



# MCCPS Board of Trustees

## Board of Trustees Monthly Meeting

Amended on January 15, 2020 at 9:21 PM EST

### Date and Time

Tuesday October 29, 2019 at 7:00 PM EDT

### Location

MCCPS, 17 Lime St, Marblehead MA

### Agenda

	Purpose	Presenter	Time
<b>I. Opening Items</b>			<b>7:00 PM</b>
A. Record Attendance and Guests		Karl Smith	
B. Call the Meeting to Order		Artie Sullivan	
C. Approve Minutes	Approve Minutes	Karl Smith	3 m
Approve minutes for Board of Trustees Monthly Meeting on July 30, 2019			
D. Approve Minutes - Charter Renewal Meeting	Approve Minutes	Karl Smith	3 m
Minutes of Special Board Meeting - Charter Renewal			
<b>II. Public Comment</b>			<b>7:06 PM</b>
A. Student Presentation	Discuss	Ellen Lodgen	10 m
Student Presentation			
B. PTO Liason	FYI	Artie Sullivan	10 m
PTO Liason			
C. Public Comment	Discuss	Artie Sullivan	10 m
<b>III. Review of Previous Meeting Action Items</b>			<b>7:36 PM</b>
A. Review of Previous Meeting Action Items	Discuss	Artie Sullivan	
<ul style="list-style-type: none"> <li>• Development and Fundraising training for Board</li> <li>• Identify potential candidates for the Board – Goal is 3 new members for SY 2019-2020. Areas that need representation on the board –               <ul style="list-style-type: none"> <li>• Alumni</li> <li>• Parents of families residing outside of Marblehead.</li> </ul> </li> <li>• Strengthen Subcommittees if needed               <ul style="list-style-type: none"> <li>• Communication and Development</li> </ul> </li> </ul>			

- Review Documents located in Board Member Handbook Google Drive. Invitation sent by separate email.
  - Add documents that are needed

**IV. Yearly Meeting Agenda Items**

**7:36 PM**

**A. Upcoming Meeting Agenda Items** FYI      Artie Sullivan      5 m

- Oct – Adoption of the Annual Audit (must be done by Oct 31), Adoption of the Strategic Plan, MCAS Presentation
- Nov – Presentation on HOS Evaluation Process by Personnel Committee,
- Dec – an update on the Board Member Mentoring
- Jan – HOS Mid-year review, Review Site Inspection,
- Feb –
- March – Set up Satisfaction Survey, Set Annual Board Retreat Date
- April – HOS Goals Presentation
- May – HOS Annual Evaluation, Budget Adoption
- June – Annual Board Retreat
- July - Adopt Annual Report, by July 31, Adopt Annual Board Goals
- August – Adopt HOS Goals, Open Annual Board Self Assessment
- Sept – Review Annual Board Self Assessment, Approve Committee Memberships and Vice-Chairs

**V. Other Business**

**7:41 PM**

**A. Board Goals for SY 2019-2020** Discuss      Artie Sullivan

**Goal-1 (Strategic Plan Implementation):**

- Define and adopt a 3-year strategic plan that is fully aligned with the mission of MCCPS. To include full implementation of year-1 objectives as defined in the plan and staging for the subsequent year.

**Goal-2 (Board Health & Sustainability)**

- Continue to build and develop a strong and diverse board to ensure the long-term health and sustainability of MCCPS, through creative mentorship and training programs (in collaboration with governance committee). To include identification of 2-3 new board members SY 2019-2020.

**Goal-3 (Development)**

1. Funding Streams
2. Grants & Fundraising
3. Board Responsibility

**Goal 4 (Communication and Community Development)**

- Strengthen the engagement with key stakeholders (e.g. Head of School, Parents, Students, Educators, PTO and Community) to support the growth and development of MCCPs role within the community and enhance the ongoing school initials and fundraising efforts. To include fostering a strong working relationship between the Board of Trustees and HOS to drive implementation of the 2019 strategic plan and ensure the long-term success of MCCPS.

**Goal-5 (Bylaws Review)**

**B. Planning for SY 2019-2020** Discuss      Artie Sullivan

Planning for upcoming SY 2019-2020

- 25th Anniversary Celebration
- Charter Renewal Application Process
  - Submit Charter Renewal Application by August 1, 2019 **Submitted**
  - Preparation for Site Visit week of Nov 7, 2019
  - Prepare Accountability Plan Draft
- Board Leadership and Committee Chairs for SY 19-20, **Completed**
- Bylaws Review

**C. Adoption of MCCPS Strategic Plan, 2020-2023** Vote      Fred Ferris      15 m

Presentation and Adoption of MCCPS Strategic Plan, 2020-2023

**D. MCCPS MCAS Presentation** Discuss      Peter Cohen      15 m

Presentation of MCCPS MCAS Results

**E. Annual Audit** Vote      Rodolphe Herve      10 m

Presentation and Adoption of FY2019 Audit

<b>VI. Committee Updates</b>			<b>8:21 PM</b>
A. Governance Committee	Discuss	Karl Smith	5 m
B. Finance Committee	Discuss	Rudi Herve	5 m
C. Personnel Committee	Discuss	Artie Sullivan	5 m
D. Academic Excellence	Discuss	Jessica Xiarhos	5 m
E. Development	Discuss	Ellen Lodgen	5 m
F. Strategic Plan Committee	Discuss	Fred Ferris	
G. Communications, and Community Relations Committee	Discuss	Ian Hunt	5 m
H. Charter Renewal	Discuss	Artie Sullivan	5 m
I. BY Laws Task Force	Discuss	Stephen Veiga	5 m
<b>VII. HOS Report</b>			<b>9:01 PM</b>
A. Monthly Report	FYI	Peter Cohen	15 m
HOS to share monthly report.			
<b>VIII. Public Comment</b>			<b>9:16 PM</b>
A. Public Comment	Discuss	Artie Sullivan	5 m
<b>IX. Board Member Comments and Resolutions</b>			<b>9:21 PM</b>
A. Board Member Comments and Resolutions	Discuss	Artie Sullivan	3 m
This is an opportunity for Board Member Comments and Resolutions			
<b>X. Closing Items</b>			<b>9:24 PM</b>
A. Recap Action Items	Discuss	Karl Smith	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 Board of Trustees Monthly Meeting on July 30, 2019



## MCCPS Board of Trustees

### Minutes

#### Board of Trustees Monthly Meeting

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**Date and Time**

Tuesday July 30, 2019 at 7:00 PM

**Location**

MCCPS, 17 Lime St, Marblehead MA

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**Trustees Present**

Artie Sullivan, Ellen Lodgen, Fred Ferris, Jessica Xiarhos, Karl Smith, Rebecca Whidden, Richard Doron, Rodolphe Herve, Stephen Veiga

**Trustees Absent**

Ian Hunt, Paul Baker, Peter Cheney, Peter Cohen

**Trustees Arrived Late**

Fred Ferris

**Guests Present**

William Sullivan

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**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 Jul 30, 2019 @ 7:07 PM at MCCPS, 17 Lime St, Marblehead MA.  
The meeting was held in Room 7R

**C. Approve Minutes**

A few minor edits were discussed and the minutes were approved with the updates noted.

Stephen Veiga made a motion to approve minutes from the Monthly Board Meeting on 06-25-19 with minor edits noted. Monthly Board Meeting on 06-25-19  
Ellen Lodgen seconded the motion.  
The board **VOTED** unanimously to approve the motion.

**D. Approve Minutes**

Karl Smith made a motion to approve minutes from the HOS Contract Vote on 05-15-19 - with the removal of Ellen Lodgen and Stephen Veiga from the guest list. HOS Contract Vote on 05-15-19  
Artie Sullivan seconded the motion.  
The board **VOTED** unanimously to approve the motion.

**II. Public Comment**

**A. Public Comment**

There was no public comment for the Board

**III. Review of Previous Meeting Action Items**

**A. Review of Previous Meeting Action Items**

For the action items the board discussed additional fundraising efforts, board member searches and work on recruiting subcommittee members.  
Additional topics included the board handbook and the mentoring program,

**IV. Other Business**

**A. Board Goals for SY 2019-2020**

The current year goals are consistent with last year's primary goals with the strategic plan, school health and sustainability as the ultimate priorities.

**B. Planning for SY 2019-2020**

The discussion around planning involved updates to the by-laws, committee term limits, the 25th anniversary committee, and other areas.  
7:25 - Fred Ferris arrived late

Fred Ferris arrived late.

**C. Review of Satisfaction Survey**

The group felt the survey was a good summary with useful information for Peter to have for when he settles into the new role. Artie suggested there is a scheduled check-in for certain key areas. (to be identified by the board).

**D. Annual Goal Setting for Head of School**

There was extended conversation regarding the HOS goals. While there are several items the group would like him to focus on, the group believed Peter should have a chance to review these items before finalized / voted. It was agreed the vote would be held off until the next meeting

**E. Approve Annual Report**

The annual report is being finalized and there are a few items which require clarification. Everything appears on track for an on-time filing.

**V. Committee Updates**

**A. Governance Committee**

The governance committee is spear-heading the mentoring program and there will be more work to come with this initiative

The governance committee is spear-heading the mentoring program and there will be more work to come with this initiative

**B. Finance Committee**

Rudi provided an update with regards to the funding adjustment from the state along with the timeline for due dates on disclosures. For the salaries discussion, Ellen Lodgen suggested that certain areas for stipends and other additional areas be highlighted to avoid confusion.

**C. Personnel Committee**

The group is looking to meeting in August to further review the HOS goals. More information is pending for future meetings.

**D. Academic Excellence**

There was no meeting since the last board meeting. More information will be forthcoming once a meeting is held.

**E. Development**

Ellen Lodgen provided a brief update and noted that discussions were being had with the new HOS. Artie also noted a listing of foundations in the area which could be potentially 'tapped into' for contributions or funds.

More work is pending from the development committee.

**F. Strategic Plan Committee**

Similar to other areas, the strategic planning committee is waiting for the arrival of the new head of school to start a new drive to complete the overall vision and plan. It is key to have the HOS act as part of the focus and direction the school will be heading.

**G. Communications, and Community Relations Committee**

Again, this is an effort by certain board member and the hope is that with the new HOS there will be increased focus and drive to improve communications overall.

**H. Charter Renewal**

Bill Sullivan noted the renewal application has be completed and submitted. There will be a few more required documents, however he believes the process went well.

**VI. HOS Report**

**A. Monthly Report**

Bill Sullivan provided the update and focused on staffing and admissions primarily.

Talks around lottery and re-allocation of resources based on projected enrollment were had.

Everyone agreed there will be challenges faced and work to be done to meet the projected year.

**VII. Public Comment**

**A. Public Comment**

There were no public comments.

