



# MCCPS Board of Trustees

## Monthly Board Meeting

Amended on October 26, 2021 at 7:06 PM EDT

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### Date and Time

Tuesday October 26, 2021 at 7:00 PM EDT

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### Agenda

	Purpose	Presenter	Time
<b>I. Opening Items</b>			<b>7:00 PM</b>
Opening Items			
<b>A. Record Attendance and Guests</b>		Paul Baker	
<b>B. Call the Meeting to Order</b>		Artie Sullivan	
<b>C. Accept Remote Participation</b>	Vote	Artie Sullivan	3 m
In light of the ongoing COVID-19 coronavirus outbreak, Governor Baker issued an emergency Order on March 12, 2020, allowing public bodies greater flexibility in utilizing technology in the conduct of meetings under the Open Meeting Law. Can I get a motion to accept this Executive Order for this meeting of the Board of Trustees, on October 26, 2021.			
<b>D. Approve Minutes</b>	Approve Minutes	Paul Baker	2 m
Approve minutes for Monthly Board Meeting on September 28, 2021			
<b>II. Public Comment</b>			<b>7:05 PM</b>
<b>A. Public Comment</b>	Discuss	Artie Sullivan	5 m
<b>III. Review of Previous Meeting Action Items</b>			<b>7:10 PM</b>

	Purpose	Presenter	Time
<b>A. Review of Previous Meeting Action Items</b>	Discuss	Artie Sullivan	

- Identify potential candidates for the Board – Goal is 3 new members for SY2021-2022.
- Areas that need representation on the board –
  - - Faculty
    - Development
    - Facilities

**IV. Board Annual Items**

<b>A. Upcoming Meeting Agenda Items</b>	FYI	Artie Sullivan	
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- Oct – Adoption of the Annual Audit (must be done by Oct 31), HOS Contract Renewal Notice
- Nov – Presentation on HOS Evaluation Process by the Personnel Committee, MCAS Presentation
- Dec –
- Jan – HOS Mid-year review
- Feb - Adopt School Calander
- March – Set up Satisfaction Survey, Set Annual Board Retreat Date, Presentation of HOS Annual Evaluation Form
- April – Presentation by HOS of Annual Goals, Budget Adoption
- May – HOS Annual Evaluation
- 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

<b>B. Board Goals for SY 2021-2022</b>	Discuss	Artie Sullivan	
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**Goal-1 Board Communication**

Foster a strong level of connectivity with faculty, parents, and community members.

- Advance general awareness of MCCPS board responsibilities and key activities through a diverse communications strategy that reaches all key stakeholder groups.
- Build and cultivate a more dynamic and interactive relationship with MCCPS faculty. To include strengthening access and building trust through regular events and activities.

**Goal-2 Development**

Establish a robust development strategy to support both short-term and long-term strategic goals of MCCPS and ensure the financial stability of the school.

- Leverage local community networks to support the realization of short-term infrastructure needs (e.g. roof repairs).
- Identify and foster new and innovative opportunities to support the realization of long-term strategic goals (e.g. MCCPS Strategic Plan).

**Goal 3 Supporting Academic Excellence**

Support the continued Growth and Development of the educational experiences of our MCCPS Students.

	Purpose	Presenter	Time
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- Adoption and Support the Implementation of the Criteria for Excellence.

**V. HOS Report****7:10 PM**

<b>A. Monthly Report</b>	FYI	Peter Cohen	20 m
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**VI. Other Business****7:30 PM**

<b>A. Discussion and Vote on Annual Audit of SY 20-21</b>	Vote	Rodolphe Herve	15 m
<b>B. Discussion and Vote to Enter Negotiations with Head of School for Contract Renewal</b>	Vote	Artie Sullivan	15 m
<b>C. Discussion and Approval of Criteria for Excellence</b>	Vote	Jessica Xiarhos	20 m
<b>D. Discussion to Establish Strategic Planning Committee</b>	Vote	Artie Sullivan	10 m
<b>E. Establish a Covid/Pandemic Response Task Force</b>	Vote	Artie Sullivan	10 m

The Task Force can review policies, procedures, and programs for Covid 19, and for potential another pandemic.

Task Force Scope - Recommendations for Best Practices, Lessons Learned, Policy and Program updates.

**VII. Committee Updates****8:40 PM**

<b>A. Governance Committee</b>	Discuss	Paul Baker	5 m
<b>B. Finance Committee</b>	Discuss	Rudi Herve	10 m
<b>C. Personnel Committee</b>	Discuss	James Rogers	5 m
<b>D. Academic Excellence</b>	Discuss	Jessica Xiarhos	5 m
<b>E. Development &amp; Communications</b>	Discuss	Ian Hunt	5 m
<b>F. Strategic Plan Committee</b>	Discuss	Peter Cohen	
<b>G. Facilities Task Force</b>	Discuss	William Rockwell	5 m

**VIII. Public Comment****9:15 PM**

<b>A. Public Comment</b>	Discuss	Artie Sullivan	5 m
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**IX. Board Member Comments and Resolutions****9:20 PM**

<b>A. Board Member Comments and Resolutions</b>	Discuss	Artie Sullivan	3 m
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This is an opportunity for Board Member Comments and Resolutions

	Purpose	Presenter	Time
<b>X. Closing Items</b>			<b>9:23 PM</b>
<b>A. Recap Action Items</b>	Discuss	Paul Baker	2 m
Clerk to review actions items, add any additional items discussed.			
<b>B. Meeting Evaluation</b>	Discuss	Artie Sullivan	3 m
Discuss how meeting went, did we stay on topic, meet goals, etc.			
<b>C. Adjourn Meeting</b>	Vote	Artie Sullivan	

# Cover Sheet

## Approve Minutes

**Section:** I. Opening Items  
**Item:** D. Approve Minutes  
**Purpose:** Approve Minutes  
**Submitted by:**  
**Related Material:** Minutes for Monthly Board Meeting on September 28, 2021



## MCCPS Board of Trustees

# Minutes

## Monthly Board Meeting

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### Date and Time

Tuesday September 28, 2021 at 7:00 PM

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### Trustees Present

Artie Sullivan (remote), Ian Hunt (remote), James Rogers (remote), Jessica Gelb (remote), Jessica Xiarhos (remote), NDack Toure (remote), Paul Baker (remote), Peter Cheney (remote), Peter Cohen (remote), Richard Doron (remote), Rodolphe Herve (remote), William Rockwell (remote)

### Trustees Absent

*None*

### Guests Present

Andrea Barlow (remote), Carol McEnaney (remote), Dean Profkis (remote), Elizabeth Burns (remote), Kim Belf (remote), Matt Cronin (remote), Meg Upton (remote), Nick Santoro (remote), Victor Wild (remote)

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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 Sep 28, 2021 at 7:03 PM.

### C. Accept Remote Participation

Jessica Xiarhos made a motion to accept remote participation.

James Rogers seconded the motion.

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

#### Roll Call

James Rogers Aye

**Roll Call**

Richard Doron Aye  
Paul Baker Aye  
Ian Hunt Aye  
Artie Sullivan Aye  
NDack Toure Aye  
Peter Cheney Aye  
Rodolphe Herve Aye  
William Rockwell Absent  
Jessica Xiarhos Aye  
Jessica Gelb Aye  
Peter Cohen Aye

**D. Approve Minutes**

Ian Hunt made a motion to approve the minutes from Monthly Board Meeting on 08-31-21.

Rodolphe Herve seconded the motion.

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

**Roll Call**

Jessica Gelb Aye  
NDack Toure Aye  
Artie Sullivan Aye  
Peter Cheney Aye  
Paul Baker Aye  
Ian Hunt Aye  
Rodolphe Herve Abstain  
William Rockwell Absent  
Richard Doron Aye  
James Rogers Aye  
Jessica Xiarhos Aye  
Peter Cohen Aye

**E. Approve Minutes from Dec 22, 2020**

Paul Baker made a motion to approve the minutes from Monthly Board Meeting on 12-22-20.

Rodolphe Herve seconded the motion.

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

**Roll Call**

Rodolphe Herve Aye  
Artie Sullivan Aye  
Richard Doron Aye  
Ian Hunt Aye  
Peter Cheney Aye  
NDack Toure Aye  
William Rockwell Absent  
Peter Cohen Aye  
Jessica Xiarhos Aye  
James Rogers Aye  
Jessica Gelb Abstain  
Paul Baker Aye

**II. Public Comment**

**A. Public Comment**

There was no public comment at this time.

### III. New Board Member

#### A. Presentation/Interview/Vote on Perspective Board Member - Nick Santoro

Paul Baker presented Nick Santoro to the Board. Nick gave a brief overview of why he was interested in becoming a Trustee and what he could bring to the Board. Nick answered questions from Board members succinctly and eloquently. Jessica Gelb made a motion to A motion to move that the Board appoint Nick Santoro as a member of the MCCPS Board of Trustees to fill a term commencing immediately upon approval by the Department of Elementary and Secondary Education and expiring three (3) years from the date of DESE approval. Ian Hunt seconded the motion.

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

##### Roll Call

Rodolphe Herve Aye  
 NDack Toure Aye  
 Paul Baker Aye  
 Jessica Xiarhos Aye  
 Richard Doron Aye  
 Peter Cohen Aye  
 Jessica Gelb Aye  
 Peter Cheney Aye  
 Ian Hunt Aye  
 James Rogers Aye  
 Artie Sullivan Aye

#### B. Presentation/Interview/Vote on Perspective Board Member - Nick Santoro - Part 2

Richard Doron made a motion to move that the Board invite the newly appointed Trustee, Nick Santoro, to all Board Meetings and activities while her approval is pending with the Department of Elementary and Secondary Education. Nick Santoro will be entitled to participate as provisional Trustee and will be able to participate in all activities and discussions, except voting, until the formal approval from the Department of Elementary and Secondary Education, and will not be counted when determining a quorum.

Jessica Xiarhos seconded the motion.

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

##### Roll Call

Peter Cohen Aye  
 Ian Hunt Aye  
 Jessica Xiarhos Aye  
 NDack Toure Aye  
 Artie Sullivan Aye  
 James Rogers Aye  
 Peter Cheney Aye  
 Jessica Gelb Aye  
 Paul Baker Aye  
 Richard Doron Aye  
 Rodolphe Herve Aye

### IV. Review of Previous Meeting Action Items

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

Artie reviewed previous meeting action items.



Even after the successful appointment of Nick Santoro there are still 2 Board position vacancies.

## **V. Board Annual Items**

### **A. Upcoming Meeting Agenda Items**

Self assessment fo committee/board meetings.  
Committee membership is low and needs a bump..

