



MCCPS Board of Trustees

Board of Trustees Meeting

Published on October 22, 2024 at 8:15 PM EDT

Date and Time

Tuesday October 22, 2024 at 7:00 PM EDT

Location

Hybrid Format:

- in person at MCCPS
- via Zoom at <https://us06web.zoom.us/j/98355446062?pwd=bVg2VzE4bEZUVXJqY0R4UIJnVmZ1dz09>

Agenda

	Purpose	Presenter	Time
I. Opening Items			7:00 PM
Opening Items			
A.	Record Attendance and Guests	Ian Hunt	2 m
B.	Call the Meeting to Order	Katie Holt	2 m
C.	Public Comment	Discuss Katie Holt	5 m
II. Board Action Items			7:09 PM
A.	New Board Member Nomination and Vote	Vote Polly Titcomb	10 m

	Purpose	Presenter	Time
<ul style="list-style-type: none"> • Eric Neagle 			
B. Minutes to Approve: September	Approve Minutes	Ian Hunt	8 m
III. Head of School Report			7:27 PM
A. October Report	FYI	Stephanie Brant	20 m
B. HOS Goals: Review and Vote	Vote	Stephanie Brant	
IV. Board Annual Items			7:47 PM
A. Upcoming Agenda Items	Discuss	Katie Holt	5 m
<ul style="list-style-type: none"> • Does a BoT member want to be charged with maintaining this? <p>July - Adopt Annual Report, by July 31, Adopt Annual Board Goals</p> <ul style="list-style-type: none"> • August – Adopt HOS Goals, Open Annual Board Self Assessment • Sept – Review Annual Board Self Assessment, Approve Committee Memberships and Vice-Chairs • Oct – Adoption of the Annual Audit (must be done by Oct 31), MCAS Presentation, Presentation on HOS Evaluation Process by the Personnel Committee • Nov – HOS Contract Renewal Notice • 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 			
B. Board Goals	Vote	Ian Hunt	5 m
<ul style="list-style-type: none"> • Build the MCCPS brand (1) Grow broader community awareness of MCCPS mission and core programs to advance strong and diverse student recruitment 			

	Purpose	Presenter	Time
(2) Strengthen diverse family participation and engagement in school events, socials and committees to build a deep sense of community at MCCPS.			
<ul style="list-style-type: none"> • Explore and propose options to strengthen the long-term financial sustainability of MCCPS. To include a review and strategic realignment of the Marblehead Charter Education Fund (501c3) to support MCCPS Board goals. • Continue to review and refine MCCPS Board Policies and procedures to strengthen board health (e.g. BoT, Onboarding new board members etc). 			
C. Board Self Assessment	Discuss	Katie Holt	5 m
V. Audit 2024			8:02 PM
A. Vote: 2024 Audit Findings	Vote	Emily Promise	10 m
VI. Committee Updates			8:12 PM
A. Finance Committee	Discuss	Emily Promise	15 m
<ul style="list-style-type: none"> • Review of Finance Committee Documents • Relevant Discussion • Relevant Board votes as needed 			
B. Governance Committee	FYI	Polly Titcomb	10 m
C. Personnel Committee	Discuss	Katie Holt	5 m
D. Academic Excellence	Discuss	Jessica Xiarhos	10 m
E. Development & Communications	Discuss	Kimberly Nothnagel	10 m
F. DEI Committee	Discuss	Lindsay Smith	10 m
VII. Public Comment			9:12 PM
A. Public Comment	Discuss	Katie Holt	5 m

	Purpose	Presenter	Time
VIII. Closing Items			9:17 PM
A. Recap Action Items	Discuss	Katie Holt	5 m
Clerk to review actions items, add any additional items discussed.			
B. Board Comments	FYI		5 m
C. Adjourn Meeting	Vote	Katie Holt	

Coversheet

New Board Member Nomination and Vote

Section: II. Board Action Items
Item: A. New Board Member Nomination and Vote
Purpose: Vote
Submitted by:
Related Material: Resume 8-23.docx
EGN Board Lol.pdf

Eric Neagle

2 Brimbal Avenue, Beverly, MA 01915

Phone: (603) 661-6867 E-Mail: eneagle92@gmail.com

Profile

Project Management professional with strong communication, time management, organizational, and problem-solving skills. Ability to work independently but also closely with a collaborative team to achieve technology excellence. Experience in, Project Management, Operation Management, Human Resources, Information Technologies, Vendor Management, and Customer Service.

Experience

Cross Financial Corp – Manager, Project Management Office

September 2020 - Present

The Project Manager works directly with the Senior Leadership to lead the and implement the Project Management Office across the organization:

- Act as the Liaison and first point of contact across all corporate departments as it relates to complex and strategic projects.
- Assist project stakeholders in the definition of project scope and goals
- Create long and short-term plans, including setting targets for milestones, adhering to deadlines, and allocating resources
- Design, implement, and maintain the Cross Financial Corp. Project Management Office adhering to Waterfall and Agile Project Management methodologies
- Design, implement, and maintain the Cross Financial Corp. Mergers and Acquisitions program
- Make effective decisions when presented with multiple options for how to progress with a project or portfolio
- Maintain records of all projects in various PPM tools such as Monday.com and Smartsheet
- Oversee five PMO staff ranging from PMO Technology Specialists and Project Managers
- Report to Senior Leadership the health, status, and upcoming portfolio activity on a weekly basis

Cross Financial Corp – Information Technology Coordinator

August 2017 – September 2020

The IT Coordinator works directly with the Vice President of Systems Administration. Duties include but are not limited to:

- IT Helpdesk for 1,100 Employees
- Coordinate all IT projects
- Configure and troubleshoot profiles on Windows 7, Windows 8.1, and Windows 10 operating systems
- Manage VMware and virtual servers running Windows server 2008r2, server 2012, and server 2016
- Manage Microsoft Exchange server

- Manage Group Policy and Active Directory
- Installations of hardware and software per licensing agreements
- Manage computer inventory
- Manage email filtering system
- Manage network administration software (Lansweeper)
- Manage antivirus software (Sophos)
- Manage internet filtering software (Barracuda)
- Ordering for all new IT equipment and process the purchase orders
- Manage remote access software such as DUO and Cisco, and FortiClient VPNs
- Experience with Office365 applications and administration

Cross Insurance – Operations & Facilities Administrator

December 2012 – August 2018

The role of the Operations & Facilities Administrator has essential functions as the Operation Executive but is more directed into as Triage for all HR and Operational issues under the direction of the V.P. of Operations, V.P of Systems Administration, and V.P. of Commercial Lines. Additional duties include:

- Maintains building operations; tenants, vendors, and contractors
- Maintains agency reports per quality management procedures and compliance
- Triage for all HR related questions regarding payroll and accrued time
- Coordinate facilities and staff events
- Process bi-weekly payroll
- Coordinate new hire paperwork and training
- Assist in implementing new HR/Operational procedures
- Input receivables and new business leads into a CRM system
- Manage and organize IT and other vendor relationships
- IT Helpdesk for 100 end users; computers, printers, and phone systems

Education

University of New Hampshire

August 2010 – May 2014

Bachelor of Art – Spanish Language

Purdue Global University

October 2017- October 2020

Associates of Science, Information Technology, Network Administration

References

Beatrice Lachance: Vice President of Operations, Cross Insurance, 603- 206-9902

Brenda Loiselle: Agency Principal, Loiselle Insurance, 401-742-6092

Tara Dean: Vice President of Commercial Operations, Cross Insurance, 603-206-0957

Laurie Tasker: Vice President, End User Support, Cross Insurance, 207-404-5384

Reference letters available upon request

Neagle - Letter of Intent

When the opportunity presents itself to grow as a professional, I believe to take the opportunity! Joining MCCPS last year has changed my life. I am pursuing dreams and being the person that I always wanted to be. I can bring not only an educational view but also the “business” view. Prior to joining the staff at Charter, I worked for Cross Financial Corp. as their PMO (Project Management Office) Manager. This role allowed me to grow as a leader. I can bring some of the Project Management fundamentals and practices to MCCPS if elected as part of the School Board.