## **VIII. Board Member Comments and Resolutions**

### **A. Board Member Comments and Resolutions**

There were comments surrounding the preservation of some domain names for the sporting web-pages, the mentoring program, the by-laws review, the financials in the renewal, and other areas for the sub-committees.

## **IX. Closing Items**

### **A. Recap Action Items**

As noted above, there were some specific areas of focus.

### **B. Meeting Evaluation**

All present believed the meeting was efficient and met the assigned goals.

### **C. Adjourn Meeting**

Ellen Lodgen made a motion to adjourn the meeting.

Fred Ferris 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 9:00 PM.

Respectfully Submitted,  
Karl Smith

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## **Documents used during the meeting**

- Overview of Results of Parent Satisfaction Survey.docx
- Draft Copy of Head of School Goals - P. Cohen 2019.docx
- MCCPS Annual Report 2018-19 DRAFT.docx
- MCCPS-June-2019-Financial\_Statements.pdf
- PDF of Charter Renewal Submission 7\_17\_19.pdf
- HOS Report to Board of Trustees 7\_30\_19.docx



# Cover Sheet

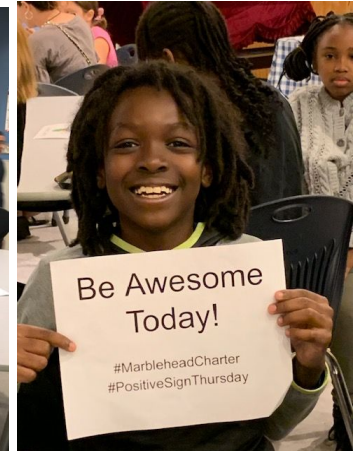
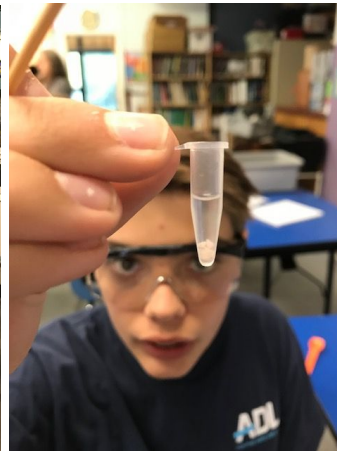
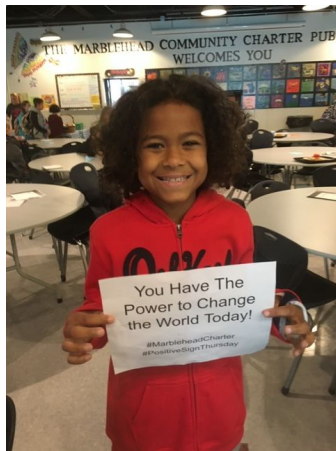
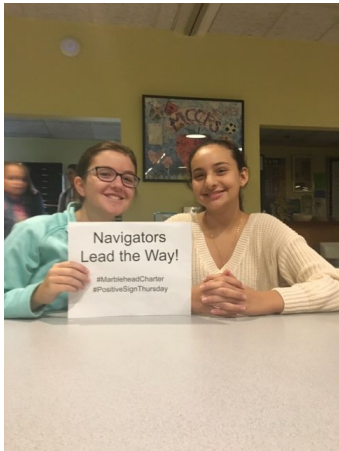
## Adoption of MCCPS Strategic Plan, 2020-2023

**Section:** V. Other Business  
**Item:** C. Adoption of MCCPS Strategic Plan, 2020-2023  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:** Copy of Strategic\_Plan\_WORKING COPY\_RW.pdf

# Marblehead Community Charter Public School Strategic Plan 2020-2023

Approved by the Board of Trustees October 2019

## Navigators Chart the Course



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## **INTRODUCTION**

### **What is Marblehead Community Charter Public School?**

We are a Charter Public School located in the beautiful coastal town of Marblehead, Massachusetts. Serving students in grades 4-8, our school welcomes students from Marblehead and the surrounding communities of Swampscott, Lynn, Salem, Nahant, Peabody, Saugus, and Beverly. With space for up to 230 students, our school maintains manageable class sizes to maximize student learning opportunities. As one of the first Charter Public Schools in the state, Marblehead Charter has provided many students over the past 25 years with educational experiences that have set them up for success in high school, college, and careers.

The MCCPS Strategic Plan is designed to ensure that the human, financial, and capital resources of the organization are efficiently and effectively allocated in accordance with the priorities established by the MCCPS Board of Trustees. As a charter school in Massachusetts, MCCPS is mandated to fulfill three promises. They are:

1. to be faithful to the School's Charter;
2. to provide a learning environment that fosters academic success; and
3. to be a viable organization.

This strategic plan is intended to ensure that these promises are met and that the school's mission is honored.

## LETTER FROM THE HEAD OF SCHOOL

*To Our Community,*

*Opportunity. This one word summarizes this plan and the vision for the future. We are pleased to share this strategic plan document with the community at this unique moment in the evolution of the Marblehead Community Charter Public School. Our school is preparing for the renewal of our charter, the 25th anniversary celebration, and we have new leadership. This strategic plan will work in concert with the recommendations from the state inspection visit and lead to a shared vision for the school.*

*The opportunity we have is to rededicate our efforts to providing our students with outstanding educational experiences that set each of them up for success. Together, our community will seize this opportunity to build on our strengths as a school that is focused on empowering students to be critical and creative thinkers through project-based learning activities where students are challenged to apply their knowledge and skills to solve real-world dilemmas. We view this moment as an opportunity to both reflect on the past 25 years and look ahead to the next 25 years at Marblehead Charter.*

*It is our hope that this strategic plan will be a living document and a guide for our journey of improving our systems and differentiating our school as a place where the needs of each student are the focus of our work. We encourage you to review the plan and join us as we dedicate our work toward continuous improvement. It will take our whole community working together to allow us to achieve the ambitious goals outlined here.*

*It is indeed a great day to be a navigator.*

Peter D. Cohen, Ed.D  
Head of School  
October 2019

### **Student Success**

Learning experiences for MCCPS students will be innovative, highly-engaging, and appropriately challenging so that each student will be empowered to reach her or his highest potential.

### **Faculty & Staff Success**

The professional experiences for faculty, staff, and administrators will honor their expertise, support their continual growth, and recognize their contributions to the achievement of the school's mission.



### **Operations Success**

The operational framework provided by the MCCPS Head of School, Faculty and Staff, and Board of Trustees will be well-informed, robust, and sustainable, and will lay the foundation for the school's next 25 years of development and growth.

### **Community Success**

The growing slate of opportunities for parents, extended family, community members and alumni will build on the strengths of our existing community while providing a framework for growth.

## STRATEGIC PLAN ONE PAGER

### Student Success Goals

1. Provide an integrated, student-centered, and project-based learning experience that incorporates the 21st century skills of critical thinking, collaboration, communication and creativity.
2. Provide a personalized educational experience that enables all students to meet or exceed the expectations of the state's curriculum frameworks.
3. Incorporate technology as a resource for curriculum implementation.
4. Provide a variety of opportunities and formats for students to document and demonstrate their learning.
5. Differentiate 7th and 8th grade experience with an eye to retention and preparing students for high school.
6. Enhance the support for new students at all grade levels in order to ensure a smooth and successful transition to MCCPS.
7. Enhance the support for new students at all grade levels in order to ensure a smooth and successful transition to MCCPS.
8. Provide opportunities for learning that extends beyond the classroom.
9. Provide robust, meaningful and integrated service learning opportunities within each grade level across all three terms.
10. Continue to enhance the elements of student voice and student choice within the curriculum.
11. Foster a kind, safe and collaborative school culture that incorporates consistent behavioral expectations and appropriate incentives and consequences for student choices.

### Faculty & Staff Success Goals

1. Develop stronger recruitment and hiring strategies to ensure a highly-skilled faculty, staff and administration is in place and are committed to the success of all students.
2. Hire and retain specialized personnel including nurse, guidance counselor, school adjustment counselor, and physical, occupational and speech therapists.
3. Reduce teacher attrition and ensure that highly qualified employees choose to stay at MCCPS.
4. Provide regular and rigorous professional development opportunities for faculty and staff.
5. Define academic excellence at MCCPS.
6. Review curriculum at all grade levels and in all areas.
7. Provide learning experiences that allow all students to access the curriculum in an equitable, unbiased manner.
8. Enhance the implementation of the social-emotional learning curriculum.
9. Expand the dissemination of MCCPS best practices to educators from other schools and from higher ed.

### Community Success Goals

1. Increase family and community connectivity.
2. Increase volunteer and community involvement in the school.
3. Expand the celebration of student, family and community contributions.
4. Develop a robust and coherent communications strategy.
5. Develop a robust and active alumni network.

### Operations Success Goals

1. Grow the school's fundraising capacity.
2. Monitor student retention in order to address those trends that are within the school's control.
3. Review, Refine and Adopt policies and procedures.
4. Maintain, expand and/or replace the existing MCCPS facility in order to provide the best possible environment for learning, teaching and community engagement.



## VISION, MISSION & ESSENTIAL HABITS

### *Mission*

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.

### *Vision*

The Charter Experience enables students to embody a strong sense of community, global responsibility, intellectual curiosity, interpersonal skills, and entrepreneurial dexterity. Via the school's rigorous, integrated, student-centered, project-based and service learning curriculum, student learning is personalized, reflective, and infused with the arts, technology, and student voice and choice. Through a committed partnership amongst all community members, including parents, faculty, students, alumni, and local community and business leaders, we strive to provide an engaging, innovative, and progressive learning environment that will enable all students to excel.

### *Essential Habits*

Essential habits are ways of being that all students should demonstrate in order to be effective citizens and lifelong learners even when no one's looking, regardless of the context. At MCCPS, the following essential habits run through the curriculum at all grade levels:

**Perseverance:** I am responsible for my actions and the quality of my work. I demonstrate sustained effort despite challenges.

**Initiative:** I identify a challenge or need, create a plan, and take action.

**Leadership:** I listen to the ideas of others, make good choices, and lead by example.

**Integrity:** I am honest and trustworthy. I treat people kindly.

**Problem-solving:** I identify and understand a problem, consider the best strategy, apply it, and evaluate the solution.



## ACADEMIC PROGRAM SUCCESS STUDENT SUCCESS GOALS

Learning experiences for MCCPS students will be innovative, highly-engaging, and appropriately challenging so that each student will be empowered to reach her or his highest potential.