### **B. Board Goals for SY 2021-2022**

Artie went over the Board goals for the academic year.  
It was decided that Board clerk, Paul Baker will send out a brief synopsis of board meeting content to the community each month, beginning with this evenings meeting.

## **VI. HOS Report**

### **A. Monthly Report**

Peter shared his HoS report...see packet for additional information.  
No remote learning offered.  
Enrollment up to 227:)  
Facilities..small offices nearly completed.  
Facilities task force toured the building.  
Awaiting updated estimates on the roof  
BoT contract renewed..USE IT! Accelerator sessions offered..take advantage of the tools on offer.  
Teaching Force..starting to reboot..Jess X, Mollie W, and ??? are the coaches along with Matt C, Andrea B and Dr. Cohen  
Collegiality big within the staff.

## **VII. Other Business**

### **A. Discussion and Approval of Criteria for Excellence**

Jessica Xiarhos presented the fabulous work that the Academic Excellence Committee has been working on. Fantastic presentation.  
Discussed voting on it tonight....tabled till next month.  
Jess Xiarhos will email out powerpoint presentation to members to evaluate and vote on next month.

### **B. Discussion on Board Assessment SY21-22**

Ian, Paul, Artie commented.  
Governance and Development committee help required.  
Governance committee will put together a formal review to give feedback to those Board members seeking renewal so that they might improve their performance whilst on the Board  
Governance will focus on this for the next couple of Gov' meetings.

### **C. Discussion of Head of School Contract Renewal Process**

At October Board meeting we will discuss weather to offer Dr. Cohen a new contract, or decline to do so.  
Presentation will be made by Peter, discussion, questions, and vote.

Need to inform Peter of our decision by November 15th, so will vote during the October meeting

If Board votes to renew his contract, we must offer Peter a successor contract by 1/31/22.

Negotiation committee to work with Peter, if offered/approved, will consist of Artie Sullivan, Rudi Herve and Paul Baker, the Chairs of the three standing committees.

Dr. Cohen indicated that he would very much like to renew his contract for an additional three years.

**D. Approve Committee Memberships and Vice Chairs**

**Governance Committee:**

Paul Baker-Chair

Nick Santoro-Vice-Chair

Cyndi Canavan

Kay O'Dwyer

Dizzy Burns

Matt Cronin

Dr. Cohen

**Finance Committee:**

Rui Herve- Chair

Rick Doran- Vice-Chair

Dr. Cohen

Artie Sullivan

Ndack Toure

Karl Smith

Andrea Barlow

Julie Santosus

Jeff Barry

**Academic Excellence Committee:**

Jessica Xiarhos - Chair

Vice Chair - Matt Cronin

Ellen Lodgen

Meghan Hale

Molly Wright

Kim Sullivan

Dizzy Burns

Meg Upton

**Personnel Committee:**

Artie Sullivan - Chair

Peter Cheney - Vice-Chair

Dr. Cohen

Katie Sullivan

John Steinberg

**Development & Communications Committee:**

Ian Hunt- Chair

Jessica Gelb- Vice-Chair

Amy Leveroni

Connie DeBoever

Beth Taranto

Ellen Lodgen

Jeff Barry

Peter Cohen

**Facilities Task Force Committee:**

Will Rockwell - Chair

Ariane Purdy - Vice-Chair

Amy Leveroni  
Christian Strom  
Jessica Gelb  
Marisa Fava  
Peter Cheney  
Andrea Barlow  
Brad Rogers  
Jen Stoddard  
Jim Gaudette  
Nathan Dye  
Rebecca Whidden  
Dr. Cohen

Jessica Gelb made a motion to Approve all committee memberships and Vice-Chairs.

Ian Hunt seconded the motion.

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

**Roll Call**

NDack Toure Aye  
Rodolphe Herve Aye  
Richard Doron Aye  
Jessica Xiarhos Aye  
Jessica Gelb Aye  
Paul Baker Aye  
Artie Sullivan Aye  
James Rogers Aye  
Peter Cheney Aye  
Ian Hunt Aye  
Peter Cohen Aye

**VIII. Committee Updates**

**A. Governance Committee**

Governance interviewed Nick Santoro and voted to put him forward to the Board.

**B. Finance Committee**

See meeting packet. Rudi presented. He stepped it up this week. Was quite good actually!

**C. Personnel Committee**

Internal assessment tool in tandem with other tools.

John Steinberg and Katie Sullivan discussed revisiting a previous incarnation of assessment tools that had been discarded by the previous administrative head.

**D. Academic Excellence**

See the above presentation by Jessica Xiarhos.

**E. Development & Communications**

Ian Hunt presented.. committee met 9/27/21.

Bottom line..good conversation/meeting

Goals for next 2 years.

Long and near term sustainable goals

Networking

Playbooks for committees to use for big events.  
Funding platform for payment submissions.  
Building out brand/stories/ PTO  
2023-2026 perhaps finally get a decent Development Director  
Great ideas..Action Items..lan will share info' out via email after the meeting.

**F. Strategic Plan Committee**

Committee has not formed.

**G. Facilities Task Force**

Will Rockwell presented.  
Committee met last week/ walk thru of school/ new offices/warehouse.  
Offices almost complete.  
Appraisal update  
Beautification of outside..Mosaic.  
Roof project..looking for 3 quotes.  
Electrical bills/solar panels for/into roofing

**IX. Public Comment**

**A. Public Comment**

Parent Dean Profkis commented on what a great job MCCPS had done during Covid.  
Parent Kim Belf and his wife thanked Jessica Xiarhos for a great presentation.  
Kim explained that his family are very upset and concerned regarding negative vibes, and feel that the school is still "playing catch up" after Covid. Kim believes that other families have similar concerns. Peter will contact them personally to discuss their concerns.

**X. Board Member Comments and Resolutions**

**A. Board Member Comments and Resolutions**

Paul introduced parents Victor Wild and Dean Profkis who are both interested in joining MCCPS committees and/or Board of Trustees.  
Joint meeting (October 20th, 2021) of Finance committee and Board to approve annual audit.

**XI. Closing Items**

**A. Recap Action Items**

**B. Meeting Evaluation**

Long but productive!

**C. Adjourn Meeting**

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:28 PM.

Respectfully Submitted,  
Paul Baker

# Cover Sheet

## Monthly Report

**Section:** V. HOS Report  
**Item:** A. Monthly Report  
**Purpose:** FYI  
**Submitted by:**  
**Related Material:** HOS Report to Board of Trustees 10\_26\_21.pdf



## HOS Report to the Board of Trustees

Submitted by Peter Cohen, Ed.D

Meeting Date: October 26, 2021

- **Enrollment, Recruitment, Retention**
  - Current enrollment for 2021-2022 is 227 students. 2 offers out.
  - Budget is based on 220 students enrolled.
  - The “At Cap” issues with Lynn and Salem may prevent us from reaching 230 and
  - Currently at 79% from districts in our region (Marblehead, Swampscott, Nahant)
    - Marblehead - 113, Swampscott - 57, Nahant - 9
    - Lynn - 28, Salem - 11, Beverly - 5, Revere - 2, Peabody - 2
  - Recruitment season begins soon for 2022-2023
  
- **Development & Communications Update**
  - Alumni Relations/Marketing Intern from Salem State hired
  - Fund-A-Need Website: <https://www.marbleheadcharter.org/fund-a-need/>
  - Will go live on #GivingTuesday, November 30
  - Goal: solicit target donations
  
- **Update on Impact of the pandemic on Students/Staff**
  - Mental health & burnout
  - Behavior in classrooms
  - Uptick in vandalism, bullying, and other unacceptable behaviors
  
- **Fall 2021 - Progress Toward HoS Goals**
  - Feedback and Evaluation system
    - Teaching Force
      - Teacher group in rhythm
      - Intro to Students for Improvement Board Sessions
    - Evaluation system details shared with faculty
      - 360° Feedback for all
  - Criteria for Excellence implementation
    - Work at Department meetings
    - Mapping out Exhibition - improved planning/lesson planning
    - Student Portfolios
  - Communication
    - Individual meetings with faculty members complete for Fall
    - Working on creating internal satisfaction surveys
      - Includes barometer of Teaching Force work

# Cover Sheet

## Discussion and Vote on Annual Audit of SY 20-21

<b>Section:</b>	VI. Other Business
<b>Item:</b>	A. Discussion and Vote on Annual Audit of SY 20-21
<b>Purpose:</b>	Vote
<b>Submitted by:</b>	
<b>Related Material:</b>	Finance Committee Presentation - 20-21.pdf Draft- Audit Report Marblehead.pdf

# Draft

**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, 2021



**Marblehead Community Charter Public School**  
**Marblehead Charter Education Fund, Inc.**  
 June 30, 2021

# Draft

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*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, 2021, 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

## **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, 2021, and the respective changes in its combined financial position and combined cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Report on Summarized Comparative Information*

We have previously audited the Organization's fiscal year 2020 combined financial statements, and our report dated October 27, 2020, 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, 2020, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

### *Required Supplementary Information*

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated **October XX, 2021**, 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.

**October XX, 2021**

**Marblehead Community Charter Public School****Management's Discussion and Analysis**

June 30, 2021 (Unaudited)

**Draft**

The following management's 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, 2021, with comparative totals for fiscal year 2020. 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 2020 and is effective for the five year period ending June 30, 2025. During fiscal years 2021 and 2020, the School operated grades four through eight and the enrollment was comprised of approximately 212 and 208 students, respectively, 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.

Draft

**Marblehead Community Charter Public School**  
 Management's Discussion and Analysis - *Continued*  
 June 30, 2021 (Unaudited)

**Financial Statements**

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

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

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

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

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

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

Draft

**Marblehead Community Charter Public School**  
 Management's Discussion and Analysis - *Continued*  
 June 30, 2021 (Unaudited)

**Financial Statements – *Continued***

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

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

**Financial Highlights**

The following financial highlights are for the fiscal year ended June 30, 2021 and will provide comparative information for fiscal year 2020:

- The School held total assets of \$4,546,636 and \$4,304,634 at June 30, 2021 and 2020, respectively, of which \$3,680,214 and \$3,734,238, respectively were capital assets, net and the majority of the remaining assets consisted of cash. The increase in total assets was due to the increase in cash generated from operations.
- The School had total liabilities of \$4,047,464 and \$3,957,127 at June 30, 2021 and 2020, respectively. At June 30, 2021, \$537,349 was current and \$3,510,115 was noncurrent. At June 30, 2020, \$341,352 was current and \$3,615,775 was noncurrent. The increase in total liabilities was due to the advance, which represents the Department of Revenue's over payment of the June 2021 tuition revenue.
- Total net position for the School was \$499,172 and \$347,507 at June 30, 2021 and 2020, respectively, of which \$436,291 and \$332,513, respectively was unrestricted. In addition, for the years ended June 30, 2021 and 2020, the School had \$62,881 and \$14,994, respectively, in net position, which was related to net investments in capital assets. The increase in the net position is due to the current year surplus.
- The School earned total revenues of \$3,651,405 and \$3,332,363, excluding on-behalf fringe benefits, for the years ended June 30, 2021 and 2020, 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, 2021 and 2020. The increase in revenue is due to the increase in per pupil tuition, resulting from an increase in the number of students enrolled during fiscal year 2021 and an increase in in state and federal grants in response to the COVID-19 pandemic.