Coversheet

Minutes to Approve: September

Section: II. Board Action Items
Item: B. Minutes to Approve: September
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Board of Trustees Meeting on September 24, 2024



MCCPS Board of Trustees

Minutes

Board of Trustees Meeting

Date and Time

Tuesday September 24, 2024 at 7:00 PM

Location

Hybrid Format:

- in person at MCCPS
- via Zoom at <https://us06web.zoom.us/j/98355446062?pwd=bVg2VzE4bEZUVXJqY0R4UIJnVmZ1dz09>

Trustees Present

Carol McEnaney, Ian Hunt, James Lewis (remote), Katie Holt, Lindsay Smith, Nick Santoro, Stephanie Brant

Trustees Absent

Jessica Xiarhos, Kimberly Nothnagel, Polly Titcomb

Trustees who left before the meeting adjourned

Lindsay Smith

Guests Present

Emily Promise

I. Opening Items

A.

Record Attendance and Guests

B. Call the Meeting to Order

Katie Holt called a meeting of the board of trustees of MCCPS Board of Trustees to order on Tuesday Sep 24, 2024 at 7:04 PM.

C. Public Comment

No public comment. Matt Flaheity and Ellen Logden will present for the meeting as guests.

II. Board Action Items

A. New Clerk Selection and Vote

Motion to vote for Ian Hunt to take up the position of MCCPS Clark.

Nick Santoro seconded the motion.

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

Roll Call

James Lewis	Aye
Polly Titcomb	Absent
Lindsay Smith	Aye
Stephanie Brant	Aye
Carol McEnaney	Aye
Nick Santoro	Aye
Jessica Xiarhos	Absent
Katie Holt	Aye
Kimberly Nothnagel	Absent
Ian Hunt	Abstain

B. New Board Member Nomination and Vote

Katie Holt made a motion to Vote on Ellen Logden joining the MCCPS board.

Nick Santoro seconded the motion.

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

Roll Call

Katie Holt	Aye
Kimberly Nothnagel	Absent
James Lewis	Abstain
Ian Hunt	Aye
Lindsay Smith	Aye
Carol McEnaney	Aye
Stephanie Brant	Aye
Nick Santoro	Aye
Polly Titcomb	Absent
Jessica Xiarhos	Absent

C. Minutes to Approve: August

Katie Holt made a motion to Approve the minutes from Board of Trustees Meeting on 08-27-24.

Carol McEnaney seconded the motion.

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

Roll Call

Jessica Xiarhos	Absent
Kimberly Nothnagel	Absent
James Lewis	Aye
Ian Hunt	Aye
Polly Titcomb	Absent
Katie Holt	Aye
Nick Santoro	Aye
Carol McEnaney	Aye
Stephanie Brant	Aye
Lindsay Smith	Aye

D. Approve Minutes: July

Katie Holt made a motion to approve the minutes from Board of Trustees Meeting on 07-30-24.

Carol McEnaney seconded the motion.

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

Roll Call

Nick Santoro	Aye
Stephanie Brant	Aye
Jessica Xiarhos	Absent
Lindsay Smith	Aye
Kimberly Nothnagel	Absent
Ian Hunt	Aye
Polly Titcomb	Absent
Carol McEnaney	Aye
Katie Holt	Aye
James Lewis	Aye

E. Approve Minutes: Board Retreat

Katie Holt made a motion to approve the minutes from Board of Trustees Retreat on 06-15-24.

Carol McEnaney seconded the motion.

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

Roll Call

Polly Titcomb	Absent
James Lewis	Aye

Roll Call

Katie Holt	Aye
Nick Santoro	Aye
Ian Hunt	Aye
Jessica Xiarhos	Absent
Carol McEnaney	Aye
Lindsay Smith	Aye
Stephanie Brant	Aye
Kimberly Nothnagel	Absent

III. Head of School Report

A. September Report

Staffing | SB provided an update on staffing. School is now fully staffed. HOS very excited about the new hires. Board congratulated HoS for all the hard work in getting to this point.

Parent Survey | HoS provided update on parent survey results

- Reviewed focus of survey
- Reviewed data (see attached document). Strong & positive feedback with good pct participation from parents. Highlights include communication and teacher response to concerns. Focus continues to be placed on general engagement / comms.

MCAS review | HoS provided a quick update on the release of state MCAS scores that were recently released. Action item: MCCPS LT to provide a detailed analysis of data at next MCCPS board meeting (Jessica, Molly and Chris)

Learning Acceleration Network (LAN) | HOS provided an update on implementation of participation in LAN program. Board shared excitement that MCCPS has been picked to participate in the program and replaces teaching force. Encourage HoS to provide update to parents through upcoming e-communication (to introduce concept). PAL FAQs also shared (see handout)

DESE | Ongoing prep for site visit continues. Focus groups are being scheduled:

- Board
- School Admin
- Teachers

Misc

- Enrichments have kicked-off and are progressing well.

- Parent Dinners - have been well attended. Providing to be a great opportunity to gather feedback from parents.

IV. Board Annual Items

A. Upcoming Agenda Items

Keep track of ongoing MCCPS goals.

This includes BOT assessment to be sent tomorrow by Katie. This will feature in DESE submission. Action item - Board to complete by EOW.

B. Board Goals

Share revised goals to board for final vote at next meeting

C. Board Self Assessment

See above

V. Committee Updates

A. Finance Committee

Emily provided an update from recent finance meeting.

NOTE - ask Emily to share 1 paragraph update to include in minutes.

B. Governance Committee

Jeff provided update - looked at Ellen qualification and voted to promote board.

Nick - last MCCPS board meeting. Board thanked Nick and congratulated Nick on his contributions. Eric Nagel to step-in. Gov Committee to interview Eric.

C. Personnel Committee

Meeting on Thursday. HoS schools to be defined.

D. Academic Excellence

Did not meet. Now quarterly

E.

Development & Communications

May 10 | Talent Review show has been slated. Ongoing planning for additional activities are planned. Also explore leveraging MCCPS Education Fund 501c3 (former) to advance sustainability of school and support child development.

F. DEI Committee

Did not meet.

Lindsay Smith left at 8:00 PM.

VI. Public Comment

A. Public Comment

No public comment.

VII. Closing Items

A. Recap Action Items

- Board goals - to review and approve at next board meeting.
- MCCPS Self Assessment (by Friday EOB).

B. Board Comments

Board thanked Nick for his contributions to the board and the school.

C. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:00 PM.

Respectfully Submitted,
Katie Holt

Documents used during the meeting

None

Coversheet

October Report

Section: III. Head of School Report
Item: A. October Report
Purpose: FYI
Submitted by:
Related Material: October 2024 Head of School Report (1).pdf

October 22, 2024
Head of School Report
Marblehead Community Charter Public School
Stephanie Brant LICSW

Agenda

1. Enrollment/Staffing/Hiring
2. Parent Square Roll Out
 - a. Parent meeting: 10/16 in person and remote
 - b. Optional Parent training: 10/30 6pm by Zoom
 - c. Second staff training: 10/30
3. DESE Site Visit
 - a. Board Focus Group: Tuesday October 29th (10:30 to 11:30 by Zoom)
Katie Holt, Jeff Lewis, Kim Nothnagel & Ian Hunt
 - b. Friday 11/1: Site Visit Inspection Team
4. Admissions:
 - a. Applications open on 11/1/2024
 - b. New Banner to be displayed @10/28/24-11/8/2024 and December 14th
 - c. Open Houses: December 14, 2024 and January 18, 2025
 - d. December 2024: Postcard Mailing
 - e. Print Advertising: 01945 and 01907 magazine, The Current and The Weekly in November of 2024
 - f. MCCPS Christmas Walk participation 12/7
5. Upcoming Events
 - a. MCCPS walk to benefit My Brother's Table (10/27)
 - b. 8th grade high school preparation sessions (6 weeks beginning 10/29)
 - c. We are MCSAO League winners! Soccer play-offs & Championship:
10/28-11/6
 - d. Exhibition I: November 25th
 - e. Fall Sports Banquet (Soccer & Cross Country)
 - f. PTO Movie Night: December 5th
 - g. MCCPS presents Hocus Pocus 12/6 and 12/7
6. Discussion and Vote on HoS Goals for the 2024-2025 school year

Coversheet

HOS Goals: Review and Vote

Section: III. Head of School Report
Item: B. HOS Goals: Review and Vote
Purpose: Vote
Submitted by:
Related Material: Brant%20Professional%20Practice%20Goal%202024.pdf.pdf
Brant%20Student%20Learning%20Goa%202024.pdf.pdf

Brant Professional Practice Goal 2024-2025

Goal:

By the end of the school year, increase family and community engagement through structured partnerships, enhanced communication, and inclusive events, ensuring that all stakeholders feel connected and invested in the school community.