<b>STRATEGY</b>	<b>ACTION ITEMS</b>	<b>RESPONSIBLE PARTY</b>	<b>MEASURES OF SUCCESS</b>
Provide an integrated, student-centered, and project-based learning experience that incorporates the 21st century skills of critical thinking, collaboration, communication and creativity.	Provide on-going professional development and access to resources for staff with a focus on authentic implementation of project-based learning.	Faculty and Admin Team	
Provide a personalized educational experience that enables all students to meet or exceed the expectations of the state's curriculum frameworks.	(1) Triangulate data to identify individual student strengths and weaknesses. (2) Utilize MCAS, IXL, and Classroom Performance data to inform interventions and supports for each student	Faculty and Admin Team	
Incorporate technology as a resource for curriculum implementation.	(1) Continue to support in the operating budget a 1:1 mobile device learning environment (2) Develop and implement comprehensive curriculums for technology and study skills. (3) Enhance classroom and Enrichment STEAM programming to include coding, robotics, and expanded use of technology.	Faculty and Admin Team	

<p>Provide a variety of opportunities and formats for students to document and demonstrate their learning.</p>	<p>(1) Develop a portfolio system that allows students to document their learning, reflect upon their growth and achievement, and set goals for future progress.  (2) Provide opportunities for students to demonstrate their learning within the context of public exhibitions of their work.  (3) Explore student-led conference format for upper grades  (4) Explore capstone project and panel defense for 8th graders</p>	<p>Faculty and Admin Team</p>	
<p>Differentiate 7th and 8th grade experience with an eye to retention and preparing students for high school.</p>	<p>(1) Provide additional options for accelerated learning, including online high school courses for 7th and 8th graders.  (2) Foster leadership development for 7th and 8th graders through cross-grade mentoring and teaching Enrichment and/or after school classes.  (3) Create additional leadership opportunities for 7th and 8th graders, including externships with local professionals and business owners.</p>	<p>Faculty and Admin Team</p>	
<p>Enhance the support for new students at all grade levels in order to ensure a smooth and successful transition to MCCPS.</p>	<p>(1) 4th grade and 7th grade Mentorship Program  (2) PTO Popsicles in the Park  (3) PTO Back to School Picnic</p>	<p>Faculty and Admin Team  PTO</p>	
<p>Provide opportunities for learning</p>	<p>(1) Create partnerships with</p>	<p>Enrichment</p>	

that extends beyond the classroom.	higher ed and local businesses in order to expand the opportunities for accelerated and entrepreneurial learning. (2) Acquire a bus or van to allow off-site learning, Enrichment, and service learning experiences.	Coordinator, Board, Head of School	
Provide robust, meaningful and integrated service learning opportunities within each grade level across all three terms.	Establish benchmarks and grade level expectations for service learning.	Faculty, Admin Team	
Continue to enhance the elements of student voice and student choice within the curriculum.	(1) Create elective program as Enrichment 2.0 with increasing options for each grade level. (2) Develop projects with options for product/evidence of mastery or solution to problem (3) Incorporate older students into facilitation of community meetings	Faculty, Admin Team, Students	
Foster a kind, safe and collaborative school culture that incorporates consistent behavioral expectations and appropriate incentives and consequences for student choices.	(1) Write a new Behavior Contract (2) Write new Parent and Student Handbook (3) Investigate and implement school-wide Positive Behavioral Interventions and Supports (PBIS) system	Assistant Head of School, Director of Curriculum, Faculty	

## ACADEMIC PROGRAM SUCCESS FACULTY & STAFF SUCCESS GOALS

The professional experiences for faculty, staff, and administrators will honor their expertise, support their continual growth, and recognize their contributions to the achievement of the school's mission.

STRATEGY	ACTION ITEMS	RESPONSIBLE PARTY	MEASURES OF SUCCESS
Develop stronger recruitment and hiring strategies to ensure a highly-skilled faculty, staff and administration is in place and are committed to the success of all students.	(1) Participate in job fairs. (2) Form partnerships with local colleges/universities that have teacher preparation programs.	Head of School	
Hire and retain specialized personnel including nurse, guidance counselor, school adjustment counselor, and physical, occupational and speech therapists.	(1) Participate in job fairs. (2) Form partnerships with local colleges/universities that have teacher preparation programs.	Head of School	
Reduce teacher attrition and ensure that highly qualified employees choose to stay at MCCPS.	(1) Provide a supportive, affirming and highly collaborative environment. (2) Develop a comprehensive retention strategy. (3) Conduct a salary study in order to inform levels and types of teacher compensation. (4) Incrementally, and to the degree possible, increase salaries and benefits for teachers, staff and administrators.	Head of School, Board, Committees: Finance & Development	

<p>Provide regular and rigorous professional development opportunities for faculty and staff.</p>	<p>(1) Implement a school calendar that includes early release time throughout the year to allow for longer clocks of time for professional development.                  (2) Provide common planning and consult time for grade-level teams and department members in order to foster collaboration, curricular alignment and calibration of practices and expectations.                  (3) Provide job-embedded professional development, targeted mentoring and ongoing instructional feedback.</p>	<p>Head of School &amp; Admin Team</p>	
<p>Define academic excellence at MCCPS.</p>	<p>(1) Identify the measures and deliverables that are particular to communicating student and academic excellence at MCCPS.                  (2) Review student performance indicators to inform curriculum decisions, instructional practices, and professional development offerings.</p>	<p>Academic Excellence Committee, Faculty</p>	
<p>Review curriculum at all grade levels and in all areas.</p>	<p>(1) Align grade level efforts and expectations within and across the grades.                  (2) Ensure alignment with changes to the state's curriculum frameworks.                  (3) Ensure alignment with changes to the state's curriculum including social emotional</p>	<p>Director of Curriculum, Faculty</p>	

	<p>learning.</p> <p>(4) Annually review and revise curriculum maps and identify anchor projects for each grade level.</p> <p>(5) Strengthen the application of Depth of Knowledge in the development of units and assessments.</p>		
Provide learning experiences that allow all students to access the curriculum in an equitable, unbiased manner.	(1) Implement Universal Design for Learning practices.	Director of Curriculum, Faculty	
Enhance the implementation of the social-emotional learning curriculum.	<p>(1) Explore curriculum resources.</p> <p>(2) Create grade level outline of topics to be addressed</p>	School Counselors, Faculty, Director of Curriculum	
Expand the dissemination of MCCPS best practices to educators from other schools and from higher ed.	<p>(1) Present regular presentations at educational workshops.</p> <p>(2) Publish articles in educational literature.</p> <p>(3) Host visits to MCCPS.</p> <p>(4) Present regular presentations to the local business community.</p>		

## ORGANIZATIONAL VIABILITY COMMUNITY SUCCESS GOALS

The growing slate of opportunities for parents, extended family, community members and alumni will build on the strengths of our existing community while providing a framework for growth.

STRATEGY	ACTION ITEMS	RESPONSIBLE PARTY	MEASURES OF SUCCESS
Increase family and community connectivity.	(1) Provide opportunities for family and community members to get to know each other.	PTO, Head of School, Board	
Increase volunteer and community involvement in the school.	(1) Provide opportunities for family and community members to work together in services of the school. (2) Recruit parents and community members to teach Enrichment and/or after school classes.	PTO, Head of School, Board	
Expand the celebration of student, family and community contributions.	(1) Awards Ceremonies (2) Improved Website to highlight community	Faculty, Head of School	
Develop a robust and coherent communications strategy.	(1) Communicate regularly with parents and community members. (2) Revise the school's Communications Plan to include the optimization of social media, online, print and in-person resources. (3) Research and report data relative to the preparedness for and success in high school of	Communications Committee, Head of School, Office Manager/Communications Coordinator	

	MCCPS graduates.		
Develop a robust and active alumni network.	(1) Employ an alumni liaison (2) Encourage alumni of all ages to be knowledgeable about and involved in the school. (3) Host at least two events per year for alumni. (4) Celebrate Alumni accomplishments	Head of School, Alumni Liaison	



## ORGANIZATIONAL VIABILITY OPERATIONS SUCCESS GOALS

The operational framework provided by the MCCPS Head of School, Faculty and Staff, and Board of Trustees will be well-informed, robust, and sustainable, and will lay the foundation for the school's next 25 years of development and growth.

STRATEGY	ACTION ITEMS	RESPONSIBLE PARTY	MEASURES OF SUCCESS
Grow the school's fundraising capacity.	(1) Explore revenue-generating opportunities including events, grants, planned giving and estate planning. (2) Assign development role to staff member beyond work that a committee can do	Head of School, Development Committee, Board	
Monitor student retention in order to address those trends that are within the school's control.	Develop system to track student enrollment and attrition	Business Manager, Head of School	
Review, Refine and Adopt policies and procedures.	(1) Identify Best Practices at High Performing Charter Schools and Districts (2) Utilize resources available through Massachusetts Charter Public Schools Association membership (3) Visit other charter schools	Board, Head of School, All Board Committees	
Maintain, expand and/or replace the existing MCCPS facility in order to provide the best possible environment for learning, teaching and community engagement.	(1) Maximize state and local resources to improve the condition of the school's current facilities. (2) Create a facilities plan and timeline for renovating the building including improved		

	<p>classroom spaces, science lab, a regulation-compliant gym, larger art and music rooms, expanded Community Room, better equipped Nurse's Station, language labs, a woodshop, makerspace, theater, and multi-purpose spaces.</p> <p>(3) Explore the possibilities (benefits, liabilities) of replicating the school in another location.</p>		
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## GLOSSARY

### Admin Team:

The administration team at Marblehead Charter is lead by the Head of School. The team members include the Assistant Head of School, the Business Manager, the Director of Curriculum & Technology, The Director of Student Services, The Director of Food Services & Nutrition, The Enrichment Coordinator, and The Office Manager

### Depth of Knowledge (DoK):

DoK refers to the **depth** of understanding required to answer or explain an assessment-related item or a classroom activity.

### Enrichment:

The MCCPS Enrichment Program is a daily 45-minute period in which parents, community volunteers, and staff work with students on a wide variety of projects and activities. The Enrichment Program began in the school's first year as a means for parents to take an active role in the learning environment of their children and for students to learn from their extended local community. Since then, it has grown to become an integral component of the school's core commitment to community partnerships. The Enrichment Program creates opportunities that connect the school with local community members. In addition to the learning gained from working on projects and participating in activities, students learn about themselves, enhance their skills and talents, and meet and work cooperatively with other members of their community. Parents and other community members have an opportunity to enhance the learning of the children. Community partnerships help create and maintain a healthy school community.

### Exhibition:

At the conclusion of each 13-week trimester, all students are required to exhibit a variety of interdisciplinary exhibition projects as part of their academic evaluation. These projects are designed and developed by interdisciplinary teams of teachers to integrate knowledge from multiple disciplines, connect to real-life experiences, and cultivate essential skills and habits. Exhibition projects are geared toward enhancing academic success, encouraging productive attitudes, and developing habits of lifelong learning.

