

## **Board Meeting**

**JB: Jeanette Batiste-Harrison**

**AZ: Alex Zapesochny**

**SB: Susan Briggs**

**DB: Digant Bahl**

**MN: Monita Nehm**

**MC: Michelle Cain**

**KP: Karen Podsiadly**

**MO: Michael O'Brien**

**GA: Guy Arie**

**JK: Joe Klein**

MO: Okay. So we'll call the meeting to order at 3:41 and members in attendance are Karen Podsiadly, chairman of the Board of Trustees, Jeanette Batiste-Harrison, vice chair. We've got Alex Zapesochny, and he's the secretary. Guy Arie, who's the treasurer, and Joe Klein, who's the trustee at large. We have myself, chief operating officer, Michael O'Brien. And we also have with us Digant Bahl and Monita Nehm from Accounting Solutions of New York. And we have Michelle Cain from--Cain--

MC: Cain.

MO: From Mengel, Metzger, Barr, our auditing firm.

KP: All right.

MO: Okay. So here we go.

SB: I'm not sure if you mentioned me.

MO: Didn't mention Susan. Right. Our attorney. Yeah. Probably the most important one.

MC: I was just going to say the most important.

KP: Yes, indeed.

SB: I don't know about that, but I want to give a good headcount.

KP: Yes. So. All right, so at this point, do we have any--I would imagine we don't have anyone else on the line, so I'll probably comment but formalities.

MO: No, I don't think we have anyone. I did, according to the rules, I had to create the poster, put the link on the poster. But you got to do a little bit of work if you want to copy that link and come in here. And if it was public, then we'd force them to

identify themselves so we knew who they were, just from a security perspective. So but I see no one there, so we're good.

KP: Okay. So our first action item is approval of our previous Board meeting minutes from July.

MO: Correct.

KP: So has everyone had a chance to review those, and if any comments? And if not, let's have a motion.

AZ: So, so moved.

KP: Moved by Alex. Second. And Guy seconds. All in favor?

GA: Aye.

MO: Aye.

JBH: Aye.

KP: All oppose? Abstentions? Okay. The minutes are passed. All right, so our first discussion item is to review our 990 form. So are there questions?

MO: Yes.

MC: So that's me.

KP: Go ahead.

MC: Mike, help me understand. Everybody has seen the 990 at this point. You've taken a look at it?

MO: Yes.

MC: So I really wasn't going to spend a tremendous amount of time unless you have specific questions. The 990 is complete. Ready to go. Keep in mind, the 990 is for fiscal year 6/30/19. It doesn't look exactly like the financials if you tried to tie them in, because the financials are on a liquidation basis. The 990 is not. 990 is just fiscal '19. So the numbers, you know, are not exactly the same on both.

MO: Right. And Michelle, when you mentioned that it's the fiscal '19, the date on though, the year is 2018 tax year. Right?

MC: That's correct.

MO: Okay.

MC: Because the IRS likes to confuse everyone. Yes. The tax form itself is 2018. So it's the 2018 tax filing but it's for fiscal 6/30/19.

MO: Right.

MC: I'm happy to answer any specific questions you have. Really, what I try to tell board members when it comes to the 990, it's a very long form, and you certainly don't have to read every line. You know, Mike, Digant, Monita, the whole team did their job in getting us the accurate information.

What I do like to direct your attention to, typically to start out with, if you happen to have it in front of you and want to follow along, that's fine, but you don't have to. Part six of the 990, section A and B that refers to governing body and management as well as policies. Those are the sections I'd really like you to read through to make sure that--I'm sorry. Hold on. I don't know how to silence my phone on my computer. I apologize for that.

MO: No problem.

MC: We have a new phone system, and it's lovely because it comes to the cell phone, it comes to your computer. But then when something like this happens, I don't know how to get rid of it, so bear with me. But those two sections of the 990 talks about the policies that are at the school, and those are the areas I just want you to take a look at, and make sure none of the questions are answered incorrectly.

MO: Okay. Yeah. I don't see anything like that. When I did look at it, I didn't see anything out of line.

KP: It seemed fine to me as well. So I didn't have any questions.

MC: Okay, great. The other page would be Page 7 of the 990, which is part seven. This discloses the board members and key management or key positions. Again, always like you to take a look at that. Make sure we didn't miss something there. Again, I don't think we missed anything. But that's another section.