Mass DESE Superintendent Evaluation Rubric

Standard and Indicators

Standard 3: Family and Community Engagement

Indicator 3.2: Engages families and the community in supporting student learning.

Indicator 3.3: Collaborates with families and community for student success.

Indicator 3.4: Facilitates inclusive events for families and the community.

Indicator 3.5: Establishes effective communication systems with families and community.

Indicator 3.6: Evaluates family and community engagement efforts.

Benchmarks

1. Establish Partnerships

- Develop a formal partnership agreement with the YMCA to enhance the afterschool program, ensuring aligned goals that include family involvement.
- Conduct a needs assessment survey with families to identify interests and barriers to participation.

2. Host Grade-Level Parent Dinners

- Plan and execute one parent dinner for each grade level, inviting families to connect with our school community and encouraging involvement in their child's education.
- Gather feedback to improve future events.

3. Implement Two-Way Communication System:

- Launch Parent Square as the primary communication tool for families, providing training for staff and families on using the platform effectively.
- Monitor engagement metrics (messages sent and read, number of families signed up) with a target of 70% family participation by the end of the year.

4. Evaluate Engagement Efforts

- Collect data on attendance at events, participation in the afterschool program, and usage statistics from Parent Square.
- Review feedback from families and adjust strategies for the following year, reporting findings to the school board and community stakeholders.

Brant Student Learning Goal 2024-2026

By the end of two years, all students in grades 4-8 will demonstrate improved math proficiency, as demonstrated by an overall increase in the percentage of students meeting or exceeding expectations in MCAS or increases in student growth percentages.

Mass DESE Superintendent Evaluation Rubric Standard and Indicators

Standard 1: Instructional Leadership

Indicator 1.3: Ensures high expectations for all students and staff

Indicator 1.6: Effective use of data to drive instructional improvement.

Standard 2: Management and Operations

Indicator 2.3: Ensures the effective implementation of school-wide initiatives.

Standard 3: Family and Community Engagement

Indicator 3.2: Engages families and community in supporting student learning and development.

Standard 4: Professional Culture

Indicator 4.3: Supports professional development that builds staff capacity to ensure student learning.

Indicator 4.5: Fosters a positive school culture that promotes collaboration and accountability among staff.

Benchmarks

Year 1:

1. Trimester One: Baseline Assessment:

- Analyze multiple measures of student data (iReady, Math MCAS, teacher assessments and observations to identify the performance level of students (growth percentages, Math MCAS proficiency levels, at, above or below grade-level status).
- Conduct schoolwide diagnostic assessment (iReady) to establish baseline data for all students

2. October-January: Implementation of Personalized Learning (PALS)

- Support teachers and instructional staff in identifying students who are demonstrating difficulty accessing grade-level content, with an emphasis on providing support and professional development to help staff examine the language demands necessary in math instruction and the delivery of personalized learning strategies, supports and scaffolds.

3. By February 1, 2025: Mid-Year Progress Check

- Conduct mid-year diagnostic assessments to monitor progress and support the Director of Math Curriculum, Teaching and Learning and instructional staff to adjust instruction and PALS as needed.
- Evaluate increases in students demonstrating typical growth, stretch growth and grade level proficiency according to interim assessment data

4. June 2026: Year-End Assessment

- Administer a summative assessment via iReady to evaluate percentages of students demonstrating typical growth, stretch growth and grade level proficiency.
- Compare year-end data against the baseline data and evaluate the number of students demonstrating typical growth, stretch growth and grade level proficiency.

Year 2:

1. Summer/Fall 2025: Review and Adapt Curriculum/Instruction

- Analyze year-end data from Year 1 (iReady) and support staff in adapting curriculum and instructional strategies based on the students' needs.
- Analyze Spring 2025 Math MCAS data
- Support teachers and instructional staff in creating personalized learning plans for students identified as needing targeted support.

2. By February 2026 : Mid-Year Support

- Conduct mid-year diagnostic assessments to monitor progress and support the Director of Math Curriculum, Teaching and Learning to provide professional development and adjust instruction and PALS as needed.
- Evaluate percentage of students showing typical growth, stretch growth and grade level proficiency according to interim assessment data

3. May/June Year-End Formative Assessments

- Conduct formative assessments to gauge improvement across all groups.
- Aim for an increase in proficiency to meet or exceed the state average for mathematics according to MCAS.

4. End of Goal Review: (By July 1 2026):









- Undertake a final assessment at the end of Year 2 to determine the percentage of students meeting or exceeding expectations on Math MCAS







Coversheet






Board Self Assessment






Section: IV. Board Annual Items
Item: C. Board Self Assessment
Purpose: Discuss
Submitted by:
Related Material: FY24-25 Board Assessment.pdf
Screenshot 2024-10-18 at 3.17.59 PM.png









[Board Assessments](#) > [FY24-25 Board Assessment](#) > Recommendations







Recommendations		
Based on 6 of 9 completed participants		
Topics	Your Board Scored	Recommended Resources
Board Meetings Board Meeting Evaluation		Should we evaluate our board meetings? Board Meetings Observation Checklist
Board Composition Previous Governance Experience		What skills are needed on a charter school board?
Board Composition Diversity		What level of diversity should the board have?
Board Recruitment Recruitment Plan		Board Composition Matrix Conducting an Inventory of Your Board
Board Recruitment Role of the Head of School in Board Recruitment		Should the Head of School have veto power over board candidates? What is the Head of School's role in board recruitment?
Board Recruitment Orientation		Sample Orientation Plan
Finance Financial Policies and Procedures		Board Staff Financial Contract Finances Who Does What
Finance Annual Audit/990		Board Staff Financial Contract


		
<p>Finance Financial Compliance</p>		Board Staff Financial Contract
<p>Development Strategic Fund Development Plan</p>		<p>Keep Your Donors: Building Profitable Relationships That Last</p> <p>Fund Development: Basic Principles and Best Practice</p> <p>Choosing Your Road: Organizational development specialist or just another fundraising technician?</p> <p>Sample Job Description of a Chief Development Officer</p>
<p>Development Accountability</p>		<p>Sample Board Member Agreement</p> <p>Sample Individual Trustee Performance Expectations</p> <p>Sample Guilt-Free Board Member Expectations</p> <p>Sample Job Description for the Full Board</p> <p>How much time should a trustee devote to the board each month?</p> <p>Keep Your Donors: Building Profitable Relationships That Last</p> <p>How and when to evaluate individual trustees?</p> <p>How and when to evaluate the full board?</p> <p>Should all trustees be held to the same standard?</p> <p>What are some tips for holding board members accountable?</p> <p>What should we do with board members who don't do anything?</p>
<p>Development Board Training</p>		Keep Your Donors: Building Profitable Relationships That Last
<p>BoardSavvy Head of School Succession Planning</p>		<p>Succession Planning Article</p> <p>Key Characteristics & Actions of a BoardSavvy Head of School</p>

<p>Board Meetings Board Meeting Content</p>		<p>Are there any other strategies for improving our board meetings?</p> <p>Should committees report at every full board meeting?</p> <p>Who should be presenting at board meetings?</p> <p>How can we make sure board meetings are strategic and not merely reactive?</p>
<p>Board Meetings Open Meeting Law Compliance</p>		<p>Tips to Comply with the Open Meeting Law</p> <p>What is "Open Meeting Law," and can we really be an effective board and comply with this law?</p> <p>Open Meeting Law Pop Quiz</p>
<p>Board Structure Job Descriptions</p>		<p>Sample Board Member Agreement</p> <p>Sample Individual Trustee Performance Expectations</p> <p>Sample Guilt-Free Board Member Expectations</p> <p>Sample Job Description for the Full Board</p> <p>What are the key elements of a "Trustee Job Description?"</p>
<p>Board Composition Level of Objectivity</p>		<p>Board Composition Matrix</p> <p>Conducting an Inventory of Your Board</p> <p>Sample Nepotism Policy Clauses</p> <p>Should parents of students currently enrolled in the school serve on the board?</p> <p>Should students serve on the board?</p> <p>Should teachers serve on the board?</p> <p>Should the Head of School be a voting member of the board?</p>
<p>Board Recruitment Recruitment Process</p>		<p>Sample Interview Points</p> <p>Board Composition and Expansion Policy Sample</p> <p>Sample Board Candidate Interview Questions</p> <p>Sample Nominating Policy</p> <p>Sample Candidate Ranking Sheet</p>