### Integrated Projects:

Each trimester at MCCPS culminates in a public exhibition of student project work that integrates important skills and content from the disciplines while addressing the relevant global theme. Many integrated projects incorporate the visual and performing arts as well as core skills and knowledge related to math, science, global studies, and/or language arts (English and French). Community service learning is also integrated into the curriculum through project work, and many exhibition projects aim to connect disciplinary standards and benchmarks to the world outside of school.

### Project-Based Learning:

Project Based Learning is a teaching method in which students gain knowledge and skills by working for an extended period of time to investigate and respond to an authentic, engaging, and complex question, problem, or challenge.

### Service Learning:

Refers to **learning** that actively involves students in a wide range of experiences, which often benefit others and the community, while also advancing the goals of a given curriculum. Community-based **service** activities are paired with structured preparation and student reflection.

Three Terms:

The school calendar is divided into three trimesters. Each trimester ends with a public exhibition of student learning. Students and parents are provided with feedback on student progress at the end of each of these three terms.

Universal Design for Learning (UDL):

UDL is a strategy to develop lesson plans that will help all students and provide each individual with an equal opportunity to succeed.

## **CREDITS**

- Identify folks involved in past efforts?
- Identify folks involved in current efforts?
- Describe process used -- [Text to come](#)

# Cover Sheet

## MCCPS MCAS Presentation

**Section:** V. Other Business  
**Item:** D. MCCPS MCAS Presentation  
**Purpose:** Discuss  
**Submitted by:**  
**Related Material:** MCAS 2019 - MCCPS.pdf

# MCAS Results 2019

## Accountability Data

# MCAS Background

Next Generation MCAS

Grades 4-8 take ELA and Math

Grades 5 & 8 take Science



# Accountability

Based on last two years of the next-gen MCAS assessment.

Weighted average of progress toward DESE-set growth targets.

2018 results weighted 40%

2019 results weighted 60%

This will eventually be done in 4 year weighted progress segments.

# How is accountability calculated?

## **Cumulative criterion-referenced target percentage**

$$(2018 \times 40\%) + (2019 \times 60\%)$$

$$2018 = 35\%$$

$$2019 = 26\%$$

So.... 30% Moderate Progress Toward Targets

# Strengths

## Science

Exceeded targets for High Needs subgroup

Met target for students w/ disabilities

**CELEBRATE THE SCIENCE RESULTS**

## Math

Exceeded target for students w/ disabilities



# Areas for Growth

ELA - scores went down for all subgroups

Math - Improvement for High Needs subgroup was below targets. Overall, a decline in math scores.

# Comparison

## MCCPS vs 75 Other Charter Schools

- 3 Schools of Recognition
- 8 Schools Meeting or Exceeding Targets
- 37 Schools making Substantial Progress Toward Targets
- 11 Schools making Moderate Progress Toward Targets
- 1 School making Limited Progress Toward Targets
- 9 Schools Requiring Assistance or Intervention
- 6 Schools have insufficient data (too new or too small)

## MCCPS vs Sending Districts

- 4th Grade ELA -6
- 5th Grade ELA -6
- 6th Grade ELA -7
- 7th Grade ELA -7
- 8th Grade ELA -4
- 4th Grade Math -13
- 5th Grade Math -2
- 6th Grade Math -4
- 7th Grade Math -9
- 8th Grade Math -16
- 5th Grade Science +16
- 8th Grade Science +9

# What's next?

Continue our focus on our mission toward academic excellence including the essential habits.

MCCPS is designed to support each student's maximum individual growth in order to continue successfully on their educational path, in particular preparing them for high school and beyond. MCCPS creates an environment that promotes community, project-based learning, and service learning. MCCPS students will generate questions for learning, be self-directed in the inquiry process, and be able to defend their findings. All students will be knowledgeable and contributory members of society who demonstrate perseverance, initiative, leadership, integrity, and problem-solving.

# Cover Sheet

## Annual Audit

**Section:** V. Other Business  
**Item:** E. Annual Audit  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:** FY19 draft audit - Copy.pdf  
Marblehead Exit, 2019.pdf

**Draft For Discussion**

**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, 2019



**Marblehead Community Charter Public School**  
**Marblehead Charter Education Fund, Inc.**  
 June 30, 2019

Draft For Discussion

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# Draft For Discussion



## *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) and Marblehead Charter Education Fund, Inc. (a nonprofit organization) (collectively, the Organization) as of and for the year ended June 30, 2019, 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.

## Draft For Discussion

### ***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, 2019, and the respective changes in its combined financial position and combined cash flows thereof 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 2018 combined financial statements, and our report dated October 30, 2018, 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, 2018, 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 **Open Date, 2019**, 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 the effectiveness of the Organization's 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.

**Open Date, 2019**

**Marblehead Community Charter Public School**  
**Management's Discussion and Analysis**  
 June 30, 2019 (Unaudited)

Draft For Discussion

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, 2019, with comparative totals for fiscal year 2018. 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 2019 and 2018, 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. The School is dedicated to involving learning from, participating in, and serving our school community and the community at large.*

### **Financial Reporting Entity**

As required by generally accepted accounting principles, and in conformance with the *Government Accounting Standards Board (GASB) Statements 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 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 Organization is considered a special purpose government entity that engages in only business type activities. All of the financial activity of the Organization 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's Discussion and Analysis - *Continued*  
June 30, 2019 (Unaudited)

Draft For Discussion

### **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's Discussion and Analysis - *Continued***  
 June 30, 2019 (Unaudited)

Draft For Discussion

**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, 2019 and will provide comparative information for fiscal year 2018.

- The School held total assets of \$4,278,379 and \$4,452,840 at June 30, 2019 and 2018, respectively, of which \$3,828,905 and \$3,923,573, 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 the fiscal year 2019 depreciation expense.
- The School had total liabilities of \$4,001,533 and \$4,121,837 at June 30, 2019 and 2018, respectively. At June 30, 2019, \$284,019 was current and \$3,717,514 was noncurrent. At June 30, 2018, \$305,725 was current and \$3,816,112 was noncurrent. The decrease in total liabilities was mainly due to the payment of mortgage principal.
- Total net position for the School was \$276,864 and \$331,003 at June 30, 2019 and 2018, respectively, of which \$265,855 and \$320,697, respectively was unrestricted. In addition, for the years ended June 30, 2019 and 2018, the School had \$10,991 and \$10,306, respectively, in net position which was related to net investments in capital assets. The decrease in the net position is due to the current year deficit.
- The School earned total revenues of \$4,122,134 and \$4,029,550 for the years ended June 30, 2019 and 2018, 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, 2019 and 2018. The increase in revenue is due to the increase in per pupil tuition.



**Marblehead Community Charter Public School**  
**Management's Discussion and Analysis - *Continued***  
 June 30, 2019 (Unaudited)

Draft For Discussion

**Financial Highlights - *Continued***

- The School had total expenses of \$4,176,291 and \$3,935,670 for the years ended June 30, 2019 and 2018, respectively. For the years ended June 30, 2019 and 2018, total expenses include operating expenses of \$4,039,276 and \$3,796,868, respectively, and non-operating expenses of \$137,015 and \$138,802, respectively. The increase is mainly due to an increase in salary and related costs along with an increase in professional services.
- The School had a decrease in net position of \$54,157 and an increase in net position of \$93,880 for the years ended June 30, 2019 and 2018 respectively. In fiscal year 2019, the change in net position was comprised of operating income of \$11,883 and a non-operating loss of \$66,040. In fiscal year 2018, the change in net position was comprised of an operating income of \$163,710 and a non-operating loss of \$69,830.

**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 \$3,195,223 in per pupil funding in fiscal year 2019 compared to \$3,055,916 in per pupil funding in fiscal year 2018. This represent approximately 77% and 76% of the School's revenue for the fiscal years ended June 30, 2019 and 2018 respectively. In addition, the School received various government grants, which totaled \$60,434 and \$54,242 for fiscal years 2019 and 2018, respectively.

**Marblehead Community Charter Public School**  
Management's Discussion and Analysis - *Continued*  
June 30, 2019 (Unaudited)

**Draft For Discussion**

**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.



**Marblehead Community Charter Public School and  
Marblehead Charter Education Fund, Inc.** Draft For Discussion  
**Combined Statement of Net Position**  
**With Combining Information as of June 30, 2019**  
**With Summarized Comparative Totals as of June 30, 2018**

	<i>Marblehead Community Charter Public School</i>	<i>Marblehead Charter Education Fund, Inc.</i>	<i>Memorandum Only Total Primary Government June 30, 2019</i>	<i>Memorandum Only Summarized Comparative June 30, 2018</i>
<b>Assets</b>				
<b>Current Assets:</b>				
Cash	\$ 148,239	\$ 8,367	\$ 156,606	\$ 514,654
Tuition and accounts receivable	281,641	50	281,691	3,773
Prepaid expenses	19,594	-	19,594	12,788
Total current assets	449,474	8,417	457,891	531,215
<b>Noncurrent Assets:</b>				
Capital assets, net	3,828,905	-	3,828,905	3,923,573
Total noncurrent assets	3,828,905	-	3,828,905	3,923,573
Total assets	\$ 4,278,379	\$ 8,417	\$ 4,286,796	\$ 4,454,788
<b>Liabilities and Net Position</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 169
Accrued expenses	62,298	-	62,298	66,656
Accrued payroll	121,321	-	121,321	141,745
Note payable - current	100,400	-	100,400	97,155
Total current liabilities	284,019	-	284,019	305,725
<b>Noncurrent Liabilities:</b>				
Note payable	3,717,514	-	3,717,514	3,816,112
Total noncurrent liabilities	3,717,514	-	3,717,514	3,816,112
Total liabilities	4,001,533	-	4,001,533	4,121,837
<b>Net Position:</b>				
Net investment in capital assets	10,991	-	10,991	10,306
Unrestricted	265,855	8,417	274,272	322,645
Total net position	276,846	8,417	285,263	332,951
Total liabilities and net position	\$ 4,278,379	\$ 8,417	\$ 4,286,796	\$ 4,454,788

*See accompanying notes to combined financial statements.*

**Marblehead Community Charter Public School and  
Marblehead Charter Education Fund, Inc.** Draft For Discussion  
**Combined Statement of Revenues, Expenses, and Changes in Net Position**  
**With Combining Information For the Year Ending June 30, 2019**  
**With Summarized Comparative Totals For the Year Ending June 30, 2018**

