as terms expire and begin planning for transition. Utilize succession plans to plan and replace Chair roles and create transition plans.
2. As a best practice, identify replacement six months prior to a Trustee leaving the Board and have new Trustee and exiting Trustee work together prior to exit.
3. Celebrate his/her service! Thank the Trustee for his/her service to the Board and recognize him/her for contributions to the Board and the School.
4. Chair of the Board should conduct an exit interview with the exiting Trustee and ask for some general feedback about the efficiency of the Board – what does the Board do well and are there opportunities for improvement.

There are a lot of ways to continue to stay connected to the school for exiting Trustees including: serving on a Committee, participating as a mentor to new Trustees and volunteering for ad hoc committees. The Chair should ask if the Trustee has any interesting in continuing to participate with the school in the future.

Appendix Items:

- A. MCCPS Mission Statement**
- B. Interview Guide**
- C. Voting Language**
- D. Approval Process for Prospective Trustees – Checklist**
- E. Draft Congratulatory Letter for New Trustees**
- F. Candidate Approval Letter to DESE**
- G. Orientation Checklist for New MCCPS Board Members**
- H. Orientation Guide for New Trustees**
- I. Training Topic Resource Guide and Links**

A. MCCPS Mission Statement

MCCPS fosters a community that empowers children to become capable, self-determining, fully engaged individuals who are critical and creative thinkers committed to achieving their highest intellectual, artistic, social, emotional, and physical potential. We are dedicated to involving, learning from, participating in, and serving our school community and the community at large.

B. MCCPS Interview Guide for Board Candidates

Candidate Name:

Candidate Contact Information:

Referred by:

Resume Received: Yes/No

What intrigued and interested you enough to want to learn more about board and committee service?

What skill sets and areas of interests do you possess that you feel would be assets to the board?

What is your current understanding of the mission and purpose of MCCPS?

What do you perceive to be the greatest strengths of MCCPS?

What do you perceive to be the greatest areas of opportunity for MCCPS?

What is your current understanding of the primary responsibilities of the board?

MCCPS Board of Trustee Training

Do you clearly understand the differences in responsibilities between the Board and the Head of School?

Would it be challenging for you to separate personal feelings about the day to day operations of the school with the big picture issues which the board must address?

How would you handle a strong difference of opinion between board members?

Board service requires monthly meeting time, meeting preparation, and any additional committee work or school and fundraising events. Can you realistically commit roughly 4-6 hours per month to the MCCPS Board of Trustees?

FOR GOVERNANCE COMMITTEE USE ONLY:

Does the candidate appear to possess a clear understanding of the role and responsibilities of a MCCPS Board Member?

Does the candidate have any past experience serving on a Board and/or have knowledge of the Open Meeting Law (OML)?

Did you perceive any possible conflicts of interest with the candidate's service on the Board?

MCCPS Board of Trustee Training

Does the candidate seem compatible with the school's mission and vision?

Does the candidate appear to be a good fit with the current Board (i.e. ability to interact with Board as a team player, listens well and actively participates in the meeting, demonstrates ability to come prepared to meetings and use facts and objectivity when considering decisions etc.)

Does the candidate appear to possess any time constraints with active board and/or committee service?

What do you perceive to be the candidate's strengths as a potential board member?

Do you have any reservations about this candidate serving on the Board?

C. Voting Language

Motion 1

I (name) move that the Board appoint (name) as a member of the MCCPS Board of Trustees to fill a term commencing immediately upon approval by the Department of Elementary and Secondary Education and expiring at the close of the (insert date) Regular Meeting of the Board of Trustees.

Second of motion: (name)

Motion 2

I (name) move that the Board invite the newly appointed Trustee (name) to all Board meetings and activities while (his/her) approval is pending with the Department of Elementary and Secondary Education. (Name) will be entitled to participate as provisional Trustee and will be able to vote on any matter until (he/she) received formal approval from the Department of Elementary and Secondary Education, and will not be counted when determining a quorum.