		<p>How much time should a trustee devote to the board each month?</p> <p>Should we have a trial period for board candidates?</p>
<p>Board Goals & Accountability Board Goals</p>		<p>How important is committee work between meetings?</p> <p>How often should committees meet?</p> <p>What is a board committee supposed to do?</p>
<p>Board Goals & Accountability Accountability</p>		<p>Sample Board Member Agreement</p> <p>Sample Individual Trustee Performance Expectations</p> <p>Sample Guilt-Free Board Member Expectations</p> <p>Sample Job Description for the Full Board</p> <p>How much time should a trustee devote to the board each month?</p> <p>Keep Your Donors: Building Profitable Relationships That Last</p> <p>How and when to evaluate individual trustees?</p> <p>How and when to evaluate the full board?</p> <p>Should all trustees be held to the same standard?</p> <p>What are some tips for holding board members accountable?</p> <p>What should we do with board members who don't do anything?</p>
<p>Finance Board Education</p>		<p>Finances Who Does What</p> <p>What are the most common mistakes charter school boards make around finance?</p>
<p>Development Philosophical Alignment</p>		<p>Riding the Horse the Way It's Going</p>
<p>Board Meetings</p>		<p>How should we create a board meeting calendar?</p> <p>How often should we have a board retreat?</p>

Yearly Meeting Plan		How often should a charter school board meet?
Board Composition Skills and Expertise		What skills are needed on a charter school board? Board Composition Matrix Conducting an Inventory of Your Board
Board Recruitment Board Recruitment Pipeline		What should the process be to nominating non board members to committees? Is it a good idea to have non-board members serve on committees?
Finance Financial Controls		Board Staff Financial Contract Finances Who Does What
Finance Developing Realistic Budgets		Recommended Process for Developing Annual Budget
Finance Support of the Head of School		Board Staff Financial Contract Recommended Business and Ops Responsibilities Our Finance Committee has much more expertise than our Head of School and financial staff. What should the distinction of roles be, in this situation? BoardOnTrack Support of Head of School: Conducting Mid-Year Check-ins
Academic Oversight Roadmap		How do we create a definition of academic excellence for our organization? Role of the Academic Excellence Committee How do we create an "Academic Excellence Road Map"? Sample State of the School Chart
Academic Oversight Comparative Data		How do we create a definition of academic excellence for our organization? How do we create an "Academic Excellence

		Road Map"?
Board Meetings Board Meeting Minutes		What should good minutes look like? What should committee minutes look like? How do we make sure our minutes comply with open meeting law requirements? Do committees need to take meeting minutes? Who should take the minutes?
Board Structure Bylaws		How long should trustees serve on the board?
Finance Financial Reports		Board Staff Financial Contract Finances Who Does What What are the most common mistakes charter school boards make around finance?
Academic Oversight Clarity of Vision		How do we create a definition of academic excellence for our organization? Role of the Academic Excellence Committee Sample Culture Rubric Sample Instructional Rubric Sample Leadership Rubric
Academic Oversight Charter Obligations		How do we create a definition of academic excellence for our organization? Role of the Academic Excellence Committee How do we create an "Academic Excellence Road Map"? Sample Charter Promises Document
Head of School Support & Evaluation Governance/Management		Finances Who Does What

<p>BoardSavvy Head of School Board Education</p>		<p>Finances Who Does What What are the most common mistakes charter school boards make around finance?</p>
<p>Board Meeting Evaluation</p>	<ul style="list-style-type: none"> • Board meetings are evaluated on a consistent basis. 	
<p>Previous Governance Experience</p>	<ul style="list-style-type: none"> • 75% or more of the board have previous governance experience 	
<p>Diversity</p>	<ul style="list-style-type: none"> • Board membership reflects the broadest level of ethnic, racial, gender, and geographical diversity. • The diversity of board members heightens the credibility of the board in the broader community's eyes. 	
<p>Recruitment Plan</p>	<ul style="list-style-type: none"> • The board has a targeted three-year profile of the skills and expertise that will be need on the board. • The board has a targeted annual board recruitment plan. 	
<p>Role of the Head of School in Board Recruitment</p>	<ul style="list-style-type: none"> • The Head of School: <ul style="list-style-type: none"> ◦ Actively participates in the creation of the long-term board recruitment plan. ◦ Devotes significant time to helping identify, screen, and orient new trustees. ◦ Sees board recruitment as a vital leadership role, as the organization's Head of School. 	
<p>Orientation</p>	<ul style="list-style-type: none"> • New trustees receive an effective orientation. 	
<p>Financial Policies and Procedures</p>	<ul style="list-style-type: none"> • There is a Financial Policies and Procedures (FPP) manual that is annually revised and reviewed by the Finance Committee. • The Financial Policies and Procedures (FPP) manual meets and exceeds your charter authorizer's recommended standards. 	
<p>Annual Audit/990</p>	<ul style="list-style-type: none"> • The organization always, without exception, receives an unqualified opinion and very few or no recommendations in the audit's management letter. • If/when recommendations are received; they are always resolved and noted as completed in the subsequent management letter, without exception. • The organization's completed 990 is reviewed/signed off by the Finance Committee and sent to the IRS on a timely basis, and shared annually with the full board, always and without exception. 	
	<ul style="list-style-type: none"> • The board is 100% confident that the organization's management team is properly handling restricted grants. • The management provides the Finance Committee with a 	

Financial Compliance	<p>detailed checklist of all of management's deliverables and reports to various agencies, authorizers, and auditors.</p> <ul style="list-style-type: none"> • The Finance Committee annually confirms that the deliverables and reports to various agencies, authorizers, and auditors are completed/submitted accurately and on a timely basis.
Strategic Fund Development Plan	<ul style="list-style-type: none"> • There is a board approved, written, multi-year fund development plan. • The multi-year fund development plan is realistic. • All trustees understand the strategic fund development plan. • The strategic fund development plan clearly delineates the role of the full board, the development committee, the Head of School, and the development staff (if they exist) in achieving the plan. • There are adequate staff and financial resources to achieve the strategic fund development plan.
Accountability	<ul style="list-style-type: none"> • All trustees feel the fundraising expectations placed on trustees is realistic. • There is an effective system in place for holding each trustee accountable to completing the fundraising tasks to which he or she has committed.
Board Training	<ul style="list-style-type: none"> • There is a comprehensive board training and education program in place to help trustees be more effective at completing their fundraising assignments.
Succession Planning	<ul style="list-style-type: none"> • A BoardSavvy Head of School: <ul style="list-style-type: none"> ◦ · Partners with the board to develop an agreed upon a short-term/emergency succession plan for the Head of School position, that is well documented and reviewed annually ◦ · Annually discusses long-term succession management plan for the organization with the board
Board Meeting Content	<ul style="list-style-type: none"> • 90% of board meeting time is focused on setting the strategic direction of the organization, and 10% or less is focused in reacting to immediate issues. • Board meeting presentations/discussions are primarily lead by committee chairs rather than being dominated by the Head of School. • Committees report out only when there is something strategic to discuss (as opposed to an agenda of standard committee reports).
Open Meeting Law Compliance	<ul style="list-style-type: none"> • All trustees have a thorough understanding of the open meetings law. • The board has systems in place to ensure consistent compliance with the open meeting law. • Annually, the board reviews the open meeting law, as a group.