MO: Right. Yep. No. That all looked in good shape, too.

MC: Okay. Other than that, there's really nothing else I really would want you to pay close attention to, but certainly open for any questions, if you have any.

MO: Okay. I have none.

KP: Nope.

MC: Okay. So as long as--I think the 990 is ready to go whenever you're ready to say go. So if this is the time, that's fine, and we can finalize it, and get that process moving and settled. This will not be the last 990. Okay. The organization is still in existence, not dissolved yet. So we definitely have to do one for June 30, 2020. The year you're in right now. If dissolution doesn't happen by 6/30/2020, we'd have to do another one after that for final. But, obviously, we'll take care of that.

MO: Okay.

AZ: I mean, is there anything we need to do now? Do we need to vote on this or it's just we have no questions so therefore it gets filed?

MC: Yeah. That's pretty much it. I don't think you have to technically vote on the 990, but as long as everyone's okay and has no further questions, we'll just finalize it and we'll get the copies to Mike.

MO: I think that will work.

SB: Do you want to authorize someone to sign? Do you need a board officer signature on it?

MC: Board officer signature, yep.

MO: Karen--

MC: And I think we have it set up for Karen.

MO: Right.

KP: Yes.

SB: So the board might want to pass a resolution authorizing Karen to sign it and directing Mike to work with Michelle to file it.

JK: I move that we authorized Karen to sign the 990, Michelle to go, and Mike to organize everything.

GA: [Raises hand.]

SB: And authorize--yeah. Yeah. Great.

AZ: This is Alex, and I'll second it.

GA: I beat you.

KP: Guy second bid.

AZ: You're so competitive.

KP: So we have a motion for me to go ahead and sign the 990. And for Mike to work with me to get it filed with myself and Michelle.

MO: Correct.

KP: All in favor?

GA: Aye.

JBH: [Raises hand.]

AZ: Aye.

KP: Opposed? Abstentions. Okay. So we'll go ahead and get that done.

MC: Perfect.

KP: And then we'll just talk offline, because we talked about just sending it to me.

MO: Right.

KP: I'll sign it and copy it, scan it, go to the post office without having Mike and I connect, so.

MC: Yeah. And honestly, Karen, let me just look at one thing.

KP: Unless we could do it electronically.

MC: Yeah, that's what I was just looking at.

MO: That would be good.

MC: Typically, we can do it electronically.

KP: Okay.

MC: But for some reason it is setup for mailing, and I have to--if we can do it electronically, we will. And then it's just signing an E-file form super easy. If not, we'll get it mailed. And so if you could--let me get back to you on that. If we do

have to mail it, then I can get your address and mail it directly to you. Is that what you're saying?

KP: Yes. Yes. All right. Wonderful.

MO: Great.

KP: All right. So our next order of business is the review of the draft of the final audit through 6/30/2019. So has everyone taken a look at that?

MC: Okay. So, the audit, again, hopefully, you've had a chance to take a look. And I don't know how much detail you want me to go in, so I'll do whatever you want me to do. Really, I was just going to give you a high-level summary. But if you want me to go page by page and talk about it, I can do that, too. But I know everybody's time is valuable. So let me start with the summary and then we'll go from there.

MO: Okay.

S: Before you start, is there a password to open the document?

MO: Yes.

MC: Yes.

MO: mmb.

MC: Lower case--lower case mmb.

S: Thank you. Sorry.

MC: Yep. So to start off with, first of all, I want to make sure I say this because it's super important. Working with Mike, and of course, the team with Digant and Monita you really did a fabulous job. You know, a lot of times when a school goes through closure, it's really it can be a nightmare. And I have to tell you, Mike has been extremely responsive through this whole process. So I want to make sure I give credit where credit is due.

MO: Oh, thank you.

MC: He really did a fabulous job here to push and get things as far along as we can possibly get them.

KP: Yes.

MC: So thank you. Thank you for that.

MO: Glad to help.

KP: And we appreciate that.

MO: Thank you. Yep.

MC: If you are following along with me, I'm looking at Pages 3 and 4. This is the auditor's report itself, our opinion. And if you look on Page 4, you will see it as a clean or unmodified opinion, but you will see an emphasis of matter paragraph. And that paragraph talks about the fact that this is on a liquidation basis, and I'm pretty sure Mike has probably explained this to you. But let me just very quickly summarize this, because these statements look different than what you're used to seeing.