D. APPROVAL PROCESS FOR PROSPECTIVE TRUSTEES OF THE BOARD – CHECKLIST

- Governance chair makes initial contact with the prospective candidate.
- Chair or committee member sends background and/or orientation materials such as Trustee Overview, MCCPS Charter and MCCPS By-laws to prospective candidate.
- Candidate forwards resume to Governance chair who distributes it to committee members for review.
- Committee meets and interviews candidate in compliance with the Open Meeting Law. this often occurs several times to get a fuller picture of the candidate.
- Committee votes whether to present candidate to the MCCPS Board as a prospective trustee OR Committee votes to recommend candidate join a MCCPS committee or task force to gain more working knowledge of MCCPS prior to committing to board service.
- The Governance chair or committee member prepares a letter to the Massachusetts Department of Elementary and Secondary Education (DESE) requesting state approval of the new trustee. Candidate's resume and signed financial disclosure form must be attached to this letter which is signed by the MCCPS Board chair. SEE ATTACHED SAMPLE. This is a form letter as recommended by DESE.
- THIS PAPERWORK SHOULD BE COMPLETED AND MAILED IMMEDIATELY AFTER CANDIDATE IS VOTED IN BY THE BOARD as the new trustee is not a voting member until state approval is received.
- The state informs the MCCPS chair, via email, if the candidate is approved. This state typically takes 2-4 weeks to process an approval.

E. Draft Welcome Letter to New Trustees

[Date]

Dear [Insert Name],

Congratulations on being approved by the Marblehead Community Charter Public School (MCCPS) Board of Trustees to serve as a trustee for a term of three years [insert term dates]. Your professional and interpersonal skills, insight, and balanced perspective promise to be a valuable addition to this board.

We have submitted a request for approval, your resume, and your contact information to the Massachusetts Department of Elementary and Secondary Education (DESE) to begin the process of obtaining the necessary approval from the State of Massachusetts. To reiterate, you cannot participate in any voting until you receive State approval to serve on the MCCPS Board of Trustees. In the coming days, please expect several communications from DESE. They will request that you complete a financial disclosure form, a receipt of Open Meeting Law materials, and to take an online conflict of interest training/certificate program. These items are fairly simple to complete and should not take more than 60-90 minutes total. We kindly request that you complete these online requirements as soon as possible and that you print out and retain copies of the Financial Disclosure form, as well as the certificates showing you have received the Open Meeting Law materials and have completed the Conflict of Interest training. Please submit copies of these documents to the current clerk of the MCCPS board, [insert name here] and to the Governance Committee.

We are grateful for your willingness to serve MCCPS in this important capacity. We urge you to review the documents contained in the orientation packet. This packet should provide the necessary tools to help ensure you are off to an informed start. We understand some of this will take time to absorb and that you may have many questions in the coming

MCCPS Board of Trustee Training

weeks and months. It is our sincere hope that you will contact us for any clarifications or concerns, especially from a governance standpoint. We are here to support you as you begin your board service and throughout your term.

We very much enjoyed getting to know you during our screening process and wish you the best of luck with this important endeavor.

Sincerely,

[Insert Governance Committee Chair of Member Name]
On behalf of the MCCPS Governance Committee

F. Board of Trustee Approval Letter to DESE

Marblehead Community Charter Public School
Board of Trustees

[INSERT MAILING DATE]

Massachusetts Department of Elementary and Secondary Education
Charter School Office
75 Pleasant Street
Malden, MA 02148

To Whom it May Concern:

On [INSERT MEETING DATE] the MCCPS Board of Trustees voted in accordance with the Open Meeting Law to accept [INSERT TRUSTEE NAME] as a member of the Marblehead Community Charter Public School Board of Trustees, pending approval from the Commissioner of Elementary and Secondary Education. Enclosed for review and approval is the resume for [INSERT NAME].

Providing that [INSERT TRUSTEE NAME] is approved, our Board will then consist of [INSERT #] members. All Board members and their positions are listed below. Thank you and I look forward to hearing from you regarding his/her status.

[USE THIS FORMAT FOR BOARD LISTING]

<u>Name</u>	<u>Position</u>	<u>Current Term</u>	<u>Voting Status</u>
*Ms. Jane Chair	Chair	Jan 2019 – Jan 2021	Voting
**Mr. New Candidate		Feb 2019 – Feb 2021	<i>(pending approval)</i>

Note: List all Trustees and note their affiliation (**Parent Trustee, **Faculty Trustt, ***Non-affiliated, outside Trustee*)

Please contact me with any questions.