	<ul style="list-style-type: none"> • Annually, the board's legal counsel reviews board compliance with the open meeting law. • Monthly, the board secretary reviews open meeting law compliance.
<p>Job Descriptions</p>	<ul style="list-style-type: none"> • The board has a clear job description for the full board. • Trustees receive a document that clearly outlines individual trustee performance expectations. • Annually, the board reviews the job description and individual performance expectations.
<p>Level of Objectivity</p>	<ul style="list-style-type: none"> • The board is able to maintain a very high level of objectivity when governing because: <ul style="list-style-type: none"> ◦ No trustees have any personal or business ties with the Head of School, staff, or each other that could result in a conflict of interest (real or perceived) during decision-making. ◦ Less than 25% of the board members are parents of students currently enrolled in the school. ◦ The Head of School is the only employee of the organization that is a member of the board.
<p>Recruitment Process</p>	<ul style="list-style-type: none"> • When recruiting new trustees, the board formally assesses: <ul style="list-style-type: none"> ◦ Each candidate's skill set to ensure a good fit with the board ◦ Whether the candidate truly has enough time to serve on this type of board (i.e., 6 to 10 hours a month) ◦ The candidate's philosophical alignment with the school's mission ◦ The candidate's ability to participate in group process • The board requires a trial period for board candidates by having them serve on a board committee prior to being nominated to the full board. • The selection process consistently adheres to a board approved nominating policy and process. • There is a standard list of questions asked of all candidates. • The strength of each candidate is evaluated numerically on a standard candidate-ranking sheet or scorecard.
<p>Board Goals</p>	<ul style="list-style-type: none"> • The board has a clear set of goals for the year that clearly delineates how the board will add value to the organization. • The board has an effective and consistent process to measure progress towards achieving annual board goals. • Each board committee has a set of annual goals and an action plan that aligns with the overall board goals for the year. • Substantive committee work happens in between board meetings.
	<ul style="list-style-type: none"> • Board members are aware of the time commitment expected to be an effective board member.

<p>Accountability</p>	<ul style="list-style-type: none"> • Each board member is held to the same standards. • 100% of the board members actively contribute to the success of the board. • There is a clear, transparent system to hold each board member accountable for contributing to the group and following through on expectations outlined in the trustee job description. • The work of the full board is evaluated on an annual basis. • The work of individual trustees is evaluated on an annual basis. • An annual individual trustee performance evaluation is used to determine who should be invited to continue to serve on the board.
<p>Board Education</p>	<ul style="list-style-type: none"> • Each trustee is well-versed in the key drivers and sources of revenues for your organization, and the related cash flows. • The full board is annually trained by the Finance Committee to read, understand, and interpret the main points of the financial reports. • The Finance Committee leads a portion of the new trustee orientation, orienting them to the organization's short and long-term financial health and training them on how to read and interpret financial reports.
<p>Philosophical Alignment</p>	<ul style="list-style-type: none"> • The board and the Head of School are philosophically aligned about the role of the board in fundraising. • There are written expectations outlining the role of trustees in fundraising that are agreed to annually and understood and accepted by all trustees. • The board has discussed subsidizing the public funding of the organization with private funds and is in agreement about how much to raise, why it is to be raised, and over what period of time.
<p>Yearly Meeting Plan</p>	<ul style="list-style-type: none"> • Annually, the board creates a board meeting calendar outlining all the board meetings, retreats, and other important board related dates for the entire year. • The board schedules time for deeper strategy sessions/strategic discussions throughout the year. • The board creates a strategic board calendar that delineates when key decisions need to be made by the board.
<p>Skills and Expertise</p>	<ul style="list-style-type: none"> • 100% of the skills needed to govern effectively
<p>Board Recruitment Pipeline</p>	<ul style="list-style-type: none"> • Non-board members serve on each board committee.
<p>Financial Controls</p>	<ul style="list-style-type: none"> • The books are closed on a timely basis each month, quarter, and year, without exception. • The board's auditors are 100% comfortable with the internal controls (and compensating controls when you do not have enough staff members to divide up the duties). • The board-approved financial-control policies provide

	<p>meaningful checks and balances, which are followed consistently, without exception.</p>
Developing Realistic Budgets	<ul style="list-style-type: none"> • Annually, there is a multi-year budget that has been approved by the full board and is revised and re-approved by the board. • There is a strong annual budgeting process that involves a healthy dialogue between the Head of School and both the Finance Committee and the full board about resource allocation priorities. • The annual budgeting process gets completed in time for the Head of School to make strategic hiring and programmatic decisions for the next year.
Support of the Head of School	<ul style="list-style-type: none"> • The Finance Committee has an outstanding relationship with the Head of School, and is it able to actively help her/him develop their skills in overseeing the financial health of the organization. • Recognizing that the members of the Finance Committee typically have more financial experience than the Head of School, the Finance Committee annually helps the Head of School assess whether the organization has an adequate number of staff members supporting the operational and financial needs of the organization. • Annually, the Finance Committee assists the Head of School in setting strategic goals about: <ul style="list-style-type: none"> ◦ Strengthening the staffing that supports the smooth finance and operations of the school ◦ Strengthening the financial systems of the organization
Roadmap	<ul style="list-style-type: none"> • There is a clear understanding between the board and the Head of School about what the organization is doing towards reaching its defined vision of excellence. • The board and the Head of School agree on the next key steps the organization will take this year to get closer towards this vision.
Comparative Data	<ul style="list-style-type: none"> • The Head of School compares the organization's academic results with the results of the district. • The Head of School compares the organization's academic results with the results of comparative charter schools. • The Head of School has identified a successful school to benchmark against with the goal to meet or exceed that school's results.
Board Meeting Minutes	<ul style="list-style-type: none"> • The board consistently takes board meeting minutes. • The minutes are a concise record of actions taken by the board (rather than a lengthy transcript). • Committees consistently take meeting minutes. • All minutes comply with your state's open-meeting requirements
	<ul style="list-style-type: none"> • The board has a comprehensive set of bylaws.

<p>Bylaws</p>	<ul style="list-style-type: none"> • Annually, the board reviews the bylaws as a group. • Each trustee has a copy of the bylaws for easy reference. • The bylaws state clear term limits to ensure rotation of board members.
<p>Financial Reports</p>	<ul style="list-style-type: none"> • Once a year, the Head of School and the Finance Committee come to an agreement on what types of financial reports will be prepared for board review on an annual, quarterly, and monthly basis. • Monthly, the board receives accurate financial reports that include projections through the end of the fiscal year each month or quarter. • The financial reports allow the board to track the organization's financial position. • Monthly, the Finance Committee reviews financial reports. • The Finance Committee always make inquires into and understands the causes of any meaningful variances from the organization's projected budget.
<p>Clarity of Vision</p>	<ul style="list-style-type: none"> • Each trustee understands what academic excellence means at your organization. • The board and the Head of School have a written, shared definition of academic excellence.
<p>Charter Obligations</p>	<ul style="list-style-type: none"> • The full board knows the key academic promises that have been made to your authorizer in your charter. • There is a clear and consistent way to measure progress towards reaching the academic goals spelled out in the charter(s) and the accountability plan(s).
<p>Governance/Management</p>	<ul style="list-style-type: none"> • The full board is clear about the key organizational decisions that need to be made this year. • Each trustee is clear about their role as a board member vs. the role of the Head of School in making these decisions. • Each board committee has a chart that describes the responsibilities of the full board, the committee, and the Head of School.
<p>Board Education</p>	<ul style="list-style-type: none"> • A BoardSavvy Head of School: <ul style="list-style-type: none"> ◦ Systematically and continually educates the board about key elements of running an exceptional charter school or network of schools ◦ Educates the board about the key issues the charter authorizer uses to judge the organization's performance ◦ Educates the board about the charter renewal process ◦ Educates the board about state and national measures of academic success

We also recommend that your board should:

- Frequently review the members only Governance and Training Resources
- Attend training events in your area

Reflections

Let's discuss:

- In which of these areas of governance do you feel your board is strongest?
- In which of these areas do you see the most opportunities for growth your board?

Focus relentlessly on student achievement	Recruit and retain an exceptional leader	Invest in exemplary governance	Act strategically and be accountable	Raise and use resources wisely	Commit steadfastly to compliance	Advocate for high quality schools
Center People, Culture & Equity						



Coversheet

Vote: 2024 Audit Findings

Section: V. Audit 2024
Item: A. Vote: 2024 Audit Findings
Purpose: Vote
Submitted by:
Related Material: Draft - Marblehead - FY24.pdf

**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, 2024

Draft

Marblehead Community Charter Public School
Marblehead Charter Education Fund, Inc.
June 30, 2024

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DANIEL DENNIS & Co
Certified Public Accountants

Independent Auditors' Report

To the Board of Trustees

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

Report on the Audit of the Combined Financial Statements

Opinion

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, 2024, 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 as listed in the table of contents.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the respective combined financial position of the Organization, as of June 30, 2024, and the respective changes in combined financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for twelve months beyond the combined financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Organization's fiscal year 2023 combined financial statements, and our report dated October 24, 2023, 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, 2023, 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 4 through 8 be presented to supplement the combined financial statements. Such information, is the responsibility of management and, 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, 2024**, 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 solely 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, 2024

Marblehead Community Charter Public School
Management's Discussion and Analysis
 June 30, 2024 (Unaudited)

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, 2024, with comparative totals for fiscal year 2023. Please read this in conjunction with the School's combined financial statements and the related notes, which begin on page 9.