	<i>Marblehead Community Charter Public School</i>	<i>Marblehead Charter Education Fund, Inc.</i>	Memorandum Only <i>Total Primary Government June 30, 2019</i>	Memorandum Only <i>Summarized Comparative June 30, 2018</i>
<b>Operating revenues:</b>				
Tuition	\$ 3,195,223	\$ -	\$ 3,195,223	\$ 3,055,916
Federal grants	60,434	-	60,434	54,242
Food service	105,089	-	105,089	111,299
Other revenues	81,143	-	81,143	102,683
Student activities	63,854	-	63,854	74,038
On-behalf fringe benefits	545,416	-	545,416	562,400
Total operating revenues	<u>4,051,159</u>	<u>-</u>	<u>4,051,159</u>	<u>3,960,578</u>
<b>Operating expenses:</b>				
Salaries	2,272,814	-	2,272,814	2,175,453
Payroll taxes	102,137	-	102,137	99,332
Fringe benefits	379,113	-	379,113	297,361
Occupancy	55,776	-	55,776	68,725
Professional services	126,176	-	126,176	44,350
Insurance	28,060	-	28,060	27,663
Student supplies and materials	118,610	-	118,610	162,476
Student activities	60,922	-	60,922	60,504
Office	33,089	-	33,089	27,299
Food service	64,179	-	64,179	68,123
Training and development	20,011	-	20,011	17,330
Repairs and maintenance	83,582	-	83,582	89,638
On-behalf fringe benefits	545,416	-	545,416	562,400
Depreciation	94,668	-	94,668	95,557
Contracted services	52,632	-	52,632	352
Miscellaneous	2,091	77	2,168	1,460
Total operating expenses	<u>4,039,276</u>	<u>77</u>	<u>4,039,353</u>	<u>3,798,023</u>
Operating income	<u>11,883</u>	<u>(77)</u>	<u>11,806</u>	<u>162,555</u>
<b>Nonoperating revenues/(expenses):</b>				
Rental income	17,891	-	17,891	13,639
Contributions	12,931	7,872	20,803	29,045
Interest income	97	6	103	100
Fundraising income	40,056	-	40,056	25,941
Fundraising expense	-	(1,332)	(1,332)	(2,475)
Other expense	(7,938)	-	(7,938)	(6,601)
Interest expense	(129,077)	-	(129,077)	(132,201)
Total net nonoperating expenses	<u>(66,040)</u>	<u>6,546</u>	<u>(59,494)</u>	<u>(72,552)</u>
Change in net position	<u>(54,157)</u>	<u>6,469</u>	<u>(47,688)</u>	<u>90,003</u>
Net position, beginning of the year	<u>331,003</u>	<u>1,948</u>	<u>332,951</u>	<u>242,948</u>
Net position, end of the year	<u>\$ 276,846</u>	<u>\$ 8,417</u>	<u>\$ 285,263</u>	<u>\$ 332,951</u>

*See accompanying notes to combined financial statements.*

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

Draft For Discussion

**Combined Statement of Cash Flows  
With Combining Information For the Year Ended June 30, 2019  
With Summarized Comparative Totals For the Year Ended June 30, 2018**

	<i>Marblehead Community Charter Public School</i>	<i>Marblehead Charter Educational Fund, Inc.</i>	<i>Memorandum Only Total Primary Government June 30, 2019</i>	<i>Memorandum Only Summarized Comparative June 30, 2018</i>
<b>Cash flows from operating activities:</b>				
Receipts from tuition	\$ 2,915,821	\$ -	\$ 2,915,821	\$ 3,055,916
Receipts from governmental grants	60,434	-	60,434	54,242
Receipts from food service program	102,850	-	102,850	108,246
Receipts from other	148,050	-	148,050	201,351
Payments to employees	(2,774,488)	-	(2,774,488)	(2,558,895)
Payments to suppliers and vendors	(656,461)	(77)	(656,538)	(605,836)
Net cash (used in)/provided by operating activities	<u>(203,794)</u>	<u>(77)</u>	<u>(203,871)</u>	<u>255,024</u>
<b>Cash flows from investing activities:</b>				
Interest income	97	6	103	100
Net cash provided by investing activities	<u>97</u>	<u>6</u>	<u>103</u>	<u>100</u>
<b>Cash flows from non capital financing activities:</b>				
Non-operating receipts	70,878	8,542	79,420	84,905
Non-operating disbursements	(7,938)	(1,332)	(9,270)	(26,076)
Net cash provided by financing activities	<u>62,940</u>	<u>7,210</u>	<u>70,150</u>	<u>58,829</u>
<b>Cash flows from capital and financing activities:</b>				
Payments of loan principal	(95,353)	-	(95,353)	(92,229)
Interest expense	(129,077)	-	(129,077)	(132,201)
Net cash used in capital and financing activities	<u>(224,430)</u>	<u>-</u>	<u>(224,430)</u>	<u>(224,430)</u>
Net (decrease)/increase in cash	(365,187)	7,139	(358,048)	89,523
Cash, beginning of year	513,426	1,228	514,654	425,131
Cash, end of year	<u>\$ 148,239</u>	<u>\$ 8,367</u>	<u>\$ 156,606</u>	<u>\$ 514,654</u>
<b>Reconciliation of operating income to net cash (used in)/ provided by in operating activities:</b>				
Operating income	\$ 11,883	\$ (77)	\$ 11,806	\$ 162,555
<i>Adjustments to reconcile total net operating income to net cash (used in)/provided by operating activities:</i>				
Depreciation	94,668	-	94,668	95,557
<i>Changes in operating assets and liabilities:</i>				
Grants and accounts receivable	(278,588)	-	(278,588)	21,577
Prepaid rent and prepaid expenses	(6,806)	-	(6,806)	5,894
Advances	-	-	-	(4,289)
Accounts payable	(169)	-	(169)	(51,058)
Accrued expenses	(24,782)	-	(24,782)	24,788
Net cash (used in)/provided by operating activities	<u>\$ (203,794)</u>	<u>\$ (77)</u>	<u>\$ (203,871)</u>	<u>\$ 255,024</u>

*See accompanying notes to combined financial statements.*

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

Draft For Discussion

Notes to Combined Financial Statements  
June 30, 2019

### ***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 79% and 78% of the funding to the School for the years ended June 30, 2019 and 2018 respectively, 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, 2019

Draft For Discussion

**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 CU, the Fund. 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. 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.

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's revenue recognition and financial presentation features. No modifications have been made to the Fund's financial information 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.**

Draft For Discussion

Notes to Combined Financial Statements - *Continued*

June 30, 2019

**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, except for income taxes on unrelated business income, if any. For the years ended June 30, 2019 and 2018, the Fund had no unrelated business income.

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 2019 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 (2016 - 2018).

*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, 2019 and 2018, 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, 2019 and 2018, 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, 2019

Draft For Discussion

**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.

*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, 2019

Draft For Discussion

**2. Summary of Significant Accounting Policies – Continued**

*New Accounting Pronouncement*

During fiscal year 2019, the Organization implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (GASB 88). GASB 88 clarifies which liabilities the Organization should include in its note disclosures related to debt and requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt. The GASB is effective for fiscal years beginning after June 15, 2018.

*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, 2018, from which the summarized information was derived.

**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, 2019 and 2018:

	2019	2018
Fully insured deposits	\$ 236,209	\$ 590,753
Uncollateralized	299	299
Total	\$ 236,508	\$ 591,052

**4. Tuition and Accounts Receivable**

Tuition and accounts receivable at June 30, 2019 and 2018 are as follows:

	2019	2018
Commonwealth of Massachusetts	\$ 281,641	3,053
Other	50	720
Total	\$ 281,691	\$ 3,773



**Marblehead Community Charter Public School and  
Marblehead Charter Education Fund, Inc.** Draft For Discussion  
Notes to Combined Financial Statements - *Continued*  
June 30, 2019

**5. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses at June 30, 2019 and 2018 are as follows:

	<i>2019</i>	<i>2018</i>	
Payables to vendors	\$ 46,329	\$ 66,825	
Payroll and fringe	<u>137,290</u>	<u>141,745</u>	
Total	<u>\$ 183,619</u>	<u>\$ 208,570</u>	

**6. Capital Assets**

The following are the capital assets as of June 30, 2019 and 2018:

*School*

	<i>Balance July 1, 2018</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30, 2019</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	<u>86,648</u>	<u>-</u>	<u>(20,000)</u>	<u>66,648</u>
Total capital assets being depreciated	<u>3,682,432</u>	<u>-</u>	<u>(20,000)</u>	<u>3,662,432</u>
<i>Less accumulated depreciation</i>				
Building	350,170	91,349	-	\$ 441,519
Building improvements	9,442	3,319	-	12,761
Equipment and computers	<u>86,647</u>	<u>-</u>	<u>(20,000)</u>	<u>66,647</u>
Total accumulated depreciation	<u>446,259</u>	<u>94,668</u>	<u>(20,000)</u>	<u>520,927</u>
Capital assets, net	<u>\$ 3,923,573</u>	<u>\$ (94,668)</u>	<u>\$ -</u>	<u>\$ 3,828,905</u>
<i>Balance</i>				
	<i>July 1, 2017</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance 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	<u>86,648</u>	<u>-</u>	<u>-</u>	<u>86,648</u>
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	<u>85,756</u>	<u>891</u>	<u>-</u>	<u>86,647</u>
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>

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

Notes to Combined Financial Statements - *Continued*

June 30, 2019

Draft For Discussion

**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 mortgage agreement contains provisions that upon the occurrence and continuance of any Event of Default, the financial institution may declare the mortgage amount then outstanding to be due and payable immediately. The Organization is required to maintain a debt service coverage ratio of 1.00 measured annually and a maximum loan to value ratio of 80% measured periodically. The School was in compliance with the maximum loan to value ratio, however the School's debt service coverage ratio was below that required by the financial institution at June 30, 2019. The bank has waived the covenant requirement for fiscal year 2019.

The following summarizes the long term debt activity of the Organization for the year ended June 30, 2019 and 2018:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
June 30, 2019	<u>\$3,913,267</u>	<u>\$ -</u>	<u>\$ 95,353</u>	<u>\$3,817,914</u>	<u>\$ 100,400</u>
June 30, 2018	<u>\$4,005,496</u>	<u>\$ -</u>	<u>\$ 92,229</u>	<u>\$3,913,267</u>	<u>\$ 97,155</u>

Interest expense was \$129,077 and \$132,201 for the years ended June 30, 2019 and 2018, respectively.

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>
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
2024	114,500	109,930	224,430
2025-2029	632,487	489,663	1,122,150
2030-2034	745,410	376,740	1,122,150
2035-2039	878,494	243,656	1,122,150
2040-2044	<u>1,024,852</u>	<u>86,811</u>	<u>1,111,663</u>
Total	<u>\$3,817,914</u>	<u>\$1,782,349</u>	<u>\$5,600,263</u>

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

Notes to Combined Financial Statements - *Continued*

June 30, 2019

Draft For Discussion

**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 5.50% at June 30, 2019 and 2018. 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, 2019 and 2018 was \$0. Interest paid during fiscal years 2019 and 2018 was \$0.

**9. Operating Lease Commitments**

The School leased certain office equipment under non-cancelable operating leases that expire between March 2019 and March 2022.