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**Marblehead Community Charter Public School**  
 Management's Discussion and Analysis - *Continued*  
 June 30, 2021 (Unaudited)

**Financial Highlights - *Continued***

- The School had total expenses of \$3,499,740 and \$3,261,702, excluding on-behalf fringe benefits, for the years ended June 30, 2021 and 2020, respectively. For the years ended June 30, 2021 and 2020, total expenses include operating expenses of \$3,372,179 and \$3,119,906, excluding on-behalf fringe benefits, respectively, and non-operating expenses of \$127,561 and \$141,796, respectively. The increase is mainly due to an increase in salaries and related expenses and the purchase of equipment in response to the remote learning environment.
- The School had an increase in net position of \$151,665 and \$70,661 for the years ended June 30, 2021 and 2020 respectively. In fiscal year 2021, the change in net position was comprised of operating income of \$193,346 and a non-operating loss of \$41,681. In fiscal year 2020, the change in net position was comprised of an operating income of \$142,183 and a non-operating loss of \$71,522.

**Budgetary Highlights**

Due to the pandemic, fiscal year 2021 was the most unusual in the School's history. The switch to fully remote learning, followed by a hybrid model, and concluding with a more normal in-person environment stretched the operating budget in many different ways.

The School had to purchase and manage several site licenses for different software to accommodate all of the varied approaches to learning, provide the appropriate professional development and ensure each student had a device and internet access.

When the School switched to the hybrid model it was necessary to maintain this level of technology while adding the in-person component of curriculum delivery, restarting the preparation and distribution of school breakfast and lunch, vastly expand the materials available for individual student use, increase the ability to clean and sanitize the facility, as well as account for the common quarantining of staff suspected of contracting COVID-19.

The adjustment to full in-person learning meant the School needed to add staff and reconfigure most of the building to accommodate required social distancing standards.

Even with the influx of additional government grant funding, the School had to continuously examine and adjust the operating budget on a monthly basis. With careful oversight and flexibility, the School's Finance Committee addressed each financial challenge as it arose and provided the Board of Trustees with both a short-term and long-term strategy for keeping the School from operating with a loss.

**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 \$3,171,262 in per pupil funding in fiscal year 2021 compared to \$3,025,960 in per pupil funding in fiscal year 2020. This represent approximately 87% and 91% of the School's revenue for the fiscal years ended June 30, 2021 and 2020, respectively. In addition, the School received various government grants, which totaled \$230,202 and \$74,237 for fiscal years 2021 and 2020, respectively.

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**Marblehead Community Charter Public School**  
Management's Discussion and Analysis - *Continued*  
June 30, 2021 (Unaudited)

**Current Known Facts, Decisions and Conditions**

*Coronavirus*

On March 11, 2020, the World Health Organization characterized the outbreak of a novel strain of coronavirus as a pandemic. As a result, the School transitioned into a remote working and learning environment for the remainder of fiscal year 2020 and the majority of fiscal year 2021. The School anticipates a return to an in-person learning and working environment for the start of the 2021-2022 school year. The extent to which COVID-19 may impact the School's activities will depend upon future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions required to contain the virus.

**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.



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**Marblehead Community Charter Public School and  
Marblehead Charter Education Fund, Inc.**  
Combined Statement of Net Position  
With Combining Information as of June 30, 2021  
With Summarized Comparative Totals as of June 30, 2020

	<i>Marblehead Community Charter Public School</i>	<i>Marblehead Charter Education Fund, Inc.</i>	<i>Memorandum Only Total Primary Government June 30, 2021</i>	<i>Memorandum Only Summarized Comparative June 30, 2020</i>
<b>Assets</b>				
<b>Current Assets:</b>				
Cash	\$ 826,132	\$ 4,272	\$ 830,404	\$ 539,944
Tuition and accounts receivable	<u>40,290</u>	<u>-</u>	<u>40,290</u>	<u>35,210</u>
Total current assets	<u>866,422</u>	<u>4,272</u>	<u>870,694</u>	<u>575,154</u>
<b>Noncurrent Assets:</b>				
Capital assets, net	<u>3,680,214</u>	<u>-</u>	<u>3,680,214</u>	<u>3,734,238</u>
Total noncurrent assets	<u>3,680,214</u>	<u>-</u>	<u>3,680,214</u>	<u>3,734,238</u>
Total assets	<u>\$ 4,546,636</u>	<u>\$ 4,272</u>	<u>\$ 4,550,908</u>	<u>\$ 4,309,392</u>
<b>Liabilities and Net Position</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 4,802	\$ -	\$ 4,802	\$ 9,943
Accrued expenses	81,691	-	81,691	81,691
Accrued payroll	151,900	-	151,900	146,249
Advance	191,738	-	191,738	-
Note payable - current	<u>107,218</u>	<u>-</u>	<u>107,218</u>	<u>103,469</u>
Total current liabilities	<u>537,349</u>	<u>-</u>	<u>537,349</u>	<u>341,352</u>
<b>Noncurrent Liabilities:</b>				
Note payable	<u>3,510,115</u>	<u>-</u>	<u>3,510,115</u>	<u>3,615,775</u>
Total noncurrent liabilities	<u>3,510,115</u>	<u>-</u>	<u>3,510,115</u>	<u>3,615,775</u>
Total liabilities	<u>4,047,464</u>	<u>-</u>	<u>4,047,464</u>	<u>3,957,127</u>
<b>Net Position:</b>				
Net investment in capital assets	62,881	-	62,881	14,994
Unrestricted	<u>436,291</u>	<u>4,272</u>	<u>440,563</u>	<u>337,271</u>
Total net position	<u>499,172</u>	<u>4,272</u>	<u>503,444</u>	<u>352,265</u>
Total liabilities and net position	<u>\$ 4,546,636</u>	<u>\$ 4,272</u>	<u>\$ 4,550,908</u>	<u>\$ 4,309,392</u>

*See accompanying notes to combined financial statements.*

Draft

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

**Combined Statement of Revenues, Expenses, and Changes in Net Position  
With Combining Information For the Year Ending June 30, 2021  
With Summarized Comparative Totals For the Year Ending June 30, 2020**

	<i>Marblehead Community Charter Public School</i>	<i>Marblehead Charter Education Fund, Inc.</i>	<i>Memorandum Only Total Primary Government June 30, 2021</i>	<i>Memorandum Only Summarized Comparative June 30, 2020</i>
<b>Operating revenues:</b>				
Tuition	\$ 3,171,262	\$ -	\$ 3,171,262	\$ 3,025,960
Federal grants	230,202	-	230,202	74,237
Food service	93,705	-	93,705	71,517
Contributions	-	42,499	42,499	26,982
Other revenues	63,640	953	64,593	58,616
Student activities	6,716	-	6,716	31,923
On-behalf fringe benefits	719,353	-	719,353	647,434
Total operating revenues	<u>4,284,878</u>	<u>43,452</u>	<u>4,328,330</u>	<u>3,936,669</u>
<b>Operating expenses:</b>				
Salaries	2,299,008	-	2,299,008	2,172,038
Payroll taxes	118,699	-	118,699	100,173
Fringe benefits	339,436	-	339,436	378,664
Occupancy	66,675	-	66,675	49,217
Professional services	40,367	6,000	46,367	31,974
Insurance	30,534	-	30,534	28,717
Student supplies and materials	155,899	-	155,899	103,072
Student activities	9,462	-	9,462	22,034
Office	33,607	-	33,607	26,877
Food service	56,532	-	56,532	44,439
Training and development	36,123	-	36,123	14,904
Repairs and maintenance	87,905	-	87,905	50,479
On-behalf fringe benefits	719,353	-	719,353	647,434
Depreciation	97,124	-	97,124	94,667
Contracted services	-	-	-	1,943
Miscellaneous	808	442	1,250	3,524
Total operating expenses	<u>4,091,532</u>	<u>6,442</u>	<u>4,097,974</u>	<u>3,770,156</u>
Operating income	<u>193,346</u>	<u>37,010</u>	<u>230,356</u>	<u>166,513</u>
<b>Nonoperating revenues/(expenses):</b>				
Rental income	25,561	-	25,561	20,172
Contributions	8,878	-	8,878	1,585
Interest income	340	13	353	123
Fundraising income	13,592	-	13,592	20,405
Contributions from the Fund/(to School)	37,509	(37,509)	-	-
Other expense	(5,041)	-	(5,041)	(16,036)
Interest expense	(122,520)	-	(122,520)	(125,760)
Total net nonoperating expenses	<u>(41,681)</u>	<u>(37,496)</u>	<u>(79,177)</u>	<u>(99,511)</u>
Change in net position	<u>151,665</u>	<u>(486)</u>	<u>151,179</u>	<u>67,002</u>
Net position, beginning of the year	<u>347,507</u>	<u>4,758</u>	<u>352,265</u>	<u>285,263</u>
Net position, end of the year	<u>\$ 499,172</u>	<u>\$ 4,272</u>	<u>\$ 503,444</u>	<u>\$ 352,265</u>

*See accompanying notes to combined financial statements.*

Draft

**Marblehead Community Charter Public School and  
Marblehead Charter Education Fund, Inc.**  
Combined Statement of Cash Flows  
With Combining Information For the Year Ended June 30, 2021  
With Summarized Comparative Totals For the Year Ended June 30, 2020