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 2024 and 2023, the School operated grades four through eight and the enrollment was comprised of approximately 175 and 218 students, respectively. 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. (the Fund) is 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 Audit Report

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

Marblehead Community Charter Public School
Management's Discussion and Analysis - *Continued*
June 30, 2024 (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 combined financial statements. Assets are resources with present service capacity that the Organization presently controls. Liabilities are present obligations to sacrifice resources that the Organization has little or no discretion to avoid. Net position represents the difference between all other elements in a statement of net position and is displayed in three components - *net investment in capital assets*; *restricted* (distinguishing between major categories of restrictions); and *unrestricted*.

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

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

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

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

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

Marblehead Community Charter Public School
 Management's Discussion and Analysis - *Continued*
 June 30, 2024 (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, 2024 and will provide comparative information for fiscal year 2023:

- The School held total assets of \$4,632,844 and \$4,899,294 at June 30, 2024 and 2023, respectively, of which \$3,762,844 and \$3,868,851, respectively were capital assets, net and the majority of the remaining assets consisted of cash and grants and accounts receivable. The decrease in total assets was due to the decrease in operating cash and depreciation of the capital assets.
- The School had total liabilities of \$3,534,822 and \$3,660,108 at June 30, 2024 and 2023, respectively. At June 30, 2024, \$347,808 was current and \$3,187,014 was noncurrent. At June 30, 2023, \$371,568 was current and \$3,288,540 was noncurrent. The decrease in total liabilities was due to the School making monthly principle payments on the note payable.
- Total net position for the School was \$1,098,022 and \$1,239,186 at June 30, 2024 and 2023, respectively, of which \$626,222 and \$773,375, respectively was unrestricted. In addition, for the years ended June 30, 2024 and 2023, the School had \$471,800 and \$465,811, respectively, in net position, which was related to net investments in capital assets. The decrease in the net position is due to the current year deficit.
- The School earned total revenues of \$3,644,620 and \$4,527,099, excluding on-behalf fringe benefits, for the years ended June 30, 2024 and 2023, respectively, of which 98% and 99%, respectively, were operating revenues and approximately 2% and 1% respectively, were non-operating revenues (private grants, contributions, etc.) for the fiscal years ended June 30, 2024 and 2023. The decrease in revenue is due to the decrease in per pupil tuition, resulting from a decrease in enrollment during fiscal year 2024.

Marblehead Community Charter Public School
 Management's Discussion and Analysis - *Continued*
 June 30, 2024 (Unaudited)

Financial Highlights - *Continued*

- The School had total expenses of \$3,785,784 and \$4,400,103, excluding on-behalf fringe benefits, for the years ended June 30, 2024 and 2023, respectively. For the years ended June 30, 2024 and 2023, total expenses include operating expenses of \$3,671,159 and \$4,268,539, excluding on-behalf fringe benefits, respectively, and non-operating expenses of \$114,625 and \$131,564, respectively. The decrease is due to a decrease in salaries and related expenses.
- The School had a decrease in net position of \$141,164 and an increase of \$126,996 for the years ended June 30, 2024 and 2023 respectively. In fiscal year 2024, the change in net position was comprised of operating loss of \$104,434 and a non-operating loss of \$36,730. In fiscal year 2023, the change in net position was comprised of an operating income of \$191,325 and a non-operating loss of \$64,329.

Budgetary Highlights

As the pandemic wound down and in-person learning resumed, the School was faced with many challenges including personnel, changes to the delivery of the curriculum and increased student needs focused on their social/emotional/behavioral wellbeing. Additionally in the last quarter of the fiscal year, there was significant turn over in the School administration.

Despite these obstacles, the School was able to make major investments in the physical plant: a new roof on the lower section of the building, a complete renovation of the School's from-scratch kitchen, the installation of a new fire alarm panel and significant upgrades to the bathrooms.

In November of 2022, the School was able to provide an across the board cost of living stipend to all staff of \$750.

The School was also made significant investments in professional development by hosting several workshops focused on project-based learning, special education and generalized teacher training.

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 \$3,167,726 in per pupil funding in fiscal year 2024 compared to \$3,904,941 in per pupil funding in fiscal year 2023. This represent approximately 87% and 86% of the School's revenue for the fiscal years ended June 30, 2024 and 2023, respectively. In addition, the School received various government grants, which totaled \$129,387 and \$234,594 for fiscal years 2024 and 2023, respectively.

Marblehead Community Charter Public School
Management's Discussion and Analysis - *Continued*
June 30, 2024 (Unaudited)

Contacting the School's Financial Management

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

Draft

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Combined Statement of Net Position
With Combining Information as of June 30, 2024
With Summarized Comparative Totals as of June 30, 2023

	<i>Marblehead Community Charter Public School</i>	<i>Marblehead Charter Education Fund, Inc.</i>	<i>Memorandum Only Total Primary Government June 30, 2024</i>	<i>Memorandum Only Summarized Comparative June 30, 2023</i>
Assets				
Current Assets:				
Cash	\$ 483,691	\$ 16,476	\$ 500,167	\$ 670,720
Grants and accounts receivable	125,208	-	125,208	122,681
Restricted cash	260,243	-	260,243	252,382
Prepaid expenses	<u>858</u>	<u>-</u>	<u>858</u>	<u>-</u>
Total current assets	<u>870,000</u>	<u>16,476</u>	<u>886,476</u>	<u>1,045,783</u>
Noncurrent Assets:				
Capital assets, net	<u>3,762,844</u>	<u>-</u>	<u>3,762,844</u>	<u>3,868,851</u>
Total noncurrent assets	<u>3,762,844</u>	<u>-</u>	<u>3,762,844</u>	<u>3,868,851</u>
Total assets	<u>\$ 4,632,844</u>	<u>\$ 16,476</u>	<u>\$ 4,649,320</u>	<u>\$ 4,914,634</u>
Liabilities and Net Position				
Current Liabilities:				
Accounts payable	\$ 900	\$ -	\$ 900	\$ 560
Accrued expenses	39,898	-	39,898	39,898
Accrued payroll	202,980	-	202,980	216,610
Note payable - current	<u>104,030</u>	<u>-</u>	<u>104,030</u>	<u>114,500</u>
Total current liabilities	<u>347,808</u>	<u>-</u>	<u>347,808</u>	<u>371,568</u>
Noncurrent Liabilities:				
Note payable	<u>3,187,014</u>	<u>-</u>	<u>3,187,014</u>	<u>3,288,540</u>
Total noncurrent liabilities	<u>3,187,014</u>	<u>-</u>	<u>3,187,014</u>	<u>3,288,540</u>
Total liabilities	<u>3,534,822</u>	<u>-</u>	<u>3,534,822</u>	<u>3,660,108</u>
Net Position:				
Net investment in capital assets	471,800	-	471,800	465,811
Unrestricted	<u>626,222</u>	<u>16,476</u>	<u>642,698</u>	<u>788,715</u>
Total net position	<u>1,098,022</u>	<u>16,476</u>	<u>1,114,498</u>	<u>1,254,526</u>
Total liabilities and net position	<u>\$ 4,632,844</u>	<u>\$ 16,476</u>	<u>\$ 4,649,320</u>	<u>\$ 4,914,634</u>

See accompanying notes to combined financial statements.