When a school or any organization decides they're going to close, generally accepted accounting principles state that the statements have to be on the liquidation basis, not on the typical what's called going concern basis. And so what that means is all of the assets and the liabilities that are listed here have to be marked down to fair value. What cash are you going to receive for those assets if you happen to sell them. Receivables, what cash are you're going to receive for those receivables. And for payables, what are you going to pay out? And you really pay out based on all of your dissolution expenses. So liquidation basis looks very different than a going concern basis. So I wanted to point that out.

When you look at Page 5, which is the statement of financial position, this is the balance sheet that shows assets, liabilities, and net assets at June 30, '19 compared to June 30, '18. And you'll see here, obviously, the assets, cash, receivables, prepaid, those are all already on the liquidation basis. Right? But property and equipment, you'll see it's only \$20,600. And that's because as of June 19, that \$20,600 is what you received after the fact in cash for fixed assets. The rest were written down.

Looking down to the liability section, same thing. Payables and accrued are all I'll say boosted up for all the expenses that you're going to pay for dissolution. You'll see that deferred lease liability, a reminder of what that is. That deferred lease liability in the past was the difference between what you paid in rent and what the straight line basis is over the term of the lease. Because that lease was terminated at June 30, '19 liquidation basis, that liability goes away. So it's zero.

MO: Right.

MC: So that's what the balance sheet looks like, liquidation basis. Any questions on that so far?

MO: No.

MC: On Page 6, the statement of activities and net assets showing revenues and expenses. Again, revenues are pretty straightforward. Revenues for the year. But expenses, you'll see it's broken out a little bit here. The statement of activities on Page 6 is really, truly showing the June 30, '19 operating year. So that change in net assets of 656,555, that's as of June 30, '19.

If you flip the page to Page 7, you're going to see the dissolution type entries there of debt forgiveness and dissolution expenses. Again, a little different than what you've normally seen. But it kind of breaks it out into two different sections. Again, any specific questions on that so far? Okay.

On page 6 statement of functional expenses. This shows all the details of the expenses by function in nature. One thing I'm actually going to change that's different than your draft is the number of positions. We have a total of 62. I asked my team about that. I think there was some double counting of personnel in there. Those numbers, we went back and looked at our records. And the numbers that we got from Accounting Solutions of New York is really 49. So I'm going to be changing those numbers there. It's not a big deal, but I just wanted to let you know that.

SB: Okay.

MO: All right.

MC: Those are the highlights. Again, happy to answer any questions, but I don't want to take up a ton of your time if you've already been through these and understand what they look like. The back schedules, so there's--as you know, charter schools are required to have an audit in accordance with government auditing standards. It's another level of audit. And this is on Pages 21 and 22. Internal control over financial reporting and compliance. No findings there. No issues there. No deficiencies there. So that's a clean report.

MO: Good.

MC: And attached to that is the schedule of findings and responses from the prior year and updating those. So that's what that is. So a very clean report. Other than that, so to finish this, we need a dissolution date, which I know is part of this meeting as well, to kind of get to that point. So that's really the main thing that's holding up the financials from being issued. They are as ready to go as they can be.

Once we get a dissolution date, we will go back to Mike and the ASNY team and check out what cash receipts and disbursements have happened from the time we kind of stopped to see if more needs to be booked on here from the

liquidation basis standpoint. But other than that, I mean, we're as far as we can go. So, I think we're in really good shape. We just need that dissolution date and then finish up those receipts and expenses.

MO: Okay. And Michelle, the start date for those? So fundamentally, you think everything's ended as of 6/30. So the start date for the extra expenses and all that would be 7/1/19?

MC: No. You know what, Mike, I have to go back and look at my records. We've done everything up through whenever we stopped our work. So it's not 7/1. It's after that.

MO: Right.

MC: It's probably September, October sometime.

MO: Yeah.

MC: So I'll give you that date to say, "Okay, from there until now, where are we?" And then we can pick that up. I just don't have the date.

MO: I just want to make sure that I collect all that stuff. I've got it all. I just need to collect it all and put it someplace and have it ready.

MC: Okay. Yeah. So that's all we need to finish that. Any other questions on the audit? Okay.

MO: Okay.