Rent expense on the leases was \$14,925 and \$13,456 during the years ended June 30, 2019 and 2018, respectively. The following represents minimum lease payments for the remaining term of the leases:

<i>Fiscal Year</i>	<i>Amount</i>
2020	\$14,650
2021	\$13,437
2022	\$ 9,167

**10. Retirement Plan**

*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, 2019

Draft For Discussion

**10. Retirement Plan – 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, 2018 measurement date was determined by an actuarial valuation prepared as of January 1, 2018 rolled forward to June 30, 2018. At June 30, 2019 and 2018, the School's share of MTRS net pension liability was \$5,382,282 and \$5,388,374, 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, 2019 and 2018, the School recognized \$545,416 and \$562,400, respectively of on-behalf revenues and expenses.

**12. 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, 2019 and 2018, the combined 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, 2019.

**13. Related Party Transactions**

During fiscal year 2019 and 2018, the Fund donated \$0 and \$17,000, respectively to the School.

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

Notes to Combined Financial Statements - *Continued*  
June 30, 2019

**Draft For Discussion**

**14. Concentrations**

During fiscal year 2019 and 2018, DESE provided 79% and 78% for the fiscal years of the Organization's revenue through Federal and Commonwealth funding respectively.

**15. Rental Income**

In fiscal years, 2019 and 2018, 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, 2019 and 2018 was \$17,891 and \$13,639, respectively.

**16. Subsequent Events**

The Organization has evaluated subsequent events through **Open Date, 2019**, 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.

## Draft For Discussion

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

## Draft For Discussion



### 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, 2019, and the combined statements of revenues, expenses and changes in net position and cash flows, and the related notes to the combined financial statements, which collectively comprise the Organization's combined financial statements, and have issued our report thereon dated **Open Date, 2019**.

#### **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.

## Draft For Discussion

### **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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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.

*Open Date, 2019*



# Draft For Discussion

## **SCHEDULE OF FINDINGS AND RESPONSES**

**Marblehead Community Charter Public School and  
Marblehead Charter Education Fund, Inc.**  
Schedule of Findings and Responses  
For the Year Ended June 30, 2019

**Draft For Discussion**

**No Current Year Findings**

# Draft For Discussion

## **SCHEDULE OF PRIOR YEAR FINDINGS**

**Marblehead Community Charter Public School and**

**Marblehead Charter Education Fund, Inc.**

Schedule of Prior Year Audit Findings

For the Year Ended June 30, 2019

**Draft For Discussion**

***2018-01 MTRS Eligibility***

*Condition*

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

*Status*

During fiscal year 2019, the individual was no longer employed by the Organization and no similar issues were identified. The finding is resolved.

***2018-02 20% Excess Carryover Calculation within the CSEOYR***

*Condition*

There was an error in reporting out the amount of debt service payments in the Charter School End of Year Report (CSEOYR) resulting in an overstatement of the surplus in the 20% excess carryover calculation (the calculation).

*Status*

The prior year calculation was corrected by the Organization. The finding is resolved.

# Draft For Discussion

## **BOARD ACCEPTANCE LETTER**

## Draft For Discussion

### 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, 2019.

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, 2019.

---

Board President or Treasurer  
or Other Designated Person

Open Date, 2019

## Marblehead Community Charter Public School

### Finance Committee Presentation

October 22, 2019



### DANIEL DENNIS & Co

Certified Public Accountants

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**DANIEL DENNIS & Co**  
Certified Public Accountants

October 22, 2019

**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, 2019. 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 May 24, 2019. 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. During fiscal year 2019, the Organization adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (GASB 88). No other accounting policies were adopted and the application of existing policies were not changed during 2019. 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 financial statement disclosures are neutral, consistent, and clear.

### *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.

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

## Marblehead Community Charter Public School

*June 30, 2019*

Description (Nature) of Audit Difference (AD)	Factual (F), Judgmental (J), or Projected (P)	Cause	Work-paper Ref.	Financial Statement Effect—Amount of Over- (Under-) statement of:						
				Total Assets	Total Liabilities	Working Cap.	Fund Balance/Net Position	Revenues	Expen.	Change in Fund Balance/ Net Position
Salaries are understated compared to Quarterly 941.	F	Unknown	7304				3,606		-3,606	3,606
Cash is understated	F	A check amount was improperly imputed into the accounting software resulting in the general ledger balance for cash being understated.	4106	-2,923			-2,923			
Cash is understated	F	Several checks dated July 1, 2019 were included in fiscal year 2019 resulting in cash being understated at June 30, 2019.	4105	-1,906			-1,906			
Total				-4,829	0	0	-1,223	0	-3,606	3,606
Financial statement caption totals				4,286,796	4,001,533		285,263	4,130,012	4,177,700	(47,688)
Current year AD as % of F/S captions (iron curtain method)				-0.11%	0.00%	0.00%	-0.43%	0.00%	-0.09%	-7.56%

**Conclusion:** Based on the results of the evaluation performed above, as well as the consideration of qualitative factors, uncorrected audit differences, individually and in the aggregate,  do  do not cause the financial statements of opinion unit taken as a whole to be materially misstated.

# **SUMMMARY OF AUDITORS' REPORTS**

**Marblehead Community Charter Public School**  
*June 30, 2019*

**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
- No reportable instances of non-compliance

***Prior Year Audit Results***

Compliance Findings:

*Finding:* An employee was improperly enrolled in the Massachusetts Teachers Retirement System

*Status:* Resolved during fiscal year 2019.

*Finding:* Overstatement of the fiscal year 2017 surplus in the Calculation.

*Status:* Resolved during fiscal year 2019.

# FINANCIAL RATIO PROFILE

## Marblehead Community Charter Public School

### June 30, 2019

<i>Ratio</i>	<i>2019</i>	<i>2018</i>	<i>2018 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>	1.58:1	1.73:1	3.2:1	>=1.5	Between 1.0 and 1.5	< 1.0
Unrestricted Days Cash <i>(cash divided by (total expenses-depreciation-in-kind)/365)</i>	15 days	49 days	86 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>	88%	92%	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>	90%	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>	11%	11%	14%	<= 15%	Between 15% and 30%	> 30%
Change in Net Position Percentage <i>(change in net position divided by total revenue)</i>	-2.0%	2.3%	5.3%	Positive %	Between -2% and 0%	< -2%
Debt to Asset <i>(total liabilities divided by total assets)</i>	0.94	0.93	0.57	< = .9	Between .9 and 1	> 1
Enrollment	230	229	566			

\*\* Calculated by DESE based on the financial information in the 2018 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 1<sup>st</sup>
- End of Year Report – December 2<sup>nd</sup>
- Form 990 and Form PC for the Fund – November 15<sup>th</sup>

# Cover Sheet

## Finance Committee

**Section:** VI. Committee Updates  
**Item:** B. Finance Committee  
**Purpose:** Discuss  
**Submitted by:**  
**Related Material:** MCCPS Financials, Sept-19.pdf

# **Marblehead Community Charter Public School**

## **Financial Results As of Sep 30, 2019**



**Prepared and reviewed by:**  
**Jeff Barry - MCCPS Business Manager ([jbarry@marbleheadcharter.com](mailto:jbarry@marbleheadcharter.com))**  
**Rodolphe Hervé - MCCPS Treasurer ([rherve@marbleheadcharter.com](mailto:rherve@marbleheadcharter.com))**

# MCCPS

## Balance Sheet Standard

As of Sep 30, 2019

	Accrual Basis				YoY Increase/ (Decrease)
	Jul 31, '19	Aug 31, '19	Sep 30, '19	Sep 30, '18	
<b>ASSETS</b>					
<b>Current Assets</b>					
<b>Checking/Savings</b>					
1073 — EBSB Payroll (8947)	17,286	30,409	25,285	22,579	2,706
1072 — EBSB Operating (8934)	359,627	396,770	439,191	442,533	(3,342)
1010 — Charter Hall (8202)	2,967	2,967	2,967	3,204	(236)
1040 — Petty Cash (4534)	853	819	337	2,892	(2,555)
1070 — Checking (4542)	96,585	97,287	97,796	76,348	21,448
1085 — PayPal	45	9,931	5,895	4,490	1,405
1090 — FoodService (5077)	5,479	4,424	2,075	9,285	(7,209)
<b>Total Checking/Savings</b>	<b>482,843</b>	<b>542,607</b>	<b>573,547</b>	<b>561,330</b>	<b>12,217</b>
<b>Accounts Receivable</b>					
1200 — Accounts Receivable	7,349	7,349	7,349		7,349
1201 — Grants Receivable	10,044	10,044	10,044		10,044
<b>Total Accounts Receivable</b>	<b>17,393</b>	<b>17,393</b>	<b>17,393</b>		<b>17,393</b>
<b>Other Current Assets</b>					
1310 — Prepaid Expense	33,775	34,227	35,763		35,763
1210 — State Allocation Receivable	20,221	20,221	20,221		20,221
<b>Total Other Current Assets</b>	<b>53,996</b>	<b>54,448</b>	<b>55,984</b>		<b>55,984</b>
<b>Total Current Assets</b>	<b>554,231</b>	<b>614,448</b>	<b>646,924</b>	<b>561,330</b>	<b>85,594</b>
<b>Fixed Assets</b>					
1532 — 17 Lime Street					
1533 — Land - 17 Lime Street	687,400	687,400	687,400	687,400	0
1532 — 17 Lime Street - Other	3,562,600	3,562,600	3,562,600	3,562,600	0
<b>Total 1532 — 17 Lime Street</b>	<b>4,250,000</b>	<b>4,250,000</b>	<b>4,250,000</b>	<b>4,250,000</b>	<b>0</b>
1530 — Building Improvements	33,184	33,184	33,184	33,184	0
1531 — Fixed Assets	86,648	86,648	86,648	86,648	0
1599 — Accumulated Depreciation	(548,903)	(556,880)	(564,856)	(469,902)	(94,954)
<b>Total Fixed Assets</b>	<b>3,820,929</b>	<b>3,812,953</b>	<b>3,804,976</b>	<b>3,899,930</b>	<b>(94,954)</b>
<b>TOTAL ASSETS</b>	<b>4,375,161</b>	<b>4,427,401</b>	<b>4,451,900</b>	<b>4,461,260</b>	<b>(9,360)</b>
<b>LIABILITIES &amp; EQUITY</b>					
<b>Liabilities</b>					
<b>Current Liabilities</b>					
<b>Accounts Payable</b>					
2000 — Accounts Payable			3,471.49	220.21	
<b>Total Accounts Payable</b>			<b>3,471.49</b>	<b>220.21</b>	
Other Current Liabilities					
2110 — Accrued Payroll	117,331	117,331	117,331	137,734	(20,403)
2110-25 — Payroll Liabilities	1,000	(465)	(465)	(32,531)	32,066
2111 — Accrued Payroll Taxes	3,990	3,990	3,990	4,661	(671)
2160-25 — MTRB Liability	14,360	12,188	12,188	14,034	(1,846)
2190-25 — Payroll Clearing Account	7,208	3,471	4,703	50,514	(45,811)
2230 — Accrued Expenses	80,836	80,836	80,836	40,978	39,858
<b>Total Other Current Liabilities</b>	<b>224,725</b>	<b>217,350</b>	<b>218,583</b>	<b>215,390</b>	<b>3,193</b>
<b>Total Current Liabilities</b>	<b>224,725</b>	<b>217,350</b>	<b>222,054</b>	<b>215,610</b>	<b>6,444</b>
<b>Long Term Liabilities</b>					
2613 — East Boston Savings Bank	3,809,678	3,801,767	3,793,834	3,889,991	(96,157)
<b>Total Long Term Liabilities</b>	<b>3,809,678</b>	<b>3,801,767</b>	<b>3,793,834</b>	<b>3,889,991</b>	<b>(96,157)</b>
<b>Total Liabilities</b>	<b>4,034,402</b>	<b>4,019,117</b>	<b>4,015,888</b>	<b>4,105,601</b>	<b>(89,713)</b>
<b>Equity</b>					
3000 — Opening Bal Equity	(295)	(295)	(295)	(27)	(268)
3900 — Retained Earnings	261,093	278,745	274,215	331,031	(56,816)
Net Income	79,960	129,833	162,092	24,656	137,436
<b>Total Equity</b>	<b>340,758</b>	<b>408,283</b>	<b>436,012</b>	<b>355,660</b>	<b>80,352</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>4,375,161</b>	<b>4,427,401</b>	<b>4,451,900</b>	<b>4,461,260</b>	<b>(9,360)</b>