	<i>Marblehead</i>		<i>Memorandum Only</i>	
	<i>Community Charter</i>	<i>Marblehead Charter</i>	<i>Total Primary</i>	<i>Memorandum Only</i>
	<i>Public School</i>	<i>Educational Fund, Inc.</i>	<i>Government</i>	<i>Summarized</i>
			<i>June 30, 2021</i>	<i>Comparative</i>
				<i>June 30, 2020</i>
<b>Cash flows from operating activities:</b>				
Receipts from tuition	\$ 3,363,000	\$ -	\$ 3,363,000	\$ 3,305,362
Receipts from governmental grants	225,072	-	225,072	39,077
Receipts from food service program	93,705	-	93,705	73,756
Receipts from other	70,356	43,452	113,808	116,693
Payments to employees	(2,710,779)	-	(2,710,779)	(2,585,234)
Payments to suppliers and vendors	(563,766)	(6,442)	(570,208)	(368,135)
Net cash provided by operating activities	<u>477,588</u>	<u>37,010</u>	<u>514,598</u>	<u>581,519</u>
<b>Cash flows from investing activities:</b>				
Interest income	340	13	353	123
Net cash provided by investing activities	<u>340</u>	<u>13</u>	<u>353</u>	<u>123</u>
<b>Cash flows from non capital financing activities:</b>				
Non-operating receipts	85,540	-	85,540	42,285
Non-operating disbursements	(5,041)	(37,509)	(42,550)	(16,159)
Net cash provided by financing activities	<u>80,499</u>	<u>(37,509)</u>	<u>42,990</u>	<u>26,126</u>
<b>Cash flows from capital and financing activities:</b>				
Payments of loan principal	(101,911)	-	(101,911)	(98,670)
Purchase of capital assets	(43,100)	-	(43,100)	-
Interest expense	(122,520)	-	(122,520)	(125,760)
Net cash used in capital and financing activities	<u>(267,531)</u>	<u>-</u>	<u>(267,531)</u>	<u>(224,430)</u>
Net increase in cash	290,896	(436)	290,460	383,338
Cash, beginning of year	535,236	4,708	539,944	156,606
Cash, end of year	<u>\$ 826,132</u>	<u>\$ 4,272</u>	<u>\$ 830,404</u>	<u>\$ 539,944</u>
<b>Reconciliation of operating income to net cash (used in)/ provided by in operating activities:</b>				
Operating income	\$ 193,346	\$ 37,010	\$ 230,356	\$ 166,513
<i>Adjustments to reconcile total operating income to net cash provided by operating activities:</i>				
Depreciation	97,124	-	97,124	94,667
<i>Changes in operating assets and liabilities:</i>				
Grants and accounts receivable	(5,130)	-	(5,130)	246,481
Prepaid rent and prepaid expenses	-	-	-	19,594
Deferred revenue	191,738	-	191,738	-
Accounts payable	(5,141)	-	(5,141)	9,943
Accrued expenses	5,651	-	5,651	44,321
Net cash provided by operating activities	<u>\$ 477,588</u>	<u>\$ 37,010</u>	<u>\$ 514,598</u>	<u>\$ 581,519</u>

*See accompanying notes to combined financial statements.*

# Draft

**Marblehead Community Charter Public School and  
Marblehead Charter Education Fund, Inc.**  
Notes to Combined Financial Statements  
June 30, 2021

## ***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 fiscal year 2020 and expires on June 30, 2025. DESE provided approximately 95% and 93% of the funding to the School for the years ended June 30, 2021 and 2020, 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

- The School – operates as a middle school in Marblehead, Massachusetts and at capacity can serve 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:

# Draft

**Marblehead Community Charter Public School and  
Marblehead Charter Education Fund, Inc.**  
Notes to Combined Financial Statements - *Continued*  
June 30, 2021

## **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.

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. Grants and contributions are recognized when all eligibility requirements are met.

# Draft

**Marblehead Community Charter Public School and  
Marblehead Charter Education Fund, Inc.**  
Notes to Combined Financial Statements - *Continued*  
June 30, 2021

## **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 Organization 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, 2021 and 2020, 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 2021 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 (2018 - 2020).

### *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, 2021 and 2020, 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, 2021 and 2020, no allowance for doubtful accounts had been recorded, as management considers all receivables to be fully collectible.

# Draft

**Marblehead Community Charter Public School and  
Marblehead Charter Education Fund, Inc.**  
Notes to Combined Financial Statements - *Continued*  
June 30, 2021

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

### *Operating Revenue and Expenses*

*The School* - 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.

*The Foundation* - Operating revenue and expenses generally result from fundraising on behalf of the School. The principal operating revenues include private grants and contributions. Operating expenses include contributions to the School, fundraising expenses and administrative expenses. 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*.



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**Marblehead Community Charter Public School and  
Marblehead Charter Education Fund, Inc.**  
Notes to Combined Financial Statements - *Continued*  
June 30, 2021

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

*Reclassifications*

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

*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, 2020, 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, which covers balances above the FDIC limit of \$250,000. As required by GASB Statement No. 40, *Deposits and Investment Risk Disclosures*. The following represents a summary of deposits as of June 30, 2021 and 2020:

	2021	2020
Fully insured deposits	\$ 871,201	\$ 556,146
Uncollateralized	<u>6,192</u>	<u>2,599</u>
Total	<u>\$ 877,393</u>	<u>\$ 558,745</u>

**4. Tuition and Accounts Receivable**

Tuition and accounts receivable at June 30, 2021 and 2020 are as follows:

	2021	2020
Commonwealth of Massachusetts	\$ 37,430	35,160
Other	<u>2,860</u>	<u>50</u>
Total	<u>\$ 40,290</u>	<u>\$ 35,210</u>



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**Marblehead Community Charter Public School and  
Marblehead Charter Education Fund, Inc.**  
Notes to Combined Financial Statements - *Continued*  
June 30, 2021

**5. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses at June 30, 2021 and 2020 are as follows:

	2021	2020
Payables to vendors	\$ 45,780	\$ 50,921
Payroll and fringe	<u>192,613</u>	<u>186,962</u>
Total	<u>\$ 238,393</u>	<u>\$ 237,883</u>

**6. Capital Assets**

The following are the capital assets as of June 30, 2021 and 2020:

*School*

	<i>Balance July 1, 2020</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30, 2021</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	43,100	-	76,284
Equipment and computers	<u>66,648</u>	<u>-</u>	<u>-</u>	<u>66,648</u>
Total capital assets being depreciated	<u>3,662,432</u>	<u>43,100</u>	<u>-</u>	<u>3,705,532</u>
<i>Less accumulated depreciation</i>				
Building	532,868	91,349	-	624,217
Building improvements	16,079	5,775	-	21,854
Equipment and computers	<u>66,647</u>	<u>-</u>	<u>-</u>	<u>66,647</u>
Total accumulated depreciation	<u>615,594</u>	<u>97,124</u>	<u>-</u>	<u>712,718</u>
Capital assets, net	<u>\$ 3,734,238</u>	<u>\$ (54,024)</u>	<u>\$ -</u>	<u>\$ 3,680,214</u>
	<i>Balance July 1, 2019</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30, 2020</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>66,648</u>	<u>-</u>	<u>-</u>	<u>66,648</u>
Total capital assets being depreciated	<u>3,662,432</u>	<u>-</u>	<u>-</u>	<u>3,662,432</u>
<i>Less accumulated depreciation</i>				
Building	441,519	91,349	-	532,868
Building improvements	12,761	3,318	-	16,079
Equipment and computers	<u>66,647</u>	<u>-</u>	<u>-</u>	<u>66,647</u>
Total accumulated depreciation	<u>520,927</u>	<u>94,667</u>	<u>-</u>	<u>615,594</u>
Capital assets, net	<u>\$ 3,828,905</u>	<u>\$ (94,667)</u>	<u>\$ -</u>	<u>\$ 3,734,238</u>

# Draft

**Marblehead Community Charter Public School and  
Marblehead Charter Education Fund, Inc.**  
Notes to Combined Financial Statements - *Continued*  
June 30, 2021

## 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 Fund and Mass Development. 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 following summarizes the long term debt activity of the Organization for the year ended June 30, 2021 and 2020:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
June 30, 2021	<u>\$ 3,719,244</u>	<u>\$ -</u>	<u>\$ 101,911</u>	<u>\$ 3,617,333</u>	<u>\$ 107,218</u>
June 30, 2020	<u>\$ 3,817,914</u>	<u>\$ -</u>	<u>\$ 98,670</u>	<u>\$ 3,719,244</u>	<u>\$ 103,469</u>

Interest expense was \$122,520 and \$125,760 for the years ended June 30, 2021 and 2020, 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>
2022	\$ 107,218	\$ 117,212	\$ 224,430
2023	110,800	113,630	224,430
2024	114,500	109,930	224,430
2025	118,325	106,105	224,430
2026	122,277	102,153	224,430
2027-2031	675,444	446,706	1,122,150
2032-2036	796,036	326,114	1,122,150
2037-2041	938,159	183,991	1,122,150
2042-2045	<u>634,574</u>	<u>56,070</u>	<u>690,644</u>
Total	<u>\$ 3,617,333</u>	<u>\$ 1,561,911</u>	<u>\$ 5,179,244</u>

# Draft

**Marblehead Community Charter Public School and  
Marblehead Charter Education Fund, Inc.**  
Notes to Combined Financial Statements - *Continued*  
June 30, 2021

## 8. *Line of Credit*

The School has a \$300,000 line of credit with a financial institution expiring on December 31, 2021. Advances on this line of credit are payable on demand and carried an interest rate of 1% over the prime rate, which was 3.75% for both years ended June 30, 2021 and 2020. The line of credit is collateralized by a security interest in substantially all business assets of the School and is guaranteed by the Fund. The outstanding balance on the line of credit for both years ended June 30, 2021 and 2020 was \$0. Interest paid during fiscal years 2021 and 2020 was \$0.

## 9. *Operating Lease Commitments*

The School leased certain office equipment under non-cancelable operating leases that expire between May 2022 and April 2024.

Rent expense on the leases was \$14,207 and \$13,719 during the years ended June 30, 2021 and 2020, respectively. The following represents minimum lease payments for the remaining term of the leases:

<i>Fiscal Year</i>	<i>Amount</i>
2022	\$12,038
2023	\$ 3,889
2024	\$ 3,564

## 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.

# Draft

**Marblehead Community Charter Public School and  
Marblehead Charter Education Fund, Inc.**  
Notes to Combined Financial Statements - *Continued*  
June 30, 2021

## **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, 2020 measurement date was determined by an actuarial valuation prepared as of January 1, 2020 rolled forward to June 30, 2020. At June 30, 2021 and 2020, the School's share of MTRS net pension liability was \$5,824,042 and \$5,338,900 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, 2021 and 2020, the School recognized \$719,353 and \$647,434, 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. Management does not anticipate any repayment in fiscal year 2021.

### *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, 2021 and 2020, 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, 2021.

# Draft

**Marblehead Community Charter Public School and  
Marblehead Charter Education Fund, Inc.**  
Notes to Combined Financial Statements - *Continued*  
June 30, 2021

## ***12. Contingencies – Continued***

### *COVID-19*

On March 11, 2020, the World Health Organization characterized the outbreak of a novel strain of coronavirus (COVID-19) as a pandemic. During fiscal year 2021, in response to COVID-19, the School transitioned between remote, hybrid and in person learning models. The extent to which COVID-19 may impact the Organization's activities will depend upon future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the virus.