KP: All right. Do you need--

MO: Now, there was--Michelle, you and I had the conversation, too, about not posting this or anything like that, but if somehow SUNY or Ralph Rossi (ph?) or someone felt that they wanted to look at that audit, we could potentially send them a copy of this draft.

MC: Yeah. You know, if they're trying to figure out, you know, are you moving along on this or where are you and you feel comfortable, I don't see a problem with you sending the draft.

MO: Right.

MC: It certainly doesn't have our signature on it as far as opinion date.

MO: Right. Right.

MC: But, you know, if it helps you continue your process, because it's proving to them that you're pretty far along, I don't have a problem with that.

MO: Yeah. I think between Susan and I, we're not sure that that--we're way ahead of them, I think, in our--where we are as far as SUNY and the state go.

MC: I think so too.

MO: It's not clear they're going to ask for anything, but.

KP: So do we need any action?

MO: At this time, I don't think so. I think we just wanted to get everybody exposed to the audit. We know what it is. We know where it's going. Nothing or profound or problematic in any way. And just we can feel good about that fact. So I think that's good news.

KP: Okay.

DB: Sorry, Mike, has anybody heard from Ralph or anybody, Lee (ph?), or any communication from them?

MO: I've exchanged a couple of emails with Ralph. And between Susan and I, we've been on the phone with him a couple of times, too, trying to get guidance and information on how we can move the process along, what kinds of things do we need to provide to whom and when. You can never get a when out of him. And, actually, it's turned out that Koran (ph?) at NYSED in the charter school office has been a huge help in trying to work through the kinds of things we need and the various templates for the petition and stuff like that. They answer our questions.

DB: That office has [audio gap].

MO: I'm sorry.

DB: That office was already understaffed so much, and I think it is at--some of it is not Ralph's, you know. It has to be a real compliance burning issue for him to pick up the phone and start calling.

MO: Right.

DB: Unfortunately, that's the world he lives in.

MO: Yeah. Well, and I will say that certainly he hasn't been too difficult to reach if I had questions or anything like that. Put in an email to him or put in a call and usually get an answer back one way or the other. So, you know, it's been

helpful. It's just, you know, like Michelle said, we want a dissolution date so that we can finalize the audit, and people want audits finalized and taxes paid before we can get a dissolution date. And then I think our lesson that we've learned over the past few weeks is that things seem to be so backed up with the Board of Regents and the New York State Education Department that we almost--it's like looking into a bowling ball as though it were your crystal ball. That's how clear the future is for us.

GA: Is there clear steps--are there clear steps into how do we get to a dissolution date?

MO: I think there are some to a point. I mean, and that's what Susan and I have been focused on is what is it that we can do and we can control? So, for instance, we knew as an example, we discovered we had to electronically transfer all of the records of the business and the employee records to NYSED. They didn't want them in paper. So I went out and figured out how to get them all scanned. And we've got flash drives with all those records on them.

We were trying to figure out the different steps to preparing the petition and plan for disillusion and whether or not we had to do certain things and how we could go forward with that. And, again, Koran's been very helpful in trying to get through those steps. So this and this meeting and all the things that we're talking about and trying to get done. We're trying to take all the big steps we can and go as far as we can. But in the end, we will submit the petition to the Office of Counsel, and we'll give a copy to NYSED along with flash drives with our records. At that point, we no longer have to keep track of too many records except Michelle, I'll keep track of expense records and things so that we know where money is going.

MC: Great.

MO: But at that point, we will have done all we can. And we can call people and ask for status. We may or may not get status, but in a conversation that Michelle and I had two schools that she was involved with filed for dissolution in 2016, and they're still not done. And we heard there's a backlog.

MC: Susan would know better than anybody, right. But it's just this process that just doesn't seem to happen, so.

SB: Yeah. I think it's because there's no clear method of how to do it.

MO: Right.

SB: And all the templates that are out there have like this one says, "Use this law." And this one says, "Use that law." And this one says, "Use this law." And Ralph

says, "Do this." There's no--and so it took some time to figure out, well, who are we supposed to listen to.

MO: Right.

SB: And, I think, you know, ultimately, I found a path forward that seemed to make a lot of sense. And Koran was very, very helpful. And I think that we will submit as soon as Mike is--all the tax issues are all settled, we'll submit. And she, I think, at that point will work with us. We may have to, you know, if she wants us to make changes, we'll do it what she asks. And then at that point, I'm still really hoping, you know, that we don't get sent to court.