Sincerely,
[INSERT NAME OF CURRENT BOARD CHAIR]
Chair, MCCPS Board of Trustees

c.c. [INSERT NAME OF GOVERNANCE CHAIR], Chair, MCCPS Governance Committee

G. Orientation Checklist for New MCCPS Board Members

Prior to Appointment:

- Provide resume to Governance Committee
- Read trustee overview document which highlights responsibilities and expectations (NHO Binder)
- Review upcoming schedule of Board meetings
- Review list of current Board members (NHO Binder)
- Read the MCCPS charter (NHO Binder)
- Ready the MCCPS by-laws (NHO Binder)

Within two Weeks of Appointment:

- Complete/sign online receipt of Open Meeting Law (OML) required by the State
- Complete the online the conflict of interest training course
- Sign the conflict of interest acknowledgment form
- Sign on and begin using Board on Track

Within 2-4 Weeks of Appointment:

- Read latest strategic plan (NHO Binder)
- Read latest annual report (NHO Binder)
- Review most recent budget (NHO Binder)
- Review Head of School job description (NHO Binder)
- Review MCCPS calendar of events and meetings

Within 6-12 Weeks of Appointment:

- Become broadly familiar with Massachusetts General Law Chapter 7, section 89, Charter Schools
- Become broadly familiar with Mass Department of Education regulations on charter schools, 603 cmr 1.0
- Become broadly familiar with Robert's Rules of Order

MCCPS PROSPECTIVE TRUSTEE ORIENTATION PACKET

Marblehead Community Charter Public School fosters a community that empowers children to become capable, self-determining, fully engaged individuals who are critical and creative thinkers committed to achieving their highest intellectual, artistic, social, emotional, and physical potential. We are dedicated to involving, learning from, participating in, and serving our school community and the community at large.

ORIENTATION PACKET CONTENTS

MCCPS Board of Trustees Overview

MCCPS New Board Member Orientation Checklist/Timeline

Important Links to Online Information

Best Practices Suggestions for MCCPS Trustees

MCCPS Board Committees Overview

MCCPS BOARD OF TRUSTEES OVERVIEW

Charge:

The primary charge of the Marblehead Community Charter Public School (MCCPS or the School) Board of Trustees is to ensure that the School is an academic success, organizationally viable, faithful to the terms of its charter, and earns charter renewal while in compliance with all applicable laws and regulations.

General Expectations of the Board:

- Work together effectively to ensure the mission and purpose of MCCPS remains clear and focused.
- Conduct business with legal and ethical integrity.
- Ensure that resources are adequate and managed responsibly.
- Select, support, and evaluate the Head of School.
- Guide effective organizational planning.
- Strengthen and grow MCCPS's position and standing in the community.
- Recognize that the primary purpose of the Board is to set policy, whereas the Head of School is responsible for the day-to-day operations of MCCPS.

Individual Expectations of Board Members:

- Believe in, advocate, and act as an ambassador for the values, charter, and vision of MCCPS.
- Thoroughly read and possess an understanding of the MCCPS charter and the by-laws which govern the School.
- Honor the commitment of Board term.
- Commit to additional Board service each month, which may include:

Participation on a Board Committee or Task Force
 Attending and supporting School events and fundraising activities
 Reading and research to prepare for monthly Board meeting

MCCPS Board of Trustee Training

- Keep informed on School issues, as well as broader educational and political issues affecting charter schools.
- Attend MCCPS Student Exhibitions which occur three times during the academic year.
- Conduct oneself ethically and in a manner that focuses on the effectiveness of the Board and the good of the organization, as opposed to a personal agenda.

General Details:

- Board meetings usually occur the first week of each month at MCCPS with the intent of lasting no more than two hours.
- Board committees include the Governance Committee, the Finance Committee, and the Personnel Committee.
- In order for business to be transacted at a Board meeting, a majority of Trustees must be in attendance to constitute a quorum.
- The Board must be composed of no more than 15 and no fewer than 9 members. Membership must include MCCPS faculty and parents, community members, and an ex officio seat for the Head of School.