## ***13. Related Party Transactions***

During fiscal year 2021 and 2020, the Fund donated \$37,509 and \$28,000, respectively to the School.

## ***14. Concentrations***

During fiscal year 2021 and 2020, DESE provided 95% and 93%, respectively, for both fiscal years of the Organization's revenue through Federal and Commonwealth funding respectively.

## ***15. Rental Income***

In fiscal years, 2021 and 2020, the School leased out approximately 1000 square feet of the building and parking spaces for elderly housing and residents in the neighborhood. Related rental income for the fiscal years ended June 30, 2021 and 2020 was \$25,561 and \$20,172, respectively.

The minimum rental income over the term of the leases are as follows:

<i>Fiscal Year</i>	<i>Amount</i>
2022	\$20,522

## ***16. Subsequent Events***

The Organization has evaluated subsequent events through **October XX, 2021**, 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

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

Draft



**DANIEL DENNIS & Co**  
Certified Public Accountants

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

The Board of Trustees

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined statement of net position of Marblehead Community Charter Public School and the Marblehead Charter Education Fund, Inc., (collectively, the Organization), as of and for the year ended June 30, 2021, 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 **October XX, 2021**.

**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) as a basis for determining 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

## 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 combined financial statements. 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.

*October XX, 2021*



# Draft

## **SCHEDULE OF FINDINGS AND RESPONSES**

# Draft

**Marblehead Community Charter Public School and  
Marblehead Charter Education Fund, Inc.**  
Schedule of Findings and Responses  
For the Year Ended June 30, 2021

No Current Year Findings

# Draft

## **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, 2021

Draft

No Prior Year Findings

# Draft

## **BOARD ACCEPTANCE LETTER**

# Draft

## **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, 2021.

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, 2021.

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Board President or Treasurer  
or Other Designated Person



Finance Committee Presentation

October 20, 2021



**DANIEL DENNIS & Co**

Certified Public Accountants

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Dedham, MA 02026

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**Marblehead Community Charter Public School**  
*June 30, 2021*

**SUMMMARY OF AUDITORS' REPORTS**

***Independent Auditors' Report***

- Unmodified Opinion on the Combined 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***

- No material weaknesses over financial reporting
- No reportable instances of non-compliance

**Agreed Upon Procedures Report**

- No exceptions were noted on the School's compliance with the Charter School Grant

# FINANCIAL RATIO PROFILE

## Marblehead Community Charter Public School

### June 30, 2021

Ratio	2021	2020	2020 Grades 4-8 Average	2020 State Average	Low Risk	Moderate Risk	High Risk
<b>Current Ratio</b> <i>measures short term financial health</i>	1.61:1	1.67:1	2.41:1	5.50:1	>=1.5	Between 1.0 and 1.5	< 1.0
<b>Unrestricted Days Cash</b> <i>measures how many days a school can pay its expenses without another inflow of cash</i>	89 days	62 days	45 days	88 days	>=60 days	Between 30 and 60 days	< 30 days
<b>Percentage of Program Paid by Tuition</b> <i>measures percentage of expenses funded by tuition</i>	91%	93%	93%	94%	>=90%	Between 75% and 90%	< 75%
<b>Percentage of Program Paid by Tuition &amp; Federal Grants</b> <i>measures percentage of expenses funded by tuition and federal grants</i>	97%	95%	97%	97%	>=90%	Between 75% and 90%	< 75%
<b>Percentage of Total Revenue Expended on Facilities</b> <i>measures percentage of revenue that is spent on operation and maintenance</i>	12%	11%	8%	12%	<= 15%	Between 15% and 30%	> 30%
<b>Change in Net Position Percentage</b> <i>measures school's cash management efficiency</i>	4.0%	2.0%	1.3%	3.8%	Positive %	Between -2% and 0%	< -2%
<b>Debt to Asset</b> <i>measures extent of reliance on borrowed funds to finance its operations</i>	0.89	0.92	0.51	0.44	<= .9	Between .9 and 1	> 1
Enrollment	212	208	301	590			

**Marblehead Community Charter Public School**  
*June 30, 2021*

*Discussion Items*

- Monitor the extent of additional Federal funding due to COVID-19
  - Federal expenditures in excess of \$750,000 will trigger the single audit requirement
  
- GASB Updates
  - GASB 87 - Leases – *Postponed until fiscal year 2022*
  
- Resolution to the liability for the unpaid unemployment claims

*Due Dates*

- Audit Report – November 1<sup>st</sup>
  
- Agreed Upon Procedures Report – November 1<sup>st</sup>
  
- End of Year Report – December 1<sup>st</sup>
  
- Form 990 and Form PC for the Fund – November 15<sup>th</sup>



October 20, 2021

**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, 2021. 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 June 23, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the combined financial statements. No new accounting policies were adopted and the application of existing policies were not changed during 2021. 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:

Management's 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.

The amount of on-behalf fringe benefit payments recorded in accordance with GASB No. 68. in the Statements of Revenues, Expenses and Change and Net Position. This is an estimate based on the report provided by the Massachusetts Teachers Retirement System.

The 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

## Cover Sheet

### Discussion and Vote to Enter Negotiations with Head of School for Contract Renewal

**Section:** VI. Other Business  
**Item:** B. Discussion and Vote to Enter Negotiations with Head of School for Contract Renewal  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:** Head of School - past,present,future.pdf



# Head of School

Presentation to the Board of Trustees - October 26, 2021

# Accomplishments

1

## Restructure

Right People, Right Positions.



2

## Physical Plant

Clean out.  
Beautification.  
Space Use.



3

## Systems

Communication.  
Special Ed.  
Marketing.



4

## Crisis Leadership

Global Pandemic.  
Decisive Action.



5

## Vision

Beacon of Teaching  
& Learning



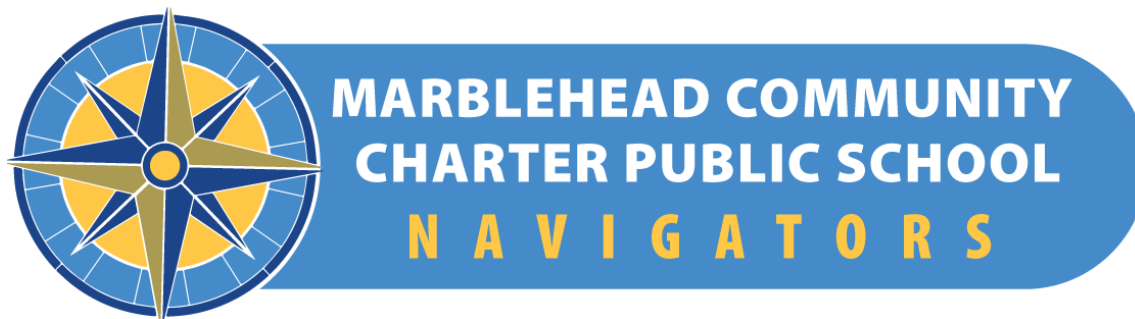
# Vision



# Cover Sheet

## Discussion and Approval of Criteria for Excellence

<b>Section:</b>	VI. Other Business
<b>Item:</b>	C. Discussion and Approval of Criteria for Excellence
<b>Purpose:</b>	Vote
<b>Submitted by:</b>	
<b>Related Material:</b>	FINAL - MCCPS Criteria for Excellence -6.pdf



# Criteria for Excellence

## Marblehead Community Charter Public School Criteria for Excellence

### **English Language Arts**

#### **Reading Skills**

- Identify the purpose of a text (entertain, inform, persuade, etc...)
- Distinguish between fact and opinion
- Pose both text-based questions and questions to evoke higher-level thinking
- Draw connections between ideas within a text and to other texts
- Independently apply a variety of comprehension strategies (predicting, summarizing, paraphrasing, visualizing, retelling, etc...)
- Make inferences into overtones of text
- Support interpretations with evidence
- Engage in thoughtful discussion about readings with peers
- Consider an idea, event, or problem from multiple perspectives
- Use literature to develop an understanding of social issues and gain insights into human experiences
- Identify words and meanings

#### **Writing Skills**

- Use the writing process (brainstorm, draft, revise, and publish) to develop, clarify, and communicate ideas accurately
- Use precise language to express individual perspectives and ideas drawn from personal experience
  - Persuasive: develop the foundations for constructing an argument
  - Expository: explain, inform, analyze, evaluate, interpret
  - Narrative: respond to literary genres to interpret and evaluate
- Create texts and media for different audiences
  - Experiment with different points of view
  - Different voices
  - Different styles (formal and informal)
- Show mastery of standard grammar, sentence writing, and punctuation

#### **Speaking Skills**

- Engage in both formal and informal public speaking opportunities
- Communicate ideas with clarity
- Share and support opinions in class discussions

#### **Research Skills and Media Analysis**

- Utilize text to find information, supporting evidence, and relevant quotes
- Find appropriate sources of information
- Evaluate credibility and applicability of resources
- Identify keywords to foster research
- Use a variety of resources to select an appropriate text for a specific purpose

## Marblehead Community Charter Public School Criteria for Excellence

- Effectively use dictionaries, thesauri, and other supporting texts
- Use index, table of contents, footnotes, forwards, author's notes, images, cover and book flap information to focus search or aid in understanding
- Paraphrase information effectively

## Marblehead Community Charter Public School Criteria for Excellence

### **Global Studies**

#### **Gathering, Interpreting, and Using Evidence**

- Define and frame questions about events and the world in which we live, and use evidence to answer these questions
- Analyze and evaluate evidence to understand point of view, bias, and perspectives
- Describe and analyze arguments of others (including evidence that supports the argument and recognizing multiple perspectives)

#### **Chronological Reasoning and Causation**

- Articulate how events are related chronologically to one another in time
- Employ mathematical skills to measure time by years, decades, centuries, and millennia, and interpret the data presented in timelines
- Identify, analyze and evaluate causes and effects, using examples from historical and current events and grade-level content

#### **Geographic Reasoning**

- Use location terms and geographic representations to describe and identify a region by examining multiple characteristics common to places within it and connections to other regions
- Identify and analyze how environments affect human activities and how human activities affect physical environments
- Describe the geographic organization of place, considering the historical, social, political, and economic impact of that organization
- Identify and describe examples of how boundaries and definitions of location are historically constructed

#### **Comparison and Contextualization**

- Identify and compare multiple perspectives of a given historical experience
- Describe, compare, and evaluate multiple historical events (within societies; across and between societies; in various chronological, geographical, and diverse contexts)
- Describe the relationship between geography, economics, and history as a context for events and movements

#### **Economics and Economic Systems**

- Explain how economic decisions affect the wellbeing of individuals, businesses, and society
- Explain the roles of buyers and sellers in markets; describe the role of competition in the determination of prices and wages in a market economy