MO: Right.

SB: Which seems to be the hold up, you know, and the confusion. Do we have to get sent to court? Do not have to get sent to court? Since all we have are assets and it's not like we hold a big piece of property or we hold a tangible other than money, which is very clearly set forth in the law what we're supposed to do with it. So after speaking with Koran, you know, I thought, let's do this plan. Let's set it out exactly what we're doing so that nothing--everything is super clear. And maybe we'll just get a rubber stamp. You know, that's my hope, but no guarantees.

MO: Yep. And while we're making sure credit is being given where due, Susan has been tremendously helpful in trying to talk through all this stuff, and we give each other some action to do or some work to do. But she's been a really, really big help to pull this together.

MC: So from an audit perspective, I think somebody asked if there's anything technically you're supposed to do. So whether it's this I'll say committee, which I think is probably the highest level committee at the school at this point, is I would love if you could accept the report contingent upon the, you know, final tweakings of the liquidation basis and dissolution date. If you could do that, then that's on record that you've done that and that when we're ready to finalize, we can just get it through the process. Does that make sense, Susan, to have them do that?

SB: Yeah. Because we've been, you know, noodling back and forth about have an obligation to file this audit like probably last November.

MC: Yeah.

SB: But because much to your dissolution, it just--isn't there any way to close that loop or, you know, check that box?

MC: Yeah, I would love to be able to. And that's where I said, you know, if they're really pushing you, go ahead and send them the draft so they can see that you have statements. They can see your June 19--

SB: They're not pushing. I don't think they're pushing us.

MC: Yeah.

SB: We just wanted to do what we can.

MC: Yeah. I wish we could. And here's the issue. I think, you know, so many organizations, charter schools don't know how to do this. And the state departments really don't know either. And so they're telling you they want a final statement or they want a final audit by November 1<sup>st</sup>, which is not possible, if you're following the generally accepted accounting standards guidelines. So I am sure there are auditors out there that just slap a financial statement together like they normally would and issue it I'll say on a going concern basis. But that's not technically correct. So, obviously, my firm's not going to do that.

And then we get into this vicious cycle. Right. And so I think the state probably sees other audit reports from other schools that have closed and are thinking, "Okay. Just give me a final report."

MO: Right.

MC: But I can't do that. And if they want to see the draft so they can see the June 19 numbers, that's fine. And they have been audited. And I'm very comfortable with that. But I can't finally issue that statement until we can get to that end point, so.

MO: Right.

MC: You know, there's other letters, too, that Mike had sent to you. There's the required communications letter and the advisory comment letter. Again, I'll spend as much time as you want to on them. The required communications letter are just exactly that. Communications that we're required to give post audit. There's nothing other than standard language in there. There's really nothing crazy in there. The advisory comment letter, as I mentioned before, there were no significant deficiencies or material weaknesses in internal control over financial reporting that we identified. So that letter is very clean. What that letter is doing is it's updating the comments that we've come across from previous years to show that they've been resolved. Again, I'll spend as much time as you want me to, but I just thought I'd give that quick summary. So you knew those letters existed.

MO: Okay.

KP: So I like the idea of accepting it, knowing that it's not final for the record. So if we could get a motion for that.

JK: I move.

GA: [Raises hand.]

KP: Joe moves. Guy second. Guy is on a mission here seconding. All right. All in favor?

JBH: [Raises hand.]

JK: Aye.

GA: [Raises hand.]

AZ: [Raises hand.]

MO: Everybody.

KP: Oppose? Okay. No abstentions. All right. So we have the motion seconded and approved. So that is in the record. So thank you, Michelle, for all of that work.

MC: Absolutely. Thank you.

KP: And I think that's it on that on number two. So, I think, Michelle, you're done. Are you done with us for the day then?

MC: I am done for the day. I am happy to stay on if you want me to to hear about the other areas, or I can jump off. Whatever you prefer me to do.

MO: It's fine by me. I don't know. It's okay.

KP: Yeah. It's fine.

MO: We're going to have the dissolution discussion a couple of different places, I think, as we go through the list.

KP: Uh-huh. Yeah. So you're fine. If you'd like to stay, yeah, that's fine.

MC: Okay.