IMPORTANT LINKS TO ONLINE INFORMATION**Commonwealth of Massachusetts Attorney General Open Meeting Law Guide and Certification of Receipt of Materials:**

<http://www.mass.gov/ago/government-resources/open-meeting-law/attorney-generals-open-meeting-law-guide.html>

The revised Open Meeting Law (OML) requires that boards of trustees and other related committee members complete a certification document proving that they have received, read, and understand the OML. For the purposes of OML, MCCPS Trustees are considered State Public Bodies. Therefore, they must follow all guidance related to State Public Bodies. This must be completed within two weeks after joining the MCCPS Board

Link to State Ethics Commissions conflict of interest law training:

<http://www.stateprog.eth.state.ma.us/>

MCCPS Trustees must complete an online training program on the Commonwealth of Massachusetts Conflict of Interest Law. This must be completed within 30 days after joining the MCCPS Board. Trustees are required by law to complete this training every two years.

NOTE: Notice of completion of each Trustee's conflict of interest training AND receipt of OML materials should be held on record at MCCPS.

Link to Marblehead Community Charter Public School:

<http://marbleheadcharter.org>

School calendar, important events, school news, MCCPS Foundation information, and governance documents such as the MCCPS Charter and By-Laws, Mass General Law, MCCPS Annual Reports (click on Board of Trustees tab) are found on the MCCPS website.

Direct Link to MCCPS Charter:

http://marbleheadcharter.org/sites/default/files/userfiles/MCCPSCharter08_enrollrev.pdf

Direct Link to MCCPS By-Laws:

<http://marbleheadcharter.org/userfiles/file/ESE%20Approved%20By-Laws%20Apr%203%2008.pdf>

Link to Board On Track (formerly The Highbar)

MCCPS Board of Trustee Training

Within two weeks of joining the Board trustees will receive instruction from the Board Chair or the Head of School as how to log on to this online tool that helps an all-volunteer Board with scheduling, record-keeping, and strategic planning, among other functions.

<http://www.boardontrack.com/how-it-works>

BEST PRACTICES SUGGESTIONS FOR MCCPS TRUSTEES

- Continually familiarize oneself with the by-laws and charter.
- Adhere to the Open Meeting Law.
- Keep informed on School policy and strategic issues by allowing sufficient time for Head of School reports at each Board meeting.
- Acknowledge when one has not had time to adequately review the meeting packet so as not to slow the agenda by needing to be brought up to speed during the meeting.
- Ask for assistance from the chair, if needed, to help keep one's agenda item(s) focused and on track.
- Continually evaluate/monitor meeting efficiency for time spent on topic to help avoid backtracking or repetitive discussion.

MCCPS BOARD COMMITTEES OVERVIEW

The three MCCPS Board committees that must exist per the by-laws are:

- Governance Committee
- Finance Committee
- Personnel Committee

Each committee is expected to meet at least once per month, and to present a committee report at each regular monthly meeting of the MCCPS Board.

Duties and responsibilities of each committee per the MCCPS by-laws:

Governance

There shall be a committee of the Board known as the Governance Committee.

Committee members shall be appointed, and may be removed, by a majority vote of the Board at a regular or special meeting. The Governance Committee shall prepare reports to be submitted and presented by its chair, or a representative designated by its chair, to the Board at each regularly scheduled Board meeting, or as may be required by the Board at special and/or emergency meetings. The reports shall inform the Board of work done by the Committee, what it is working on, the time frame for completion of remaining work, and of any other matters that are within its jurisdiction. The Governance Committee shall prepare reports to be submitted and presented to the Board at each regularly scheduled Board meeting. The Committee shall elect its own chair.

The duties of the Governance Committee shall include but not be limited to the following:

- (a) To review and recommend changes of the Schools By-Laws, Charter, policies and procedures as may be necessary or efficacious;

MCCPS Board of Trustee Training

- (b) To determine skills and qualities that would be useful for future Board members and identify potential candidates who possess those skills and qualities and present the best qualified candidates to the Board as nominees to fill vacant positions on the Board as they become available;
- (c) To provide training and orientation to new Trustees on the Charter, By-Laws, policies and procedures;
- (d) To provide training to Trustees as may be needed on the Charter, By-Laws, policies and procedures;
- (Governance, Continued)

- e) To develop and oversee a Trustee assessment process to ensure optimum performance;
- (f) To conduct an annual review of these By-Laws;
- (g) To conduct a periodic review of the Charter;
- (h) To study and make recommendations to the Board on governance issues that the Board identifies and on which it requests assistance;
- (i) Annually submit objectives as part of the planning process;
- (j) Annually evaluate its work as a committee and the objectives it has committed itself to and report on same to the Board;
- (k) Report to the Board at each regular meeting in a manner determined by the Board;
- (l) Develop necessary policies and procedures, which shall be approved by the Board, to accomplish these duties.

