

## MINUTES

### Board of Trustees Meeting

Thursday, October 24, 2024 – 9:30 AM

**Participating Board Members were:** Donald Hense, Chair; Gregory Prince, Vice Chair; Victor E. Long, Secretary; Patricia Brantley, Chief Executive Officer; Carol Thompson Cole, Unique Fullmore, Eric McKinley King, Jeanette Mendes and Anise Walker. Darrin Glymph, Treasurer; Tracy Gray, Deborah McGriff, and Chris White participated via Zoom.

Staff Members in attendance were: Ken Cherry, Chief of Staff; Dylan Gruver, Chief People Officer; Zac Morford, Chief Performance Officer; Catherine Somefun, Chief Financial Officer; Vielka Scott-Marcus, Chief Academic Officer; James Waller, Chief of School Operations; Kimberly Campbell, Strategic Advisor and Monique Miller, Director of Performance Reporting and Evaluation.

Guest in attendance was Kyle Schafer, Manor Costerisan.

**Call to Order.** The meeting was called to order by Gregory Prince, Vice Chair at 9:32 AM.

**Approval of Minutes.** On a motion by Victor E. Long and second by Chris White, the board voted unanimously to approve the minutes from the May 16, 2024 and July 12, 2024 board meetings.

**Finance Update.** Darrin Glymph, Chair of the Finance Committee, introduced the Finance Committee Report and the fiscal year (FY) 2024 audit report, which were reviewed by the Committee and included in the board materials. He then invited Catherine Somefun, Chief Financial Officer, to present the details.

Mrs. Somefun provided an overview that included the FY 2024 Audited Financial Statements, an FY 2025 financial update, and other key finance updates. She introduced Kyle Schafer of Manor Costerisan, who presented the FY 2023-24 audit results.

Maner Costerisan gave an unmodified opinion of the audit results, noting no material weaknesses or deficiencies with Friendship's internal controls. Other highlights from the report include an increase in asset value and days cash on hand, which is a positive outlook from a liquidity standpoint. Additionally, Friendship's status as a low-risk grantee continued. Finally, Mr. Schafer discussed the audit results and highlights for Friendship's 403b retirement plan that included an unmodified opinion and no material weaknesses or significant deficiencies with Friendship's internal controls. Darrin Glymph, Chair of the Finance Committee, thanked Mr. Schafer for the audit report.

On a motion by Gregory Prince and second by Anise Walker the board voted unanimously to approve the FY 2024 Audited Financial Statements.

Mrs. Somefun continued the FY 2024-25 quarterly finance update that included a review of student enrollment, revenues and program expenses, budget allocations, and funding

Friendship's reserves. Mrs. Somefun stated that Friendship's reserve balance at the start of the year was about \$58.9M and projects to end the year with \$63.5M. Friendship will maintain 60 days of restricted cash on hand, which is tested June 30th and are aiming to meet the S&P median for cash on hand.

Mrs. Somefun also stated that to maintain bond compliance, audit results and continuing disclosures will be posted on EMMA – the Electronic Municipal Market Access system. Friendship also will host an investor call next month to review prior year financials and answer any questions investors may have. Mrs. Somefun turned the presentation over to James Waller, Chief of School Operations, to provide a facilities update.

Mr. Waller provided an update on facilities projects financed by bonds. The Ideal addition and Blow Pierce elevator projects are complete. Mr. Waller stated that the Southeast addition is scheduled to be completed in December, and due to change order COVID-related delays estimated at \$2M, there is a request to cover these expenses from the reserve fund.

Mr. Waller continued the facilities update regarding two facilities leased from the District of Columbia. The leases include a stipulation to determine Fair Market Value (FMV) by a real estate appraiser to set new rent amounts. Friendship staff are in conversation with DGS (Department of General Services) regarding FMV and provided an independent appraisal for Collegiate and will begin the appraisal for Nicholson. Ms. Brantley noted that Friendship has invested heavily in the renovation of these buildings owned by DC and in the past, have seen rent credits for that. Ms. Brantley added that staff are watching closely these lease market escalations to ensure Friendship can go forward in a stable way.

On a motion by the Finance and Facilities Committees and second by Eric McKinley King, the board voted unanimously to approve the transfer of \$2M from the reserve fund to cover the Southeast addition COVID-related delays.

**School Performance.** Deborah McGriff, Co-Chair of the School Performance Committee, introduced the School Performance Report noting its alignment with the board's strategic plan and a comparison of Friendship's performance locally, nationally, and against top charter schools. Dr. McGriff invited Vielka Scott-Marcus, Chief Academic Officer to present the details.

Mrs. Scott-Marcus provided an overview of the report highlighting Friendship's performance on the DC CAPE, the new state assessment which students took for the first time in SY 2023-24, Friendship's academic goals, and continued implementation of high-yield strategies. She noted Friendship's proficiency grew at nine times the state in ELA and nearly two times in math with Friendship's ELA performance returning to pre-pandemic levels. Mrs. Scott-Marcus transitioned the report to Zac Morford to provide specific data about Friendship's performance.

Mr. Morford presented growth data for all students and student groups on DC CAPE compared to the state and charter sector, and noted that Friendship saw greater growth in ELA and math. In addition, the proficiency rates for Friendship's African American and Economically Disadvantaged student groups outperformed the state and charter sector in ELA and math for these student groups. While not in to the top five charter school performers (out of 103) on the

DC CAPE for all students in ELA and math, Friendship had one campus in the top 10 for math and three middle school campuses in the top 20 for ELA.

Mr. Morford presented Friendship's performance by Ward, noting that Friendship campuses are either the highest performing or in the Top 5 of both DCPS and charter schools for either all students or economically disadvantaged student groups.

Mr. Morford reviewed other measures included in the ASPIRE system and highlighted Median Growth Percentile performance on DC CAPE. Ms. Brantley noted that our performance is evidence that the longevity of our curriculum implementation and strategies for reading and ELA are working.

Finally, Mr. Morford reviewed Friendship's charter goals performance for the current five-year cycle heading toward charter renewal. He stated that Friendship is in year three of this cycle and met the charter goals for SY 2022-23, and SY 2023-24. Mr. Morford noted that the charter goals criteria for the next three years will focus on all Friendship campuses earning a Level 3 or higher on ASPIRE frameworks.

On a motion from Gregory Prince and second by Anise Walker, the board voted unanimously to accept the School Performance Committee report.

**Adjournment.** On a motion by Eric McKinley King and second by Jeanette Mendes, the board voted unanimously to adjourn the meeting at approximately 10:47 a.m.