KP: So not kicking you out. Just wanted to see if you--

MC: No, no. I appreciate that. I appreciate that.

KP: All right. And so on number three, discuss/approve a plan for Mike transitioning to consultants and what the implications for that are. As we've talked in various forms, the current plan is he has been working half time and then moving to consultant in May or June, June is the latest time. But so do you want to talk about that, Mike, and then we can talk about approving.

MO: Yeah. And so everybody understands what's going on here. There was a program that we were supposed to enroll in. We didn't know anything about it. It accrued a bunch of fines. And when we finally reached an agreement with the State Taxation Finance Department, the one thing we have to finish in order to have them approve abatement of all those fines, just make them all go away, is we have to give them a ceased paying wages date.

And I naively thought, well, geez, if I stopped with all of the wages and it was just mine, that should be good enough. And it wasn't. So I have to get off of the payroll. And we're right now I'm thinking I get off the payroll at the end of this month, at the end of April. That will put our ceased paying wages date at May 10<sup>th</sup>. That means then there'll be one quarterly--the second quarter tax returns and withholding will have to be filed from Paycom.

But in there under New York State 45, there's a spot where we fill out that date, and that becomes part of that tax return. Then I get a copy of that, and I send it to my contact in the education office. Then they should be able to send us an abatement letter that says, "All of that's gone." Now, and I--and that's the purpose for doing this. And I think what that really means in terms of operations on a day-to-day basis, that's something we want to discuss, because at that point, I'm no longer an employee of the school.

So, for instance, I'm out buying some fiduciary liability insurance right now. So I'm covered for myself in acting in any role you ask me to act in in terms of continuing on. I think that once we move away, we can start to be done with Paycom. And I've already started to ask the questions about what is that process and what do we have to do. So, you know, again, looking at reducing expenses and stuff and making sure that everything gets closed up properly. I think one of the big things is I don't know if you can authorize me, you want to authorize me, or you want to do this differently in terms of who should start authorizing bill payment, signing checks, doing any of those financial transactions that have to take place, because they will continue until such time as we can begin to close the office and start to reduce all the expenses with staying here and continuing on with insurances and those sorts of things.

So I don't really know the specifics. I mean, in the current position as an employee, that was fine, and no problem with that whatsoever. I don't know if you can authorize and continue in that fashion or not. The one thing that would

be probably a little strange is it would be odd for me to approve my hours and my time and sign my own paycheck. That's a little much.

KP: Right. Right. Yeah.

MO: So we wouldn't want to have to try to defend that.

KP: Right.

GA: We discussed that in the Finance Committee. No?

MO: I'm sorry.

GA: Didn't we discuss that in the Finance Committee?

MO: Yes, we did. We're bringing it to the Board now. Yeah.

AZ: What did the Finance Committee come up with?

MO: As far as some specifics, what you want to do about that. I think that's the key.

AZ: Did the Finance Committee come up with some ideas?

GA: Yes. The Finance Committee recommended the rate was \$90 per hour.

MO: Right.

KP: Yeah.

GA: And the amount of hours that was expected was ten hours--

KP: Maximum. Yeah.

GA: It was ten hours a week?

KP: Uh-huh.

MO: No, it was ten hours a month.

GA: A month?

MO: About ten hours a month, I think, we said.

KP: Yeah.

MO: We were going to see how that played out. It depends on how much work there is.

KP: Right.

JK: I think we said it was a maximum, but.

KP: Average. So it wasn't--

GA: It wasn't expected.

KP: Expect. So it wasn't--we just knew that we didn't want--we didn't think it would be more than 10.

MO: Right.

KP: So that would be the key. So I guess my question, and I don't know who could answer this, but what would you all recommend? So I'm talking specifically, Susan, Digant, and even Michelle. Like what would be, so, again, I do think it would be odd for Mike to sign off on his own. I think that actually is a conflict.

MO: Probably.

KP: So what would be--what has been customary with this being unusual?

DB: What I have seen is that the Board chair or the Board treasurer perform those actual sign off. But given the thought of the agent and authority to Mike that, hey, you can do these things on our behalf, which is, hey, resolve this dissolution piece. Work with, you know, Susan, work with me, work with Michelle. So he has the authority in order to work with us and also deal with SUNY at this point in terms of the payments to him or any payment.