## Marblehead Community Charter Public School Criteria for Excellence

- Examine the roles of institutions such as corporations, non-profits, and labor unions in an economy
- Explain how government policies affect the economy

### **Civic Participation**

- Demonstrate respect for the rights of others in discussions and classroom debates; respectfully disagree with other viewpoints
- Understand the role of the individual in social participation in different societies
- Identify situations in which social actions are required and determine an appropriate course of action
- Work to influence those in positions of power to strive for extensions of freedom, social justice, and human rights
- Fulfill social and political responsibilities associated with citizenship in a society and interdependent global community by developing awareness of and/or engaging in the political process

## Marblehead Community Charter Public School Criteria for Excellence

### **Health, Wellness, and Physical Education**

#### **Personal and Social Competency**

- Demonstrate responsible personal and social conduct used in physical activity settings
- Exhibit responsible personal and social behavior that respects self and others.
- Demonstrate strategies for inclusion of all students in physical activity settings related to strength and speed
- Recognize the value of physical activity for health, enjoyment, challenge, self-expression, and/or social interaction
- Describe the purpose and benefits of sports, games, and dance in modern society
- Define the functions of leadership in team sports (increasing motivation, efficiency, and satisfaction)

#### **Fitness and Wellness**

- Apply basic principles of training and appropriate guidelines of exercise to improve immediate and long-term physical fitness
- Participate in activities that promote physical fitness, decrease sedentary lifestyle, and relieve mental and emotional tension
- Explain the personal benefits of making positive health decisions and monitor progress towards personal wellness

#### **Motor Skill Development**

- Use combinations of manipulative, locomotor, and non-locomotor skills to develop movement sequences and patterns, both individually and with others
- Demonstrate developmentally appropriate basic manipulative and advanced specialized physical skills, including throwing and catching different objects with both accuracy and force, hand and foot dribbling while preventing an opponent from challenging, and accurate striking proficiency
- Perform a rhythm routine that combines traveling, rolling, balancing, and weight transfer into smooth flowing sequences with intentional changes in direction, speed, and flow

## Marblehead Community Charter Public School Criteria for Excellence

### **Mathematics**

#### **Problem Solving**

- Make sense of problems and persevere in solving them
- Solve problems that arise in mathematics and in other contexts
- Apply and adapt a variety of appropriate strategies to solve problems
- Justify and reflect on the process for problem solving and the solution
- Solutions are accurate and precise

#### **Reasoning and Proof**

- Recognize reasoning and proof as fundamental aspects of mathematics
- Make and investigate mathematical conjectures
- Develop and evaluate mathematical arguments and proofs
- Select and use various types of reasoning and methods of proof
- Make sense of the quantities and their relationships in problem solving
- Understand and use stated assumptions, definitions, and previously established results in constructing arguments

#### **Communication (Oral and Written)**

- Organize and consolidate mathematical thinking through communication
- Communicate and defend mathematical thinking coherently and clearly to peers, teachers, and others
- Analyze and evaluate the mathematical thinking and strategies of others
- Use the language of mathematics to express mathematical ideas precisely

#### **Connections**

- Recognize and analyze patterns/structure in order to make connections among mathematical ideas
- Understand how mathematical ideas interconnect and build on one another to produce a coherent whole
- Recognize and apply mathematics in contexts outside of mathematics

#### **Representation**

- Create and use representations to organize, record, and communicate mathematical ideas
- Select, apply, and translate appropriate mathematical representations to solve problems
- Use representations to model and interpret physical, social, and mathematical phenomena

## Marblehead Community Charter Public School Criteria for Excellence

### Music

#### Creating:

- Improvise melodic and harmonic characteristics within a certain style
- Sing or play original musical ideas that explore complex rhythms
- Arrange the music of others
- Understand basic music theory and how to apply it to composition
- Use a variety of sources to generate musical ideas for defined purposes and contexts
- Record using and/or audio/ video recording to document personal musical ideas
- Use standard notation accurately to record musical ideas
- Edit, refine, reflect, and evaluate original arrangements and/compositions using criteria that includes appropriate application of compositional techniques, style, form, and use of sound sources
- Present and share creative musical work that conveys intent, demonstrates craftsmanship, and exhibits originality
- Apply knowledge of theory to share compositions, arrangements, and improvisations that demonstrate an accomplished level of musicianship and organization
- Imagine new musical ideas

#### Performing:

- Practice, improve, and refine artistic techniques while learning to play an instrument and/or sing
- Select varied musical works to present based on interest, knowledge, technical skill, and context
- Identify function standard symbols for notation, rhythm, pitch, articulation, dynamics, tempo, and form
- Rehearse, evaluate, refine, evaluate, and refine personal and ensemble performances, individually or in collaboration with others
- Identify and interpret music notation
- Refine and determine when the music is ready to perform.
- Perform expressively, with appropriate interpretation and technical accuracy, and in a manner appropriate to the audience and context
- Perform music with technical accuracy, stylistic expression, and culturally authentic practices in music
- Practice and perform a varied repertoire for individual and small group performances that include melodies, repertoire pieces, stylistically appropriate accompaniments, and improvisations in a variety of contrasting styles
- Analyze and interpret artistic work for presentation. Identify standard notation symbols and musical terms referring to dynamics, tempo, articulations, meter, and expression and apply them when performing

## Marblehead Community Charter Public School Criteria for Excellence

- Convey meaning through the presentation of artistic work
- Sing and/or play in groups responding to cues
- Accurately perform music while reading notation, and by ear
- Adhere to proper performance etiquette
- Select, analyze, and interpret artistic work for presentation. Contribute to the production of a small group performance
- Identify strategies and employ them while practicing music

### **Responding:**

- Listen, analyze, and evaluate music
- Analyze and identify ways a contemporary musical piece pushes boundaries of the genre and discipline
- Interpret the ways one's own cultural and personal perspectives and biases affect understanding of a musical work
- Meet expectations of an audience member like listening quietly and clapping at the end of a performance
- Perceive and analyze artistic work: analyze how cultures are reflected in a diverse range of musical work
- Interpret intent and meaning in artistic work: explain how a musical work is connected to the particular cultural and historical context
- Apply criteria to evaluate artistic work: develop criteria for a rubric for evaluating musical works
- Reflect on one's work orally and in writing
- Select or choose music to listen to and explain the connections to specific interests or experiences for a specific purpose
- Analyze how the structure and context of varied musical works inform the response
- Support interpretations of musical works that reflect creators'/performers' expressive intent
- Evaluate Support evaluations of musical works and performances based on analysis, interpretation, and established criteria
- Compare, contrast, and identify artistic elements from a variety of music styles and historical periods
- Listen and write about various styles, composers, and musical time periods

### **Connections:**

- Synthesize and relate knowledge and personal experiences to make music.
- Describe and demonstrate influences of one's personal musical style and preferences
- Relate artistic ideas and works to societal, cultural, and historical contexts.
- Demonstrate understanding of relationships between music and the other arts, other disciplines, varied contexts, and daily life
- Explain the development of one's musicality or musical style and how it relates and compares to other music

## Marblehead Community Charter Public School Criteria for Excellence

### **Science & Engineering**

#### **Principles of Science and Engineering**

- Ask questions and define problems
- Develop and use models
- Plan and carry out investigations
- Analyze and interpret data
- Use mathematics and computational thinking
- Construct explanations and design solutions
- Engage in argument from evidence
- Obtain, evaluate, and communicate information

#### **Crosscutting Concepts of Science and Engineering**

- Observe patterns and describe relationships and the influencing factors
- Explore situations of cause and effect and explain their underlying mechanisms
- Recognize the importance of scale, proportion, and quantity
- Define systems and design models to understand and test ideas
- Understand the flow of energy and matter in various systems
- Understand the relationship between structure and function
- Examine the stability of various systems and rates of change as they evolve

#### **Scientific Text**

- Read and understand scientific texts and primary sources
- Validate information for veracity and reliability of the source
- Identify and define scientific vocabulary
- Summarize main ideas presented in article first text
- Apply knowledge to additional situations and investigations

#### **Investigations**

##### **Framing the Question**

- Based on observation of phenomena, understand or come up with a question or hypothesis to investigate
- Collect information and ideas about your question
- Identify the variables or special factors that may affect your investigation

##### **Scientific Research**

- Gather information that addresses the question or hypothesis
- Identify, use, and cite appropriate scientific references
- Make a plan for investigating the question or hypothesis

## Marblehead Community Charter Public School Criteria for Excellence

### **Laboratory Investigation**

- Make a plan for testing the question or hypothesis
- Identify and use appropriate scientific equipment
- Make observations and record data
- Use appropriate representations, such as charts, tables, and graphs, to display data

### **Analyzing What You Find**

- Consider multiple explanations for what you observe or discover
- Use evidence to draw or support a logical conclusion
- Identify possible sources of error and bias in the investigation or research
- Verify the results of the investigation or find corroborating evidence for your research
- Revise your explanation if necessary

### **Synthesizing What You Find**

- Answer your question and/or draw conclusions about the validity of your hypothesis
- Use the observations to ask additional questions, make new predictions, and test those predictions by running more simulations or by changing the model
- Connect ideas to other information, or to a "real world" use
- Use data or research to respond to questions or comments from others
- Share and defend the results of the investigation in writing and orally

## Marblehead Community Charter Public School Criteria for Excellence

### Visual Arts

#### Connecting

- Relate artistic ideas and works to societal, cultural, and historical contexts to deepen understanding

#### Responding

- Perceive artistic work to analyze how culture is reflected in an artwork
- Interpret intent and meaning in an artistic work by explaining how an artwork is connected to the particular cultural, historical context where it was created

#### Creating

- Generate and conceptualize artistic ideas and works
- Engage in the creative process by observing, investigating, imagining, and innovating
- Organize and develop artistic ideas and works through planning and careful tool, media, and technique selection
- Reflect on what media and techniques will work best to communicate an idea or message
- Consider how to use the elements and principles of design effectively
- Refine and complete artistic works

#### Presenting

- Develop and refine artistic techniques for presentation  
Consider the contents of the artist's statement - thoughtfully answer questions regarding the work and the process using the correct and appropriate art vocabulary



## Marblehead Community Charter Public School Criteria for Excellence

### World Languages

#### Communication:

- Write and speak in a language other than English to present information, concepts, and ideas on a variety of topics
- Use language to interact orally (conversations, discussions) as well as in writing (short essays, emails, letters, postcards)
- Converse in a language other than English to provide and obtain information, express feelings and emotions, and exchange opinions
- Understand and interpret ideas and information written or spoken in a language other than English
- Use a language other than English with the purpose of “doing things with words”: interacting with others and with one’s environment, playing, singing, completing interdisciplinary activities, discovering the world, dreaming and imagining, undertaking group and individual projects

#### Comparisons:

- Use the target language to reinforce and expand students’ knowledge of other disciplines and to acquire new information and knowledge
- Demonstrate an understanding of the concept of culture through comparison of the target culture with their own
- Understand the nature of language through comparison of the language studied with their own
- Observe and reflect on how language works to understand language structure.
- Observe and infer how words function in relation to each other within sentences and texts to produce meaning
- Discover differences and similarities with their native language or with the languages they are familiar with

#### Cultures:

- Demonstrate an understanding of the traditions, perspectives, practices, and products of the culture studied, including human commonalities as reflected in history, literature, and the visual and performing arts
- Demonstrate the ability of identifying and locating countries, provinces, and cultures where the target language is spoken and understand why
- Demonstrate a curiosity and openness to the world and culture and language diversity
- Opening up to others and to a world of diversity. Learning to be open-minded, tolerant citizens and to respect differences

# Cover Sheet

## Finance Committee

**Section:** VII. Committee Updates  
**Item:** B. Finance Committee  
**Purpose:** Discuss  
**Submitted by:**  
**Related Material:** FinCom\_notes\_Sept\_2021.pdf  
Sept-2021.pdf

## FinCom notes September 2021

The check from the remained steady at \$305,762...at press time the enrollment was 226.