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Combined Statement of Revenues, Expenses, and Changes in Net Position
With Combining Information For the Year Ending June 30, 2024
With Summarized Comparative Totals For the Year Ending June 30, 2023

	<i>Marblehead Community Charter Public School</i>	<i>Marblehead Charter Education Fund, Inc.</i>	<i>Memorandum Only Total Primary Government June 30, 2024</i>	<i>Memorandum Only Summarized Comparative June 30, 2023</i>
Operating revenues:				
Tuition	\$ 3,167,726	\$ -	\$ 3,167,726	\$ 3,904,941
Federal grants	129,387	-	129,387	234,594
Food service	140,674	-	140,674	171,278
Contributions	-	5,729	5,729	7,633
Other revenues	76,185	7,794	83,979	104,391
Student activities	52,753	-	52,753	61,977
On-behalf fringe benefits	582,550	-	582,550	464,592
Total operating revenues	<u>4,149,275</u>	<u>13,523</u>	<u>4,162,798</u>	<u>4,949,406</u>
Operating expenses:				
Salaries	2,492,001	-	2,492,001	2,915,223
Payroll taxes	111,875	-	111,875	122,730
Fringe benefits	361,027	-	361,027	403,498
Occupancy	76,361	-	76,361	78,377
Professional services	57,131	-	57,131	81,395
Insurance	39,854	-	39,854	38,028
Student supplies and materials	99,916	-	99,916	121,979
Student activities	45,631	-	45,631	59,324
Office	52,875	-	52,875	34,302
Food service	70,152	-	70,152	96,750
Training and development	18,828	-	18,828	35,969
Repairs and maintenance	111,517	-	111,517	120,826
On-behalf fringe benefits	582,550	-	582,550	464,592
Depreciation	125,837	-	125,837	116,564
Contracted services	-	-	-	42,100
Miscellaneous	8,154	241	8,395	1,674
Total operating expenses	<u>4,253,709</u>	<u>241</u>	<u>4,253,950</u>	<u>4,733,331</u>
Operating (loss)/income	<u>(104,434)</u>	<u>13,282</u>	<u>(91,152)</u>	<u>216,075</u>
Nonoperating revenues/(expenses):				
Rental income	34,512	-	34,512	25,725
Contributions	639	-	639	5,642
Interest income	7,802	3	7,805	3,881
Fundraising income	22,793	-	22,793	16,457
Contributions from the Fund/(to the School)	12,149	(12,149)	-	-
Fundraising expense	(2,191)	-	(2,191)	(15,938)
Interest expense	(112,434)	-	(112,434)	(115,626)
Total net nonoperating expenses	<u>(36,730)</u>	<u>(12,146)</u>	<u>(48,876)</u>	<u>(79,859)</u>
Change in net position	<u>(141,164)</u>	<u>1,136</u>	<u>(140,028)</u>	<u>136,216</u>
Net position, beginning of the year	<u>1,239,186</u>	<u>15,340</u>	<u>1,254,526</u>	<u>1,118,310</u>
Net position, end of the year	<u>\$ 1,098,022</u>	<u>\$ 16,476</u>	<u>\$ 1,114,498</u>	<u>\$ 1,254,526</u>

See accompanying notes to combined financial statements.

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Combined Statement of Cash Flows
With Combining Information For the Year Ended June 30, 2024
With Summarized Comparative Totals For the Year Ended June 30, 2023

	<i>Marblehead Community Charter Public School</i>	<i>Marblehead Charter Educational Fund, Inc.</i>	<i>Memorandum Only Total Primary Government June 30, 2024</i>	<i>Memorandum Only Summarized Comparative June 30, 2023</i>
Cash flows from operating activities:				
Receipts from tuition	\$ 3,167,726	\$ -	\$ 3,167,726	\$ 3,904,941
Receipts from governmental grants	109,040	-	109,040	180,031
Receipts from food service program	158,494	-	158,494	156,941
Receipts from other	128,938	13,523	142,461	174,001
Payments to employees	(2,978,533)	-	(2,978,533)	(3,392,123)
Payments to suppliers and vendors	(580,937)	(241)	(581,178)	(697,236)
Net cash provided by operating activities	<u>4,728</u>	<u>13,282</u>	<u>18,010</u>	<u>326,555</u>
Cash flows from investing activities:				
Interest income	<u>7,802</u>	<u>3</u>	<u>7,805</u>	<u>3,881</u>
Net cash provided by investing activities	<u>7,802</u>	<u>3</u>	<u>7,805</u>	<u>3,881</u>
Cash flows from non capital financing activities:				
Non-operating receipts	70,093	-	70,093	63,354
Non-operating disbursements	(2,191)	(12,149)	(14,340)	(31,468)
Net cash provided by/(used in) financing activities	<u>67,902</u>	<u>(12,149)</u>	<u>55,753</u>	<u>31,886</u>
Cash flows from capital and financing activities:				
Payments of loan principal	(111,996)	-	(111,996)	(108,804)
Purchase of capital assets	(19,830)	-	(19,830)	(358,833)
Interest expense	(112,434)	-	(112,434)	(115,626)
Net cash used in capital and financing activities	<u>(244,260)</u>	<u>-</u>	<u>(244,260)</u>	<u>(583,263)</u>
Net (decrease)/increase in cash	(163,828)	1,136	(162,692)	(220,941)
Cash, beginning of year	907,762	15,340	923,102	1,144,043
Cash, end of year	<u>\$ 743,934</u>	<u>\$ 16,476</u>	<u>\$ 760,410</u>	<u>\$ 923,102</u>
Reconciliation of operating (loss)/income to net cash provided by operating activities:				
Operating (loss)/income	\$ (104,434)	\$ 13,282	\$ (91,152)	\$ 216,075
<i>Adjustments to reconcile operating (loss)/ income to net cash provided by operating activities:</i>				
Depreciation	125,837	-	125,837	116,564
<i>Changes in operating assets and liabilities:</i>				
Grants and accounts receivable	(2,527)	-	(2,527)	(68,900)
Prepaid rent and prepaid expenses	(858)	-	(858)	27,317
Accounts payable	340	-	340	(13,829)
Accrued expenses	(13,630)	-	(13,630)	49,328
Net cash provided by operating activities	<u>\$ 4,728</u>	<u>\$ 13,282</u>	<u>\$ 18,010</u>	<u>\$ 326,555</u>

See accompanying notes to combined financial statements.

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements
June 30, 2024

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 94% and 95% of the funding to the School for the years ended June 30, 2024 and 2023, 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:

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2024

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, the combined financial statements are prepared using the accrual basis of accounting and 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.

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2024

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, 2024 and 2023, 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 2024 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 (2021 - 2023).

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, 2024 and 2023, the Organization did not hold any cash equivalents.

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, 2024 and 2023, no allowance for doubtful accounts had been recorded, as management considers all receivables to be fully collectible.

Grants and accounts receivables that are expected to be collected within one year are recorded at net realizable value. Grants and accounts receivables that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

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

Notes to Combined Financial Statements - *Continued*
June 30, 2024

2. Summary of Significant Accounting Policies – Continued

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 and 5 - 10 years for equipment and office furniture.

Operating Revenue and Expenses

The School - Operating revenue and expenses generally result from providing educational and instructional services in connection with the School'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.

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2024

2. *Summary of Significant Accounting Policies – Continued*

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*.

Leases (Lessee)

For leases with a maximum possible term of 12 months or less at commencement, including any options, the Organization recognizes the expense based on the provisions of the lease contract. For all other leases, the Organization recognizes a lease liability and an intangible right-to-use lease asset.

At lease commencement, the Organization initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized into amortization expense on a straight-line basis over the shorter of the lease term or useful life of the underlying asset. If the Organization is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the underlying asset.

The Organization uses its estimated incremental borrowing rate as the discount rate for leases unless the rate that the lessor/vendor charges is known. The Organization monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease, the liability is remeasured and a corresponding adjustment is made to the lease asset.

Lease assets are reported with capital assets and lease liability is reported with the noncurrent liability section of the combined statement of net position, net of the current portion of the lease liability reported as a current liability.

Leases (Lessor)

For leases with a maximum possible term of 12 months or less at commencement, the Organization recognizes income based on the provisions of the lease contract. For all other leases (i.e. those that are not short-term), the Organization recognizes a lease receivable and an offsetting deferred inflow of resources.

At lease commencement, the Organization initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. The Organization recognizes interest income on the lease receivable, and lease revenue from the deferred inflows of resources on a systematic and rational manner over the term of the lease.

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2024

2. Summary of Significant Accounting Policies – Continued

Subscription-Based Information Technology Arrangements

For subscription-based information technology arrangements with a maximum possible term of 12 months or less at commencement, including any options, the Organization recognizes the expense based on the provisions of the subscription. For all other subscriptions, the Organization recognizes a subscription liability and an intangible right-to-use subscription asset.