You know, we do have a Chase bill system, which we use. And I would feel that most of the payments that we process are processed. We know that we do all the payments on Chase. So we should be able to request the Board treasurer or you, Karen, to then--and before we hit--before we request you to go on that portal, Monita would be kind enough to attach whatever backup we have, whatever payment we are making, whether it's insurance, Mike's, or whatever. We will send that as a pdf to you in advance so that you can see that, hey, this is being done, and you can process, hit that. Unless Susan or Michelle, you have other things. But I wanted to talk about what customary I have seen in this.

MC: No. I agree with you completely Digant. I would say the treasurer or the chair of the Board, whichever is more practical, because I think, Guy, you're not physically here in Rochester.

GA: No.

MC: But, again, with electronics, you know, anything's possible here. So I agree. As long as Mike can't approve his own thing.

KP: Right. Right.

MC: So I think the Board has to resolve that. They're allowing him to act on behalf of the school in whatever capacity you decide. And then anything for Mike needs to be approved by the treasurer or Board chair. I agree.

KP: Okay.

SB: Yeah, and I certainly defer to Digant and to Michelle on the financial setup. But, yes, as soon as, you know, basically when Mike goes off payroll, which is going to also after we resolve everything with PromptTax, and we are sure that all the payroll tax. That's the point where the Board will come back together and authorize the signing and the filing of the petition. And we have to notice it properly and make those hoops get jumped through. And then we're going to submit. And sort of at that point, you know, I'm essentially thinking things will be pretty quiet and that, you know, for better or for worse, if something's needed, you know, the first line is going to be a Board member. And then you would, you know, ask Mike, you know, to do something if needed.

We could put some sort of agreement in place with Mike, you know, if needed, you know, a quick hiring type of agreement with Mike just to document the change to 1099.

KP: Okay.

SB: But, yeah, from now on, after Mike rides off into the sunset a little bit, you know, the Board will be the first line of contact.

KP: All right. So what I'm understanding is, one, we have to make, I'm assuming a motion that Mike will act in like kind of carrying out the work necessary to move us towards the dissolution, and then having I don't know, Guy, how do you feel? Are you okay with authorizing Mike's payments?

GA: Uh-huh.

KP: So having Monita send you the electronic for whatever payment once he comes off payroll. And so Susan can you draw up some sort of agreement, the agreement to say that Mike--this is what he'll be working on and how we'll move? So I think that's the resolution we need here today.

SB: Yeah. I think you need to make a motion to move Mike to independent contractor status as of if it's going to be May 1<sup>st</sup> or whatever that is.

KP: Okay.

SB: And then we'll sign, you know, an agreement for that.

MO: Right. And the other part of this is the reason I'm trying to get off, starting after May 10<sup>th</sup>, is because the sooner we get--we cease paying wages, then we can start that process with the PrompTax people.

KP: Yes. Right.

MO: And the way things have been, now, I will say that supposedly they sent us a letter denying our abatement. That letter never arrived here. And so Amisha (ph?), the contract that I had, was going to resend it. That letter has never arrived here. So, again, mail, delays. I'm estimating my best guess is September or October before we actually submit this, so.

KP: Okay. Right. Well, the important piece that you've communicated to us is getting you off the payroll because we can't--

MO: Right.

KP: --move without doing that. So I think today, fundamentally, we need to have a motion to move you to independent contractor effective it's May 1<sup>st</sup>, right?

MO: Yes, May 1<sup>st</sup>.

KP: April 30<sup>th</sup>?

MO: Yeah. April 30<sup>th</sup>, May 1<sup>st</sup>. However you want to look at that.

KP: Okay. And then that pushes it to being able to go ahead and resolve that.

MO: Sure.

KP: The payroll tax piece of it.

MO: Right.

KP: Okay. So can we have a motion to that effect?

GA: [Raises hand.]

KP: So Guy motions to move Mike to independent contractor effective April 30<sup>th</sup>.

SB: So the last day being April 30<sup>th</sup>.

KP: Yes. That's correct.

SB: The last day on the payroll bring April 30<sup>th</sup>.

KP: The last day on the payroll being April 30<sup>th</sup>. All right. So, Okay. Second?

SB: And then--oh, I'm sorry.

KP: No, go ahead.

SB: And then I would add and authorizing, you know, Karen is the Board chair to execute an independent contractor agreement with Mike along the terms that we discussed, you know, up to ten hours for whatever. Maybe you can rearticulate the parameters.