Finance

There shall be a Finance Committee which is commissioned by and responsible to the Board. Ex-officio members of the Finance Committee shall be the Treasurer of the Board, the Chair of the Board and the School's chief staff person who shall serve along with other trustees and non-trustees who shall be appointed, and may be removed, by a majority vote of the Board at a

MCCPS Board of Trustee Training

regular or special meeting. Except for the chief staff person, the ex officio members have exactly the same rights and privileges as do all other Finance Committee members, including the right to vote on matters and to be counted when determining whether a quorum is present. The chief staff person shall have no voting privilege. The Treasurer shall serve as Chair of the Finance

Committee or will recommend to the Board an alternate Chair for appointment, who shall be elected by an affirmative vote of a majority of Trustees then in attendance. The Finance Committee shall ensure compliance with all appropriate federal and state laws.

The duties of the Finance Committee shall include but not be limited to the following:

- (a) Assist and advise in preparing an annual budget for the charter school in collaboration with the School's chief staff person.
- (b) Develop and annually revise a five-year financial forecast and develop long-range financial plans based on the forecast in collaboration with the School's chief staff person
- (c) Review all unanticipated expenditures over limits set by policy and inform the Board.
- (d) Annually submit objectives as part of the planning and budgeting process.
- (e) Annually evaluate its work as a committee and the objectives it has committed itself to and report results on same to the Board.
- (f) Recommend to the Board appropriate policies for the management of the School's assets.
- (g) Arrange for an annual independent audit with submission of same to the Board.
- (h) Report financial status and/or results for the most recent current period, year-to-date activity and forecasted cash flows for the end of the next reporting period to the Board at regular meetings of the Board.
- (i) Develop necessary policies and procedures, which shall be approved by the Board, to accomplish these duties.

Personnel

There shall be a Personnel Committee which is created by and responsible to the Board. The Chair of the committee shall be a member of the Board and shall be chosen from among the current Trustees. This committee assumes the responsibility for advising the Board on matters pertaining to the School's chief staff person. This responsibility shall, in no way, interfere with the authority of the School chief staff person to hire, supervise and terminate the remaining staff of the charter school, in accordance with federal and state laws and School personnel policies.

The duties of the Personnel Committee shall include but not be limited to the following:

- (a) Develop for Board review and approval the annual process for the evaluation of the School's chief staff person
- (b) Review and propose recommendations for amendments to policies as they pertain to legal issues relating to employees, employee benefits, employee relations and recruitment.
- (c) Annually submit objectives as part of the planning process.
- (d) Annually evaluate its work as a committee and the objectives it has committed itself to and report on same to the board of trustees.
- (e) Report to the board of trustees on at each regular meeting in a manner determined by the Board.
- (f) Develop necessary policies and procedures, which shall be approved by the Board, to accomplish these duties.

MCCPS Board of Trustee Training

i. Training Topic Resource Guide and Links

Topic	Resource	Link
MCCPS Charter	Written contract approved by the state that outlines the school's mission, objectives and governance of the school	Board on Track or School Website
By-laws	Provides the framework for effective governance Outlines general guidelines for the way the board operates Not intended to delineate operating procedures, and should provide the big picture guidance around the structure and procedures of the Board	Board on Track or School Website
Open Meeting Law	To ensure transparency in the deliberations on which public policy is based; the OML requires, with some exceptions, that meetings of public bodies be open to the public.	www.mass.gov/ago/openmeeting
Roberts Rules of Order	Parliamentary procedure for meetings; the standard for facilitating discussions and group decision making	
Public Records Law	The Massachusetts Public Records Law provides that each person has a right of access to public information. Every record that is made or received is presumed to be a public record unless a specific statutory exemption permits or requires it to be withheld. Minutes of open meetings, regardless of form, are public and must be made available in a timely fashion. There is no requirement that the minutes be approved before they are made public, however, should be marked "unofficial"	Go to www.sec.state.ma.us >Public Records Tab>Locate, print and read PDF guide If you have any questions, contact the Public Records Division at 617-727-2832 or pre@sec.state.ma.us
Conflict of Interest	Members of the Board of Trustees shall comply with any and all State law governing Conflict of Interest	Go to www.mass.gov/ethics/ >Education & Training Resources Tab Take the Conflict of Interest Law Online Training Program

