



NEW HEIGHTS CHARTER SCHOOL of **BROCKTON**

New Heights Board of Trustees
October 17th, 2018
Starting Time: 5:30pm
Dinner Served: 5:00pm
Location: 1690 Main Street, Brockton, MA

1. Call to Order
 - a. Meeting called to order at 5:41pm
2. Roll Call
 1. Mike Sullivan
 2. Vinnie Marturano
 3. Maria Fernandes
 4. Ollie Spears
 5. Pat Gray
 6. Rick Schwartz
 7. Steve Bernard
 8. Manny Daphnis
 9. Nick Christ (Absent)
3. Reading and Approval of Minutes from September 19th, 2018
 - a. Motion to approve the 9/19 minutes.
 - i. Motion passes unanimously without further discussion
4. Reports of Officers, Boards, and Standing Committees
 - a. Chairperson's Report
 - i. Auditor's Presentation of FY'18 Audit
 1. Daniel and Dennis, Co external auditors provided summary of the audit results.
 2. The Finance Committee and Management team met with the auditors prior to the meeting to discuss the results of the audit.
 3. Three reports are submitted with the audit:
 - a. Independent Auditor's Report – on the financial statements, the report was unmodified.
 - b. Compliance of Internal Control - No issues of non-compliance.
 - c. Reports on Compliance for Internal Control required by uniform guidance for federal grants – the school expended in excess of \$750,000 of

federal money which requires the third report. The in-depth testing of the Charter School Start-up grant was the review. There was an unmodified opinion issued on the grant review.

- i. Two findings
 1. One instance of non-compliance in reference to cash management. The CSP is meant to be a reimbursable grant, but New Heights requested money one before it was spent.
 2. Internal policies in place for 2018 required that each invoice must be signed and authorized. There were several invoices that were not signed. This policy was changed for FY'19.
- d. Required to follow-up on findings from FY'17 audit
 - i. Internal control over financial reporting – this finding was resolved.
 - ii. Finding concerning MTRS withholding remittance within a certain timeframe – this finding was resolved.
- e. Key Ratios: Seven ratios are reviewed for all charter schools to determine how charter schools perform against one another and DESE requirements.
 - i. In FY'18, NHCSB had \$.80 per \$1.00 of liability, thus placing NCHSB into a high-risk category.
 1. Much of this is attributed to the problems that occurred with the building in FY'16.
 - ii. At June 30th, how many days could NHCSB pay expenses if there was no additional cash entering.
 1. NHCSB would be able to pay expenses for 20 days. DESE prefers to see 60. This is a high-risk category.
 - iii. How much of NHCSB's budget is covered by tuition?
 1. 90% of tuition covers NHCSB budget.

- iv. How much of NCHSB's budget is covered by tuition and federal grants?
 - 1. 102% of tuition and grants covers NHCSB budget.
- v. Percentage of the school's revenue spent on facilities
 - 1. 10% (low-risk) was expended on facilities
- vi. Change in net-position percentage
 - 1. This year, NCHSB had a surplus. 6.6% of the revenue that came into NCHSB went toward the bottom line.
- vii. Debt-to-Asset Ratio – total liabilities divided by assets
 - 1. 0.59% was NCHSB's debt-to-asset ratio.
 - 2. Question concern how NHCSB had a low-risk debt to equity. \$1.4million dollars was spent on building improvement. The majority of NCHSB's assets are lease holder improvements because the school does not own the building.
 - 3. Question concerning the impact of findings on charter renewal. The findings for uniform guidance should not have any or even a significant impact on a charter renewal.
- f. Discussion Items
 - i. Status of litigation
 - ii. Implementation of corrective action to avoid two findings in the FY'18 audit reports.
 - iii. Establishment of Friends of New Heights will be included as a component unit in the FY'19 audit.
 - iv. Required to ask if there are subsequent events up until the approval of the audit (anything from July 1st until now).
 - v. Awareness Issue – Any changes in accounting policy in Gasby (No. 87) involving leases. Accounting for leases will change. Currently, the NCHSB lease is

considered an operational lease but in 2021 and therefore, leases will be listed as an asset (the present value of the lease payments) and a liability.

1. This is a good time to look at debt convents.

g. Motion to approve FY'18 Audit

i. Motion passes unanimously without further discussion.

b. Executive Director's Report

i. Board Update Q and A

1. Construction:

a. The new rooms will not be completed by October 31st (a Wednesday) with a possible move-in the following Monday November 5th.

b. The builder filed for an extension from the Building Inspector to extend the October 15th Occupancy permit.

c. Question concerning the purchase of a building for the 11th and 12th graders or the renting of space.

d. The Executive Director's report should provide an overview of activities that are upcoming with dates for the Board to consider.

e. The Executive Director will share the accountability report with the Board at the next meeting.

2. Replication:

a. NHCSB is identified as an example of excellence by the IDEA RFP.

b. Concerns about ensuring NHCSB is the strongest it can be, a model that is still in the process of being perfected.

c. The Executive Director recommended that the Director of College Access serve on the thought team dedicated

5. Reports of Special Committees

a. Academic Excellence Committee

b. Finance Committee

i. September Finance Report

ii. Revised Budget Report

1. Motion to approve three new positions

a. Special Education Clerk

b. Operations Assistant

i. This position covers technology and nutrition

- c. Maintenance Support for evenings including painting of the second floor.
 - d. The Board requested a job description and posting of the positions
 - e. Discussion: Board requested that NCHSB posts these positions, at minimum two candidates are interviewed, and job descriptions are created.
 - i. Motion passes unanimously
 - 2. Motion to authorize Assistant Executive Director Janice manning to hire XX Walker, brother to Executive Director Omari Walker, who is a candidate for the position.
 - a. Discussion: Executive Director Walker must recuse himself from any oversight (financial or otherwise) of this individual in the event it is his brother.
 - i. Motion approved unanimously
 - 3. Review of budget report includes several cost savings that could be used to support the hiring of these new positions.
 - a. Motion to approve the budget report and revised budget
 - i. Motion approved unanimously without discussion.
- iii. Governance Committee
 - 1. The governance committee reviewed a potential Board candidate. The individual's resume was submitted to the Board for further discussion and consideration.
 - a. This individual was brought to the school via a staff member's recommendation to the Executive Director.
 - b. This candidate currently works in the construction world and would bring a great deal of wisdom regarding future construction on the building as well as knowledge of federal and state law and building code.
 - c. This candidate is a Brockton resident who is committed to the vision and values of NHCSB including the possibility of volunteering at the school.
 - d. Motion to approve Taisha Crayton for consideration by the Commissioner of Elementary and Secondary Education for approval to join the NCHSB Board
 - i. Motion approved unanimously
- iv. Fundraising Committee

6. Special Orders
7. Good of the Order
 - a. January 8th is the State Site Visit. It is imperative that the Board is represented.
 - b. NHCSB needs Board assistance with the Traffic Commission to install safety signs/crosswalks etc to keep our children safe. The state said they need the city to handle this. The city has not yet provided NHCSB with a solution.
 - i. Chairman Sullivan will send a letter on behalf of the Board citing the safety risk for our students to the Zoning Board and/or Traffic Commission.
 - c. Please ensure that you have completed your financial disclosures for FY'19.
 - d. Consider volunteering for the 10th grade networking and interviewing events.
8. Meeting Adjournment
 - a. The meeting adjourned at 7:45pm.