We have several grant applications pending approval by DESE...once approved some funds will be shifted out of Operating into the appropriate grant classification. We also have funds 'parked' in 90-Federal Grants awaiting the same distribution process.

### Expenses

There were several one-time expenses in September that contributed to the loss:

- \$20,000 for the second year of Teaching Force. One of the grants requests full funding for this expense
- \$3,600 for a new ejector pump for the rear bathrooms...to date we have not had an alarm
- \$6,800 for the balance due on the new admin HVAC unit
- \$8,500 in progress payments to Daniel Dennis for the audit
- \$800 to replace the glass on one of the gym doors

Additionally there will be offsets to Salaries once the grants are approved.

### Other notes

Peter & I had a good chat with Dave Lawson from EBSB about the refi and construction loans...the start of a longer conversation

We are waiting to get some roof estimates from Welch Construction...they have worked w/Salem Academy on construction projects

Danette applied for and won a \$3,000 grant from Whole Foods for support of her program

We have not been able to find the second shift custodian at this point

# **Marblehead Community Charter Public School**

## **Financial Results As of September 30, 2021**



**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 September 30, 2021

	As of Sep 30, 2021	As of Sep 30, 2020 (PY)	Increase / (Decrease)	%age
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Checking/Savings</b>				
1073 — EBSB Payroll (8947)	10,434	7,725	2,709	35.1%
1072 — EBSB Operating (8934)	606,504	444,957	161,547	36.3%
1010 — Charter Hall (8202)	0	2,670	(2,670)	-100.0%
1040 — Petty Cash (4534)	2,370	900	1,470	163.4%
1070 — Checking (4542)	42,575	107,050	(64,475)	-60.2%
1085 — PayPal	5,551	11,738	(6,187)	-52.7%
1090 — FoodService (5077)	12,461	3,914	8,548	218.4%
<b>Total Checking/Savings</b>	<b>679,896</b>	<b>578,954</b>	<b>100,942</b>	<b>17.4%</b>
<b>Accounts Receivable</b>				
1200 — Accounts Receivable	10,289	0	10,289	
1201 — Grants Receivable	30,001	0	30,001	
<b>Total Accounts Receivable</b>	<b>40,290</b>	<b>0</b>	<b>40,290</b>	
<b>Other Current Assets</b>				
1310 — Prepaid Expense	0	0	0	
1210 — State Allocation Receivable	0	0	0	
<b>Total Other Current Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Current Assets</b>	<b>720,185</b>	<b>578,954</b>	<b>141,232</b>	<b>24.4%</b>
<b>Fixed Assets</b>				
1532 — 17 Lime Street				
1533 — Land - 17 Lime Street	687,400	687,400	0	0.0%
1532 — 17 Lime Street - Other	3,562,600	3,562,600	0	0.0%
<b>Total 1532 — 17 Lime Street</b>	<b>4,250,000</b>	<b>4,250,000</b>	<b>0</b>	<b>0.0%</b>
1530 — Building Improvements	76,284	33,184	43,100	129.9%
1531 — Fixed Assets	66,648	66,648	0	0.0%
1599 — Accumulated Depreciation	(736,385)	(639,261)	(97,124)	15.2%
<b>Total Fixed Assets</b>	<b>3,656,547</b>	<b>3,710,571</b>	<b>(54,024)</b>	<b>-1.5%</b>
<b>TOTAL ASSETS</b>	<b>4,376,733</b>	<b>4,289,525</b>	<b>87,208</b>	<b>2.0%</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
<b>Accounts Payable</b>				
2000 — Accounts Payable	(36,556)	(2,488)	(34,069)	1369.6%
2010 — Accounts Payable FS	0	0	0	
<b>Total Accounts Payable</b>	<b>(36,556)</b>	<b>(2,488)</b>	<b>(34,069)</b>	<b>1369.6%</b>
<b>Other Current Liabilities</b>				
2110 — Accrued Payroll	131,320	0	131,320	NA
2110-25 — Payroll Liabilities	(1,894)	357	(2,251)	-631.2%
2110-30 403B	(200)	(200)	0	NA
2111 — Accrued Payroll Taxes	5,258	5	5,253	NA
2160-25 — MTRB Liability	17,328	15,531	1,797	11.6%
2190-25 — Payroll Clearing Account	(323)	6,210	(6,533)	-105.2%
2230 — Accrued Expenses	81,691	81,691	0	0.0%
2200 — Deferred Revenue	0	0	0	
<b>Total Other Current Liabilities</b>	<b>233,178</b>	<b>103,592</b>	<b>129,586</b>	<b>125.1%</b>
<b>Total Current Liabilities</b>	<b>196,622</b>	<b>101,105</b>	<b>95,518</b>	<b>94.5%</b>
<b>Long Term Liabilities</b>				
2613 — East Boston Savings Bank	3,591,566	3,694,335	(102,769)	-2.8%
<b>Total Long Term Liabilities</b>	<b>3,591,566</b>	<b>3,694,335</b>	<b>(102,769)</b>	<b>-2.8%</b>
<b>Total Liabilities</b>	<b>3,788,188</b>	<b>3,795,440</b>	<b>(7,252)</b>	<b>-0.2%</b>
<b>Equity</b>				
3000 — Opening Bal Equity	(295)	(295)	0	0.0%
3900 — Retained Earnings	499,466	353,926	145,541	41.1%
<b>Net Income</b>	<b>89,373</b>	<b>140,454</b>	<b>(51,081)</b>	<b>-36.4%</b>
<b>Total Equity</b>	<b>588,545</b>	<b>494,085</b>	<b>94,460</b>	<b>19.1%</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>4,376,733</b>	<b>4,289,525</b>	<b>87,208</b>	<b>2.0%</b>

# MCCPS

## Profit and Loss Prev Year Compariso

July-September 2021

	Accrual Basis				# months YTD 3		
	Jul - Sep, 2021	Jul - Sep, 2020 (PY)	Increase / (Decrease)	%age	Budget	Over / (Under)	%age
<b>Ordinary Income/Expense</b>							
<b>Income</b>							
4005 — STATE ALLOCATION	917,286	791,678	125,608	15.9%	887,150	30,136	3.4%
4040 — INVESTMENT INCOME	105	72	33	45.5%	25	80	318.3%
4050 — OTHER INCOME	10,680	9,213	1,467	15.9%	6,188	4,492	72.6%
4055 — STUDENT SUCCESS FUND	7,806	15,562	(7,756)	NA	4,500	3,306	73.5%
4057 — VACATION PROGRAMMING			0	NA	0	0	NA
4060 — CONTRIBUTIONS (MCEF)			0	NA	0	0	NA
4070 — PRIVATE GRANTS			0	NA	0	0	NA
4080 — REIMBURSEMENTS		2,034	(2,034)	-100.0%	500	(500)	-100.0%
4085 — MEDICARE REIMB.			0	NA	0	0	#DIV/0!
4090 — FUNDRAISING			0	NA	12,500	(12,500)	-100.0%
<b>Total Income</b>	<b>935,876</b>	<b>818,559</b>	<b>117,317</b>	<b>14.3%</b>	<b>910,863</b>	<b>25,014</b>	<b>2.7%</b>
<b>Gross Profit</b>	<b>935,876</b>	<b>818,559</b>	<b>117,317</b>	<b>14.3%</b>	<b>910,863</b>	<b>25,014</b>	<b>2.7%</b>
<b>Expense</b>							
5000 — PERSONNEL	599,724	421,746	177,978	42.2%	644,162	(44,438)	-6.9%
5140 — BENEFITS	75,223	70,348	4,875	6.9%	109,666	(34,443)	-31.4%
5150 — STAFF DEVELOPMENT	21,728	504	21,225	4214.7%	7,500	14,228	189.7%
5160 — SEARCH COSTS		1,823	(1,823)	-100.0%	456	(456)	-100.0%
5170 — SUBSTITUTE		8,300	(8,300)	-100.0%	0	0	NA
5200 — DIRECT STUDENT SUPPORT	13,641	12,497	1,145	9.2%	15,575	(1,934)	-12.4%
5300 — OCCUPANCY	80,508	22,472	58,036	258.3%	26,250	54,258	206.7%
5400 — OFFICE & ADMIN	55,555	51,269	4,286	8.4%	61,174	(5,619)	-9.2%
6100 — Depreciation	23,667	23,667	0	0.0%	23,750	(83)	-0.3%
5329 — COVID19		0	0	NA	0	0	NA
<b>Total Expense</b>	<b>870,047</b>	<b>612,624</b>	<b>257,422</b>	<b>42.0%</b>	<b>888,533</b>	<b>(18,486)</b>	<b>-2.1%</b>
<b>Net Ordinary Income</b>	<b>65,829</b>	<b>205,935</b>	<b>(140,105)</b>	<b>-68.0%</b>	<b>22,330</b>	<b>43,500</b>	<b>194.8%</b>
<b>Net Income</b>	<b>65,829</b>	<b>205,935</b>	<b>(140,105)</b>	<b>-68.0%</b>	<b>22,330</b>	<b>43,500</b>	<b>194.8%</b>