Cover Sheet

Finance Committee

Section: VI. Committee Updates
Item: B. Finance Committee
Purpose: Discuss
Key Result: BOARD EFFICIENCY
Submitted by:
Related Material: Finance Committee Members 18-19.docx
Sept-18, Financial Report.xlsx

Finance Committee Members 18-19

Jeff Barry
Jen Jewell
Jeremy Bumagin
Karl Smith
Nina Cullen-Hamzeh
Rudi Herve
William Sullivan

Proposed: Dave Hausler and Julie Santosus

Cover Sheet

Monthly Report

Section: VII. HOS Report
Item: A. Monthly Report
Purpose: FYI
Key Result: BOARD EFFICIENCY
Submitted by:
Related Material: HOS Report October 2018.docx



Marblehead Community Charter Public School

17 Lime Street Marblehead, MA 01945

Tel: 781-631-0777 Fax: 781-631-0500

Web: marbleheadcharter.org

HOS Report to the Board of Trustees

Submitted by Nina Cullen-Hamzeh

October 30, 2018

Thank You

The past month has been very busy, undeniably positive, and exceptionally productive.

The PTO Leadership Team has done a remarkable job of creating meaningful opportunities for parents to get involved, providing fun activities for the students, and building community. The yard sale was well-staffed and well-attended, and the dance party was a blast. From the fortune-tellers to the haunted house to the involvement of 7th and 8th graders in the planning and execution of the event - the dance/party exceeded all expectations. Many thanks to Maria Sibella and Melissa Hanson, Co-Presidents; Doris Hasbun and Kim Sullivan, Co-Vice-Presidents; Rebecca Kenneally, Secretary; Jeremy Bumagin, Treasurer; Michelle Mastrorio, Fundraising Guru; and Kristin Drake, Website Manager. Working with this team has been a pleasure. They are passionate and fun and getting the job done!

Paul McCarthy spearheaded the Karaoke Night, and everyone who attended had a blast. This fundraiser was FUN! Some have asked if we could do it again as a family event, and that idea is being explored.

Susan Hauck has done a great job; the Enrichment programming is diverse and engaging, and the after school offerings are increasing. Susan, Katherine Koch, and Jeff Barry managed a successful Electronics Recycling Fair. Susan also served as the school's liaison for the town's Sustainability Fair. Over 700 people attended the event!

The Anti-Defamation League Leadership Team has been empowering the students to identify bias and foster civil discourse. Kudos to Alicia Churchill, Lauren Donadio, Susan Hauck, Judith Nuñez, Allura Poulin, and Nick Santoro. I am very excited about what this initiative will mean for our students and our world - yes our world. Our highest ambition is to grow leaders who will make our world a better place for everyone. The students and teachers who are the earlier adopters of the ADL effort bring inspiration and hope to our complicated lives. I have no doubt that their efforts will inspire substantial and sustainable change at our school and beyond.

Finally, and last does not mean least, our faculty, staff, and administrators are the best ever. Such talent and creativity! Such expertise! Such determination! The year has presented many challenges and complications, and their response has been to rally, to support each other and the children, to hold the bar high for the student and themselves, to face each challenge head-on, and to celebrate every success. I couldn't be prouder or more inspired by our team.

Personnel Update

One employee resigned; and another has moved into that role. Currently we are searching for a teaching assistant for the 5th & 6th grades and a one-on-one.

Enrollment

Currently 228 students are enrolled. Efforts are still being made to fill these seats in the 7th or 8th grades.

As requested an update of progress relative to the HOS annual goals will be presented monthly.