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, 2023, 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. As required by GASB Statement No. 40, *Deposits and Investment Risk Disclosures*. The following represents a summary of deposits as of June 30, 2024 and 2023:

	2024	2023
Fully insured deposits	\$ 431,227	\$ 383,399
Uncollateralized	<u>370,226</u>	<u>623,207</u>
Total	<u>\$ 801,453</u>	<u>\$ 1,006,606</u>

4. Tuition and Accounts Receivable

Tuition and accounts receivable at June 30, 2024 and 2023 are as follows:

	2024	2023
Commonwealth of Massachusetts	<u>\$ 125,208</u>	<u>\$ 122,681</u>

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2024

5. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at June 30, 2024 and 2023 are as follows:

	<i>2024</i>	<i>2023</i>
Payables to vendors	\$ 40,798	\$ 40,458
Payroll and fringe	<u>202,980</u>	<u>216,610</u>
Total	<u>\$ 243,778</u>	<u>\$ 257,068</u>

6. Capital Assets

The following are the capital assets as of June 30, 2024 and 2023:

	<i>Balance July 1, 2023</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30, 2024</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	483,498	19,830	-	503,328
Equipment and computers	66,648	-	-	66,648
Total capital assets being depreciated	<u>4,112,746</u>	<u>19,830</u>	<u>-</u>	<u>4,132,576</u>
<i>Less accumulated depreciation</i>				
Building	806,915	91,349	-	898,264
Building improvements	57,733	34,488	-	92,221
Equipment and computers	66,647	-	-	66,647
Total accumulated depreciation	<u>931,295</u>	<u>125,837</u>	<u>-</u>	<u>1,057,132</u>
Capital assets, net	<u>\$ 3,868,851</u>	<u>\$ (106,007)</u>	<u>\$ -</u>	<u>\$ 3,762,844</u>
	<i>Balance July 1, 2022</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30, 2023</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	124,665	358,833	-	483,498
Equipment and computers	66,648	-	-	66,648
Total capital assets being depreciated	<u>3,753,913</u>	<u>358,833</u>	<u>-</u>	<u>4,112,746</u>
<i>Less accumulated depreciation</i>				
Building	715,566	91,349	-	806,915
Building improvements	32,518	25,215	-	57,733
Equipment and computers	66,647	-	-	66,647
Total accumulated depreciation	<u>814,731</u>	<u>116,564</u>	<u>-</u>	<u>931,295</u>
Capital assets, net	<u>\$ 3,626,582</u>	<u>\$ 242,269</u>	<u>\$ -</u>	<u>\$ 3,868,851</u>

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2024

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, and then followed by a ten year adjustment to the Federal Home Loan Bank of Boston advance rate plus .50% through August 2044. Subsequent to year end, in August 2024, the interest rate was increased in 4.75%.

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 1.25 to 1.00 measured annually and a maximum loan to value ratio of 80% measured periodically. For the fiscal year ended June 30, 2024, the School was not in compliance with the debt service coverage ratio, however, the School was granted a waiver from the financial institution. The following summarizes the long term debt activity of the Organization for the year ended June 30, 2024 and 2023:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
June 30, 2024	<u>\$ 3,403,040</u>	<u>\$ -</u>	<u>\$ 111,996</u>	<u>\$ 3,291,044</u>	<u>\$ 104,030</u>
June 30, 2023	<u>\$ 3,511,844</u>	<u>\$ -</u>	<u>\$ 108,804</u>	<u>\$ 3,403,040</u>	<u>\$ 114,500</u>

Interest expense was \$112,434 and \$115,626 for the years ended June 30, 2024 and 2023, 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>
2025	\$ 104,030	\$ 146,026	\$ 250,056
2026	106,087	149,093	255,180
2027	111,237	143,943	255,180
2028	116,638	138,542	255,180
2029	122,300	132,880	255,180
2030-2034	706,541	569,361	1,275,902
2035-2039	895,527	380,375	1,275,902
2040-2044	1,116,779	159,123	1,275,902
2045	<u>11,905</u>	<u>47</u>	<u>11,952</u>
Total	<u>\$ 3,291,044</u>	<u>\$ 1,819,390</u>	<u>\$ 5,110,434</u>

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2024

8. *Line of Credit*

The School has a \$300,000 line of credit with a financial institution expiring on June 30, 2025. Advances on this line of credit are payable on demand and carried an interest rate of 1% over the prime rate, which was 9% for the years ended June 30, 2024 and 2023. 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, 2024 and 2023 was zero. Interest paid during fiscal years 2024 and 2023 was zero.

9. *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.

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, 2023 measurement date was determined by an actuarial valuation prepared as of January 1, 2023 rolled forward to June 30, 2023. At June 30, 2024 and 2023, the School's share of MTRS net pension liability was \$6,239,142 and \$5,647,860 respectively.

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2024

10. 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, 2024 and 2023, the School recognized \$582,550 and \$464,592, respectively of on-behalf revenues and expenses.

11. Commitments and 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 2024.

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, 2024 and 2023, the combined financial statements include a liability of \$39,898 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, 2024.

Legal

At June 30, 2024, the Organization is a defendant in a discrimination claim. The outcome of the claim is not presently determinable. It is the opinion of the Organization's management that resolution of this matter will not have a material adverse effect on the financial condition of the Organization.

12. Related Party Transactions

During fiscal year 2024 and 2023, the Fund donated \$12,149 and \$15,530, respectively to the School.

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Notes to Combined Financial Statements - *Continued*
June 30, 2024

13. Restricted Cash

During fiscal year 2022, the School established an internally restricted cash account in the original amount of \$105,000 for the future needs of the School. The funds can only be used with the majority vote of the Board of Trustees. At June 30, 2024 and 2023, the total restricted cash was \$257,493 and \$249,882, respectively.

During fiscal year 2023, the School established an internally restricted cash account in the original amount of \$2,500 for capital expenditures of the School. At June 30, 2024 and 2023, the total restricted cash was \$2,750 and \$2,500, respectively.

14. Rental Income

In fiscal years, 2024 and 2023, the School leased out individual parking spaces to residents in the elderly housing complex within the neighborhood and to other residents of the neighborhood. The lease agreements in both fiscal years 2024 and 2023 were short-term lease agreements with no options for renewal.

Additionally, the School leases approximately 850 square feet of building space to a third party. During fiscal year 2024, the School entered into a lease agreement with the third party commencing September 1, 2023 and expiring on August 31, 2025. The lease agreement requires monthly payments over the term of the lease ranging from \$2,000 to \$2,500. During fiscal year 2023, the School had a short-term operating lease agreement with the third party with no options for renewal.

Rental income for the fiscal years ended June 30, 2024 and 2023 was \$34,512 and \$25,725, respectively.

Future rental income under the lease agreement is as follows:

<i>Fiscal Year</i>	<i>Amount</i>
2025	\$ 29,000
2026	\$ 10,000

15. Subsequent Events

The Organization has evaluated subsequent events through **October XX, 2024**, which is the date the 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*, which are necessary to disclose to keep the combined financial statements from being misleading.

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

Draft



DANIEL DENNIS & Co
Certified Public Accountants

*Independent Auditors' 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*

To 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, 2024, 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, 2024**.

Report on 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 control) as a basis for designing 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 Organization'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a significant deficiency.

Report on 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and responses as item 2024-001.

The Organization's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of the combined financial statements and, accordingly, we express no opinion on the response.

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, 2024

**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, 2024

2024-001 MTRS Remittance

Condition

The School did not comply with the Massachusetts Teacher's Association Retirement System (MTRS) requirement to submit MTRS withholdings in a timely manner for four of the twelve months during fiscal year 2024.

Criteria

The Commonwealth of Massachusetts Department of Elementary and Secondary Education (DESE) and the MTRS requires that MTRS withholdings be submitted within the first ten days of the month following the reporting period.

Effect

Non-compliance with DESE requirements and MTRS regulations.

Cause

The School did not have the necessary internal controls in place to ensure the required withholdings were submitted timely.

Recommendation

We recommend that the School review its current internal control procedures to ensure all requires MTRS submissions are remitted in a timely manner.

Views of Responsible Officials

The School will review, modify and adopt necessary internal control procedures to ensure timely submission of MTRS withholdings.

Timing

The corrective action was implemented beginning in August 2024.

SCHEDULE OF PRIOR YEAR FINDINGS

Draft

**Marblehead Community Charter Public School and
Marblehead Charter Education Fund, Inc.**
Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2024

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, 2024.

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, 2024.

Board President or Treasurer
or Other Designated Person

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