## MCCPS

## Profit and Loss Prev Year Compari

July through September 2019

Accrual Basis

	<u>Jul - Sep '19</u>	<u>Jul - Sep '18</u>	<u>Increase / (Decrease)</u>	<u>%age</u>	<u>Budget</u>	<u>Over / (Under)</u>	<u>%age</u>
Ordinary Income/Expense							
Income							
4057 — VACATION PROGRAMMING	7,250.00	15,538.32	(8,288)	-53.3%	1,813	5,438	300.0%
4005 — STATE ALLOCATION	868,713.00	807,433.00	61,280	7.6%	768,056.75	100,656	13.1%
4040 — INVESTMENT INCOME	24.89	27.51	(3)	-9.5%	25.00	(0)	-0.4%
4050 — OTHER INCOME	14,670.77	5,244.34	9,426	179.7%	7,811.00	6,860	87.8%
4055 — STUDENT SUCCESS FUND	11,833.87	11,978.69	(145)	-1.2%	4,657.50	7,176	154.1%
4080 — REIMBURSEMENTS	1,004.74	866.22	139	16.0%	2,125.00	(1,120)	-52.7%
4090 — FUNDRAISING	2,866.28	632.22	2,234	353.4%	9,100.00	(6,234)	-68.5%
Total Income	<u>906,363.55</u>	<u>841,720.30</u>	<u>64,643</u>	<u>7.7%</u>	<u>793,587.75</u>	<u>112,776</u>	<u>14.2%</u>
Gross Profit	906,363.55	841,720.30	64,643	7.7%			
Expense							
5000 — PERSONNEL	543,918.19	574,936.29	(31,018)	-5.4%	556,420.50	(12,502)	-2.2%
5140 — BENEFITS	69,344.27	107,985.69	(38,641)	-35.8%	104,850.00	(35,506)	-33.9%
5150 — STAFF DEVELOPMENT	7,482.14	4,403.32	3,079	69.9%	1,500.00	5,982	398.8%
5160 — SEARCH COSTS	1,687.81	1,562.79	125	8.0%	400.00	1,288	322.0%
5200 — DIRECT STUDENT SUPPORT	27,424.45	19,478.01	7,946	40.8%	17,752.50	9,672	54.5%
5300 — OCCUPANCY	23,310.86	36,628.31	(13,317)	-36.4%	28,112.50	(4,802)	-17.1%
5400 — OFFICE & ADMIN	59,417.81	50,677.45	8,740	17.2%	55,680.75	3,737	6.7%
6100 — Depreciation	23,929.17	23,643.09	286	1.2%	23,643.00	286	1.2%
Total Expense	<u>756,514.70</u>	<u>819,314.95</u>	<u>(62,800)</u>	<u>-7.7%</u>	<u>788,359.25</u>	<u>(31,845)</u>	<u>-4.0%</u>
Net Ordinary Income	<u>149,848.85</u>	<u>22,405.35</u>	<u>127,444</u>	<u>568.8%</u>	<u>5,228.50</u>	<u>144,620</u>	<u>2766.0%</u>
Net Income	<u>149,848.85</u>	<u>22,405.35</u>	<u>127,444</u>	<u>568.8%</u>	<u>5,228.50</u>	<u>144,620</u>	<u>2766.0%</u>

**MCCPS**  
**Profit and Loss Standard**  
 July through September 2019

	Jul '19	Aug '19	Sep '19	Accrual Basis TOTAL
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4057 — VACATION PROGRAMMING	5,020.00	2,230.00		7,250.00
4005 — STATE ALLOCATION	287,579.00	290,567.00	290,567.00	868,713.00
4040 — INVESTMENT INCOME	7.20	13.62	4.07	24.89
4050 — OTHER INCOME				
4051 — 17 Lime Rent		1,484.00	2,359.72	3,843.72
4054 — Misc. Inc.		10,450.00	179.95	10,629.95
4056 — Homework Club		197.10		197.10
<b>Total 4050 — OTHER INCOME</b>		<b>12,131.10</b>	<b>2,539.67</b>	<b>14,670.77</b>
4055 — STUDENT SUCCESS FUND		5,947.59	5,886.28	11,833.87
4080 — REIMBURSEMENTS		1,004.74		1,004.74
4090 — FUNDRAISING				
4092 — Events		300.00		300.00
4090 — FUNDRAISING - Other		66.28	2,500.00	2,566.28
<b>Total 4090 — FUNDRAISING</b>		<b>366.28</b>	<b>2,500.00</b>	<b>2,866.28</b>
<b>Total Income</b>	<b>292,606.20</b>	<b>312,260.33</b>	<b>301,497.02</b>	<b>906,363.55</b>
<b>Gross Profit</b>	<b>292,606.20</b>	<b>312,260.33</b>	<b>301,497.02</b>	<b>906,363.55</b>
<b>Expense</b>				
5000 — PERSONNEL				
5088 — Vactaion Programming	1,300.00			1,300.00
Payroll Taxes				
5120 — Work Comp	4,055.00	1,386.00	1,796.00	7,237.00
5117 — Unemployment	1,174.68	1,070.05	1,003.39	3,248.12
5116 — Medicare	2,488.21	2,288.92	2,565.72	7,342.85
5115 — Soc Sec	2,712.62	3,071.41	3,350.99	9,135.02
<b>Total Payroll Taxes</b>	<b>10,430.51</b>	<b>7,816.38</b>	<b>8,716.10</b>	<b>26,962.99</b>
<b>Total 5000 — PERSONNEL</b>	<b>188,675.04</b>	<b>169,623.87</b>	<b>185,619.28</b>	<b>543,918.19</b>
5140 — BENEFITS				
5141 — Health	10,678.99	23,646.12	23,559.46	57,884.57
5142 — Dental	2,533.86	2,650.63	2,495.08	7,679.57
5143 — Life & Disability	1,415.24	1,743.40	621.49	3,780.13
<b>Total 5140 — BENEFITS</b>	<b>14,628.09</b>	<b>28,040.15</b>	<b>26,676.03</b>	<b>69,344.27</b>
5150 — STAFF DEVELOPMENT			7,482.14	7,482.14
5160 — SEARCH COSTS			1,687.81	1,687.81
5200 — DIRECT STUDENT SUPPORT				
5255 — Homework Club			413.00	413.00
5202 — Furnishings		20.98		20.98
5203 — Student Success Fund		1,450.00	1,740.26	3,190.26
5210 — Teachers supplies	54.06	374.98	360.62	789.66
5211 — Instructional Equipment	1,967.99	1,018.61	1,940.99	4,927.59
5215 — Curriculum supplies	75.00	846.65	387.59	1,309.24
5220 — Student supplies	46.70	137.63	36.77	221.10
5221 — SPED supplies	1,566.46			1,566.46
5240 — Computer Support		27.00	24.98	51.98
5242 — Technology-Software	3,428.16	6,729.00		10,157.16
5250 — Nursing supplies			167.02	167.02
5290 — Vacation Programming	1,575.00	3,035.00		4,610.00
<b>Total 5200 — DIRECT STUDENT SUPPORT</b>	<b>8,713.37</b>	<b>13,639.85</b>	<b>5,071.23</b>	<b>27,424.45</b>
5300 — OCCUPANCY				
5320 — Maintenance				
5325 — supplies			90.89	90.89
5320 — Maintenance - Other	1,029.67	2,724.95	4,358.21	8,112.83
<b>Total 5320 — Maintenance</b>	<b>1,029.67</b>	<b>2,724.95</b>	<b>4,449.10</b>	<b>8,203.72</b>
5330 — CustSvc		3,065.00	2,850.00	5,915.00
5340 — CustSupplies			309.80	309.80
5351 — Utilities				
5352 — Electric		887.92	4,414.45	5,302.37
5354 — Water	702.80	1,982.80		2,685.60
5355 — Communications	298.12	47.81	548.44	894.37
<b>Total 5351 — Utilities</b>	<b>1,000.92</b>	<b>2,918.53</b>	<b>4,962.89</b>	<b>8,882.34</b>
<b>Total 5300 — OCCUPANCY</b>	<b>2,030.59</b>	<b>8,708.48</b>	<b>12,571.79</b>	<b>23,310.86</b>
5400 — OFFICE & ADMIN				
5492 — Mortgage Interest	10,466.26	10,791.80	10,769.39	32,027.45
5405 — FundraisingExp				
5407 — Events				
5405 — FundraisingExp - Other		66.28	1,247.96	1,314.24
<b>Total 5405 — FundraisingExp</b>		<b>66.28</b>	<b>1,247.96</b>	<b>1,314.24</b>
5410 — Supplies	168.43	390.28	189.67	748.38
5430 — Accounting			11,330.00	11,330.00
5431 — Legal		170.00	2,078.66	2,248.66
5440 — PayrollSvc	491.00	419.00	446.00	1,356.00
5450 — Printing&Copy			930.00	930.00
5460 — Postage	45.15	479.77		524.92
5470 — General Liability Insurance	504.00	4,702.18	2,351.09	7,557.27
5486 — HoS Discretionary		480.07		480.07
5487 — Admissions			431.78	431.78
5497 — Bank Chrg	128.40	66.04	274.60	469.04
<b>Total 5400 — OFFICE &amp; ADMIN</b>	<b>11,803.24</b>	<b>17,565.42</b>	<b>30,049.15</b>	<b>59,417.81</b>
6100 — Depreciation	7,976.39	7,976.39	7,976.39	23,929.17
<b>Total Expense</b>	<b>233,826.72</b>	<b>245,554.16</b>	<b>277,133.82</b>	<b>756,514.70</b>
<b>Net Ordinary Income</b>	<b>58,779.48</b>	<b>66,706.17</b>	<b>24,363.20</b>	<b>149,848.85</b>
<b>Net Income</b>	<b>58,779.48</b>	<b>66,706.17</b>	<b>24,363.20</b>	<b>149,848.85</b>