HOS Goals 2018-2019 <i>Approved September 25, 2018</i>	
1. School Improvement Goal	
Objective: In order to ensure the school's financial viability, alternative sources of income will be explored and non-PPE funds will be generated.	
Measures: a) A feasibility study will be completed by May 1, 2019 to evaluate the revenue generating capacity of a new gym and auditorium. b) Three scenarios for expanding the student body will be completed by April 1, 2019. c) At least \$55,000 will be raised by June 30, 2019 via events, grants, and other initiatives.	a) b) c) To date, the school's fundraising efforts have included: the Student Success Fund, Karaoke Night, an Electronics Recycling Drive. Also, the PTO hosted a yard sale and Halloween Dance Party.
Evidence: 1) The studies will be presented at the board meeting following their completion. 2) The HOS report to the Board and/or the Development Committee report will communicate progress monthly.	1) 2) A fundraising plan was developed with the PTO and the Development Committee. The plan was presented to the board at the September meeting.
Objective: In order to improve teacher retention, the factors that positively influence teacher retention will be identified and optimized.	
Measures: a) A study of the factors that influence teachers' employment decisions will be completed prior to April 1, 2019. The factors that positively influence teacher retention will be instituted as soon as practicable. b) A salary study will be conducted by February 1, 2019 in order to compare MCCPS teachers' salaries with the local district salaries for teachers. c) Observations of classroom teachers will provide timely and relevant feedback. All new teachers will be observed formally at least once per term; experienced teachers will be observed formally at least once per year.	a) b) The salary schedules from area districts are being collected. c) Formal and informal observations are ongoing.
Evidence: 1) The studies will be presented at the board meeting following their completion. 2) Documentation of classroom observations	1) 2) The Teach Point subscription has been terminated in favor of an electronic Google portfolio. About \$600 per year will be saved by

<p>will be provided at the monthly board meetings.</p>	<p>replacing Teach Point with the online portfolio. Also, the teachers will enjoy greater flexibility with the portfolio, especially regarding music and video elements.</p>
<p>2. Student Growth Goal:</p>	
<p>Objective: In order to positively influence student retention, the school's commitment to infusing project-based learning and serve learning with opportunities for student voice and choice will be enhanced at all grade levels.</p>	
<p>Measures:</p> <ul style="list-style-type: none"> a) Each trimester at least 90% of teachers will collaborate with their colleagues to create project-based and service-learning units that include opportunities for student voice and choice. b) Each term, at least 80% of students will include in their portfolios documentation of their application of student voice and choice in a project-based or service-learning project. c) For terms one and two, at least 75% of students will meet or exceed teacher expectations on project-based or service-learning assessments. 	<ul style="list-style-type: none"> a) 1st Term: 100% of full-time teachers have collaborated with their colleagues to create PBL and SL units that include student voice and choice. Common planning time is built into the weekly schedule, and additional PD time is documented on the school's calendar and staff meeting notes. b) c)
<p>Evidence:</p> <ul style="list-style-type: none"> 1) Project-based and service learning project descriptions will be posted to the grade-level webpages by the middle of each trimester. Teacher names will be included in the project descriptions. 2) Student reflections will document the degree to which student voice and choice influenced growth and achievement within a project-based and/or service learning unit. 3) Teachers will provide grade reports to the HOS at the end of first and second trimester. 	
<p>3. Professional Practice Goal:</p>	
<p>Objective: In order to positively influence student retention, the successes and accomplishments of students (current and alums) will be celebrated regularly.</p>	
<p>Measures:</p> <ul style="list-style-type: none"> a) Students achieving the equivalent of all A's (high honors) all A's and B's (honors) on their report cards will be publicly recognized each trimester. b) High school acceptances and 	<ul style="list-style-type: none"> a) A commendation template is being created and a press release is being drafted. b) c) d) Several parents and alums have offered to write testimonials.

<p>admissions will be tracked and publicized in the aggregate.</p> <ul style="list-style-type: none"> c) The percentage of freshmen accepted into honors classes will be reported in the aggregate. d) At least fifteen testimonials from alums/parents of alums will be collected and published by May 15, 2019. e) The school will host at least two events for alums (under 21 and over 21) before May 15, 2019. f) At least three high school students and three adult alums will speak to the students about their experiences and how MCCPS prepared them for success in high school and beyond. 	<ul style="list-style-type: none"> e) A 21+ Alumni event has been scheduled for Dec 20th. f)
<p>Evidence: Posts will be made to the school's website, social media, or local newspapers at least twice per month.</p>	<p>Posts have been made to the school's website and facebook frequently. A log is being developed to track the postings.</p>

Attachments

The following files are attached to this PDF: You will need to open this document in an application that supports attachments (i.e. [Adobe Reader](#)) in order to access these files.

Sept-18, Financial Report.xlsx