# MCCPS

## Profit and Loss Standard

### July-September 2021

	<b>Jul 2021</b>	<b>Aug 2021</b>	<b>Sep 2021</b>	<b>Total</b>
<b>Income</b>				
4005 STATE ALLOCATION	305,762	305,762	305,762	<b>917,286</b>
4040 INVESTMENT INCOME	16	62	27	<b>105</b>
4050 OTHER INCOME		5,305	5,375	<b>10,680</b>
4055 STUDENT SUCCESS FUND		771	7,035	<b>7,806</b>
<b>Total Income</b>	<b>305,778</b>	<b>311,900</b>	<b>318,199</b>	<b>935,876</b>
<b>Gross Profit</b>	<b>305,778</b>	<b>311,900</b>	<b>318,199</b>	<b>935,876</b>
<b>Expenses</b>				
5000 PERSONNEL	215,472	157,308	226,945	<b>599,724</b>
5140 BENEFITS	25,510	20,235	29,478	<b>75,223</b>
5150 STAFF DEVELOPMENT		1,661	20,068	<b>21,728</b>
5200 DIRECT STUDENT SUPPORT	3,973	3,212	6,456	<b>13,641</b>
5300 OCCUPANCY	12,621	21,814	46,073	<b>80,508</b>
5400 OFFICE & ADMIN	11,448	17,829	26,278	<b>55,555</b>
6100 Depreciation	7,889	7,889	7,889	<b>23,667</b>
<b>Total Expenses</b>	<b>276,913</b>	<b>229,949</b>	<b>363,185</b>	<b>870,047</b>
<b>Net Operating Income</b>	<b>28,865</b>	<b>81,951</b>	<b>-44,987</b>	<b>65,829</b>
<b>Net Income</b>	<b>28,865</b>	<b>81,951</b>	<b>-44,987</b>	<b>65,829</b>

**MCCPS - Profit and Loss by Class  
July-September 2021**

	01 - General Fund	20 - School Lunch	21 - Student Activities	22 - Athletics	23 - Nature's Classroom	Total 21 - Student Activities	90 Federal Grants	115 - ESSER II	240 - Sped 142	258 - SPED Transition	274 - Targeted SPED	305 - Title 1	309 - Title 4	Total 90 Federal Grants	92 Private Grants	94- FMPSGrant	Total 92 Private Grants	TOTAL
<b>Income</b>																		
4005 STATE ALLOCATION	917,286					0								0			0	917,286
4010 FEDERAL & STATE GRANTS						0		8,584	1,944	5,081	2,666	5,810	12,900	36,985			0	36,985
4020 SCHOOL LUNCH		22,430				0								0			0	22,430
4030 STUDENT ACTIVITIES				8,570		8,570								0			0	8,570
4040 INVESTMENT INCOME	105					0								0			0	105
4050 OTHER INCOME	10,680					0								0			0	10,680
4055 STUDENT SUCCESS FUND	7,806					0								0			0	7,806
4070 PRIVATE GRANTS						0								0	1,800		1,800	1,800
<b>Total Income</b>	<b>935,876</b>	<b>22,430</b>	<b>0</b>	<b>8,570</b>	<b>0</b>	<b>8,570</b>	<b>0</b>	<b>8,584</b>	<b>1,944</b>	<b>5,081</b>	<b>2,666</b>	<b>5,810</b>	<b>12,900</b>	<b>36,985</b>	<b>1,800</b>	<b>0</b>	<b>1,800</b>	<b>1,005,661</b>
<b>Gross Profit</b>	<b>935,876</b>	<b>22,430</b>	<b>0</b>	<b>8,570</b>	<b>0</b>	<b>8,570</b>	<b>0</b>	<b>8,584</b>	<b>1,944</b>	<b>5,081</b>	<b>2,666</b>	<b>5,810</b>	<b>12,900</b>	<b>36,985</b>	<b>1,800</b>	<b>0</b>	<b>1,800</b>	<b>1,005,661</b>
<b>Expenses</b>																		
5000 PERSONNEL	599,724	4,730				0								0			0	604,454
5140 BENEFITS	75,223					0								0			0	75,223
5150 STAFF DEVELOPMENT	21,728					0	1,275							1,275			0	23,003
5170 SUBSTITUTE						0	360							360			0	360
5200 DIRECT STUDENT SUPPORT	13,641					0	16,673	332				2,622		19,627		1,400	1,400	34,669
5261 STUDENT ACTIVITY					3,240	3,240								0			0	3,240
5270 SCHOOL LUNCH EXP		11,929				0								0			0	11,929
5300 OCCUPANCY	80,508					0		3,680						3,680			0	84,188
5400 OFFICE & ADMIN	55,555					0								0			0	55,555
6100 Depreciation	23,667					0								0			0	23,667
<b>Total Expenses</b>	<b>870,047</b>	<b>16,659</b>	<b>0</b>	<b>0</b>	<b>3,240</b>	<b>3,240</b>	<b>18,308</b>	<b>4,012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,622</b>	<b>0</b>	<b>24,942</b>	<b>0</b>	<b>1,400</b>	<b>1,400</b>	<b>916,288</b>
<b>Net Operating Income</b>	<b>65,829</b>	<b>5,771</b>	<b>0</b>	<b>8,570</b>	<b>-3,240</b>	<b>5,330</b>	<b>-18,308</b>	<b>4,572</b>	<b>1,944</b>	<b>5,081</b>	<b>2,666</b>	<b>3,188</b>	<b>12,900</b>	<b>12,043</b>	<b>1,800</b>	<b>-1,400</b>	<b>400</b>	<b>89,373</b>
<b>Net Income</b>	<b>65,829</b>	<b>5,771</b>	<b>0</b>	<b>8,570</b>	<b>-3,240</b>	<b>5,330</b>	<b>-18,308</b>	<b>4,572</b>	<b>1,944</b>	<b>5,081</b>	<b>2,666</b>	<b>3,188</b>	<b>12,900</b>	<b>12,043</b>	<b>1,800</b>	<b>-1,400</b>	<b>400</b>	<b>89,373</b>



## MCCPS Financial Ratios

As of September 30, 2021

# months YTD

3

<b>Debt Service Coverage Ratio</b>	<b>2.17</b>
<b>Days of Cash</b>	<b>73</b>
<b>LUNA (liquid unrestricted net assets)</b>	<b>2.48</b>

<b>Debt Service Coverage Ratio</b>	
Standard monthly payment (Principal and Interest)	<b>10,113</b>
Net operating Income YTD	<b>65,829</b>
Annualized based on YTD results	<b>263,317</b>
Calculated Debt Service Ratio	<b>2.17</b>

<b>Days Cash</b>	
Cash on Hand	<b>679,896</b>
Operating Expense YTD	<b>870,047</b>
Annualized	<b>3,480,187</b>
Noncash expense	<b>23,667</b>
Depreciation YTD	<b>94,668</b>
Annualized	<b>94,668</b>
Days Cash	<b>73</b>

<b>Liquid Unrestricted Net Assets</b>	
Unrestricted Net Assets	<b>4,376,733</b>
Fixed Assets	<b>3,656,547</b>
Liquid Unrestricted NA	<b>720,185</b>
Expense (YTD)	<b>870,047</b>
Monthly	<b>290,016</b>
LUNA	<b>2.48</b>

MCCPS  
FY21 Operating Budget worksheet

		APPROVED BUDGET	
		2020-2021	
Ordinary Income/Expense			
Income			
4057 — VACATION PROGRAMMING	0	actual	
4005 — STATE ALLOCATION	3,086,095		
Total 4040 — INVESTMENT INCOME	100		
4050 — OTHER INCOME			
4051 — 17 Lime Rent	21,750		
4054 — Misc. Inc.	1,500		
4056 — Homework Club	10,000		
4050 — OTHER INCOME - Other	500		
Total 4050 — OTHER INCOME	33,750		
4055 — STUDENT SUCCESS FUND	18,000		
4080 — REIMBURSEMENTS	2,000		
4085 — MEDICARE REIMB.	5,000		
Total 4090 — FUNDRAISING	45,000		
Total Income	3,189,945		
Gross Profit			
Expense			
5000 — PERSONNEL			
5089 — Fellows	0		
5088 — Vactalon Programming	0	actual	
5100 — PAYROLL TAX			
Fam/Medical Leave (new tax)	5,000		
5120 — Work Comp	17,000		
5117 — Unemployment	13,000		
5116 — Medicare	35,000		
5115 — Soc Sec	42,000		
Total 5100 — Payroll Taxes	112,000		
Salaries worksheet - update above	2,140,701		
Total 5000 — PERSONNEL	2,252,701		
5140 — BENEFITS			
5141 — Health	373,774		
5142 — Dental	25,661		
5143 — Life & Disability	14,400		
Total 5140 — BENEFITS	413,835		
5150 — STAFF DEVELOPMENT	7,500	MCPBA nr	
New Line - Teaching Force			
5180 — SEARCH COSTS	1,700	SchoolSp	
5200 — DIRECT STUDENT SUPPORT			
5255 — Homework Club	6,500		
5202 — Furnishings	1,000	reduced	
5203 — Student Success Fund	15,300		
5210 — Teachers supplies	5,000		
5211 — Instructional Equipment	14,400		
5215 — Curriculum supplies	5,000		
5220 — Student supplies	5,000		
5221 — SPED supplies	1,500		
5222 — SPED Services	1,500		
5240 — Computer Support	2,000		
5241 — Technology - Hardware	5,000		
5242 — Technology Software	2,000		
5250 — Nursing supplies	1,500		
5290 — Vacation Programming	0	actual	
Total 5200 — DIRECT STUDENT SUPPORT	65,700		
5300 — OCCUPANCY			
Total 5328 — Maintenance	40,000		
5330 — CustSvc	30,000		
5340 — CustSupplies	5,000		
5351 — Utilities			
5352 — Electric	30,000		
5354 — Water	8,500		
5355 — Communications	3,750		
Total 5351 — Utilities	42,250		
Total 5300 — OCCUPANCY	117,250		
5400 — OFFICE & ADMIN			
5492 — Mortgage Interest	120,423		
5405 — FundraisingExp			
5407 — Events			
5408 — Musical			
5405 — FundraisingExp - Other			
Total 5405 — FundraisingExp	6,000		
5410 — Supplies	5,000		
5430 — Accounting	18,000		
5431 — Legal	10,000		
5435 - Marketing	10,000	New Item	
5440 — PayrollSvc	5,500		
5450 — Printing&Copy	1,200		
5460 — Postage	3,500		
5470 — General Liability Insurance	30,000		
5480 — Board	7,000		
5486 — HoS Discretionary	1,500		
5487 — Admissions	1,500		
5497 — Bank Chrg	1,000		
New Line Capex			
New Line Professional Services			
Total 5400 — OFFICE & ADMIN	220,623		
6100 — Depreciation	95,000		
Total Expense	3,174,309		
Net Ordinary Income	15,636		