**MCCPS**  
**Profit and Loss by Class**  
 July through September 2019

Ordinary Income/Expense	Accrual Basis										TOTAL			
	01 - General Fund	20-school lunch	22 - Athletics	24 - Project Adventure	25 - Field Trips	21 - Student Activities	30 - Enrichment	63 - Title 4	61-Title 1	- Teacher Quality (140)		94-FMPSGrant	-MCCPSEdFoundGrant	
<b>Income</b>														
4057 — VACATION PROGRAMMING	7,250.00												7,250.00	
4005 — STATE ALLOCATION	868,713.00												868,713.00	
4010 — FEDERAL & STATE GRANTS								1,000.00	1,209.00	2,399.00	4,608.00		4,608.00	
4020 — SCHOOL LUNCH		19,748.62											19,748.62	
4030 — STUDENT ACTIVITIES			5,870.35										5,870.35	
4040 — INVESTMENT INCOME	24.89												24.89	
4050 — OTHER INCOME	14,670.77												14,670.77	
4055 — STUDENT SUCCESS FUND	11,833.87						5,652.50						11,833.87	
4080 — REIMBURSEMENTS	1,004.74												1,004.74	
4090 — FUNDRAISING	2,866.28												2,866.28	
<b>Total Income</b>	<b>906,363.55</b>	<b>19,748.62</b>	<b>5,870.35</b>			<b>5,870.35</b>	<b>5,652.50</b>	<b>1,000.00</b>	<b>1,209.00</b>	<b>2,399.00</b>	<b>4,608.00</b>		<b>942,243.02</b>	
<b>Expense</b>														
5000 — PERSONNEL	543,918.19	6,177.50											550,095.69	
5140 — BENEFITS	69,344.27												69,344.27	
5150 — STAFF DEVELOPMENT	7,482.14									1,223.98	1,223.98		8,706.12	
5160 — SEARCH COSTS	1,687.81												1,687.81	
5200 — DIRECT STUDENT SUPPORT	27,424.45						895.88					1,683.88	30,807.23	
5261 — STUDENT ACTIVITY			495.99	1,200.00	200.00	1,895.99							1,895.99	
5270 — SCHOOL LUNCH EXP		10,939.12											10,939.12	
5300 — OCCUPANCY	23,310.86		16.99										23,327.85	
5400 — OFFICE & ADMIN	59,417.81												59,417.81	
6100 — Depreciation	23,929.17												23,929.17	
<b>Total Expense</b>	<b>756,514.70</b>	<b>17,116.62</b>	<b>512.98</b>	<b>1,200.00</b>	<b>200.00</b>	<b>1,912.98</b>	<b>895.88</b>		<b>1,223.98</b>	<b>1,223.98</b>	<b>1,683.88</b>	<b>803.02</b>	<b>780,151.06</b>	
<b>Net Ordinary Income</b>	<b>149,848.85</b>	<b>2,632.00</b>	<b>5,357.37</b>	<b>(1,200.00)</b>	<b>(200.00)</b>	<b>3,957.37</b>	<b>4,756.62</b>	<b>1,000.00</b>	<b>1,209.00</b>	<b>1,175.02</b>	<b>3,384.02</b>	<b>(1,683.88)</b>	<b>(803.02)</b>	<b>162,091.96</b>
<b>Net Income</b>	<b>149,848.85</b>	<b>2,632.00</b>	<b>5,357.37</b>	<b>(1,200.00)</b>	<b>(200.00)</b>	<b>3,957.37</b>	<b>4,756.62</b>	<b>1,000.00</b>	<b>1,209.00</b>	<b>1,175.02</b>	<b>3,384.02</b>	<b>(1,683.88)</b>	<b>(803.02)</b>	<b>162,091.96</b>

**MCCPS  
Financial Ratios**

Sep 30, 2019

# months YTD

3

<b>Debt Service Coverage Ratio</b>	<b>TBD</b>
<b>Days of Cash</b>	<b>71</b>
<b>LUNA (liquid unrestricted net assets)</b>	<b>2.57</b>

<b>Debt Service Coverage Ratio</b>	
Standard monthly payment (Principal and Interest)	10,676
Net operating Income	149,849
Projected based on YTD results	20,914
Calculated Debt Service Ratio	TBD

Debt-Service Coverage Ratio (DSCR) is a measure of the cash flow available to pay current debt obligations. The ratio states net operating income as a multiple of debt obligations due within one year, including interest, principal, sinking-fund and lease payments.

<b>Days Cash</b>	
Cash on Hand	573,547
Operating Expense Annualized	3,026,059
Noncash expense Depreciation Annualized	23,929
Days Cash	71

$$\text{Cash on hand} \div ((\text{Operating expenses} - \text{Noncash expenses}) \div 365)$$

<b>Liquid Unrestricted Net Assets</b>	
Unrestricted Net Assets	4,451,900
Fixed Assets	3,804,976
Liquid Unrestricted NA	646,924
Expense (YTD) Monthly	252,172
LUNA	2.57

Steps to Calculate LUNA and months of liquidity  
*Step 1. Calculate LUNA:*  
 Subtract fixed assets from unrestricted net assets (property and equipment minus debt owed) = liquid unrestricted net assets (LUNA)  
*Step 2. Divide LUNA by monthly expense*  

$$\text{LUNA} / \text{monthly expense} = \text{months of liquidity}$$



# MCCPS

## FY20 adjusted operating budget

Revised 10/12/19

**APPROVED BUDGET**

Using FY20  
Projected PPES

Ordinary Income/Expense  
Income

4057 — VACATION PROGRAMMING	7,250	actual
4005 — STATE ALLOCATION	3,072,227	
Total 4040 — INVESTMENT INCOME	100	
Total 4050 — OTHER INCOME	31,244	
4055 — STUDENT SUCCESS FUND	18,630	
4080 — REIMBURSEMENTS	3,500	
4085 — MEDICARE REIMB.	5,000	
Total 4090 — FUNDRAISING	36,400	
<b>Total Income</b>	<b>3,174,351</b>	
<b>Gross Profit</b>		
<b>Expense</b>		
Total 5000 — PERSONNEL	2,225,682	
Total 5140 — BENEFITS	419,400	
5150 — STAFF DEVELOPMENT	6,000	
5160 — SEARCH COSTS	1,600	
Total 5200 — DIRECT STUDENT SUPPORT	71,010	
Total 5300 — OCCUPANCY	112,450	
Total 5400 — OFFICE & ADMIN	222,723	
6100 — Depreciation	94,572	
<b>Total Expense</b>	<b>3,153,437</b>	
<b>Net Ordinary Income</b>	<b>20,914</b>	

# Cover Sheet

## Monthly Report

**Section:** VII. HOS Report  
**Item:** A. Monthly Report  
**Purpose:** FYI  
**Submitted by:**  
**Related Material:** HOS Report to Board of Trustees 10\_22\_19.pdf



## **Marblehead Community Charter Public School**

**17 Lime Street Marblehead, MA 01945**

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

**Web: [marbleheadcharter.org](http://marbleheadcharter.org)**

### **HOS Report to the Board of Trustees**

Submitted by Peter Cohen, Ed.D

October 23, 2019

#### **Faithfulness to Charter**

##### **Charter Renewal:**

- The inspection visit is set for Thursday, November 7, 2019 - Board Meeting 8:00-9:00am
- The Board prepared for the visit on 10/22
- The faculty is prepared for this visit with two final preparation meetings on 10/30 and 11/6.
- Board members are asked to review the Board Handbook Google Drive Folder and the Charter Renewal Application.

##### **Academics:**

- MCAS Accountability - see pdf of slides in Board packet and review <http://profiles.doe.mass.edu/accountability/report/school.aspx?linkid=31&orgcode=04640305&orgtypecode=6&>

##### **Head of School Goals Update:**

- **Goal 1: Effective Entry and Direction Setting**
  - On-going information gathering.
  - Strategic Planning in process.
- **Goal 2: Maintain Momentum During the Transition**
  - Uncovering systems that are broken or missing
    - Working on improving systems:
      - Communication when delayed opening or snow day
      - Monitoring staff attendance
      - Creating checklists for field trip planning & communication
  - Balancing pace of change
- **Goal 3: (Professional Practice) New Charter Public School Leader Program - MCPSA**
  - Dr. Cohen phone conference with assigned coach - 2x/month
  - Mentor from Hill View Montessori Charter School assigned
  - New leader cohort and attendance at regional cohort and delegate assembly meetings have been/will be tremendously helpful.

- **Goal 4: Begin the Process of designing an effective plan for Instructional Coaching and Teacher Evaluation**
  - Systems being established.
  - Classroom observations with feedback have begun
  - Peer Observation system established

### **Organizational Viability**

- Strategic Plan
  - Next steps include:
    - By Dec 20<sup>th</sup>, Dr Cohen to hold a “State of the School” community meeting. At the meeting, the Strategic Plan will be presented to the Community.
- Staffing
  - Part-time teacher Vickie Kenneally retired
  - Hired ESL teacher - key to compliance issue following Coordinated Program Review and in advance of Charter Renewal. Peter Michaud developing systems for ESL program.
- Enrollment
  - Enrollment numbers are below
  - Dr. Cohen has been personally reaching out to families of 7th graders who left to invite them back.
  - Need to do more effective recruitment in all towns (Marblehead, Swampscott, Nahant, Salem, and Lynn)
- Future Planning
  - Met with North Shore Children’s Theater to discuss Black Box Theater
  - Visited North Bennet Street School president to discuss space use ideas
  - Meeting scheduled with Ariane Purdy - Charter parent and an architect
  - Visit scheduled to Salem Academy for November 18 - Board members are welcome to join

### **Enrollment Update as of 10.23.19:**

**4th - 46**

**5th - 51**

**6th - 52**

**7th - 18**

**8th - 36**

**Total: 203**