KP: Okay.

JK: Yeah. I'd make it not up to but approximately. You can never tell how much work the state will heap on us. And if you make it approximately.

KP: Yeah. So, again, with the idea of it being ten hours or whatever, is required, needed--

MO: Right.

KP: At a rate of \$90 per hour. So that's what we've talked about.

MO: Yep.

KP: So that's what--so we'll execute that contract, that independent contract, and then Guy will work with Monita to make sure that payroll--that is paid out accordingly. So that's the motion that we have in front of us. Okay.

MO: Right.

KP: All right. Right. So with that motion--

SB: That's a mouthful motion.

KP: It is a mouthful. Do we have a second?

JK: Second.

KP: Joe Klein seconds. All right. All in favor?

JK: Aye.

GA: [Raises hand.]

AZ: [Raises hand.]

JBH: [Raises hand.]

KP: I'm looking around to all of the screens. Any opposition? No abstentions. All right. So that's our motion, is that Michael move to independent contractor. I will execute that contract. And Guy will take care of the payment of the independent contractor moving forward. All right. Thank you all on that one.

MO: Thank you. Good deal.

KP: All right. Insurance coverage moving forward. Mike, do you want to talk to us about this?

MO: Right. So the last communication I had with Ralph, I had sent him an email basically requesting permission and agreement that once we submit this petition, we see it as why would we keep an office open? Why would we continue to pay bills and all that stuff when really there is not much for us to do once we've submitted things. And he came back in agreement with that. And he said that Susan could certainly help us work through the details. But the bottom line is we will have a specified at least one point of contact and somebody that SUNY or NYSED or anybody with any questions would have to work through or could go to in order to clarify questions, ask for information, and all that sort of thing.

And he was okay with doing all of that, because one of the things that we can do is when we do close the office, we can--when I go off payroll, we stop paying workmans' comp, so that's good. That's not a lot of money. But we close the office. We stop paying all of our general, our basic and extended liability insurances, workmans' comp is done, and we can start to reduce--the only insurance that we'll wind up staying with will be the educators liability insurance, which includes the E&O insurance for the Board. And per our discussion in the Finance Committee, I think you guys were leaning toward continuing to pay for that policy in full until such time as we actually dissolve as opposed to going to a claims made basis, which that would be an early cessation of coverage. So if someone decided that after we stopped the policy, somebody did something they shouldn't have done and tried to sue, there'd be no insurance. So that seemed to be a prudent thing to do. And there's certainly enough money. And when we get to the cash summaries, those two scenarios, they kind of bound just a guesstimate on where costs could go and where money would wind up going and doesn't show any terrible risk or anything like that at all.

But basically, it's just being able to move out of the office, put the records in storage somewhere, make sure the right people have access to those records, and then cancel policies and go through all of that work just to close everything out. On any of these insurance policies, it's my understanding, and I'll confirm this. But even though we may pay a yearly premium and if there's a cessation, if we get to dissolution early in that year, there will be premium refunds for partial years if we close out early, so that was good news, too, because sometimes you pay the premium, and it's gone. But that's not the case with these policies. And our broker is working to make sure that that plays out correctly.

So it was just kind of going through that plan and saying, you know, Ralph agrees we can do this. It would be my recommendation that at the right time we go ahead and close things out. There is--you can't really tell because you're looking at the ceiling, but there's literally nothing here that we own except a couple of computers, and the chair I'm sitting in. Even the table, the landlord owns the table. So we don't have much of anything to get rid of, and everything else is gone.

DB: I think I would just also ask it would be prudent for us to go back to the broker and say--to buy something which is called a tail end insurance.

MO: Right.

DB: Correct me if I'm wrong, Susan, that even if the dissolution has happened, somebody can bring a lawsuit. It just does not--the risk does not completely go away. So just because we have dissolved the entity, think about it for a second. The way I understood it from a different, you know, place is that, hey, what if somebody were to sue and there was nothing, and we were continuing to be in business and all of a sudden there was a sexual harassment or whatever, and we decided, "Okay, let's dissolve right away." That would not make--that dissolution trigger would not prevent us from getting sued.

So generally, the insurance company works, which is called a tail end policy, which would protect the directors. And this is primarily only for the folks who are here. And it would protect this group from any sort of liability, even if it was to happen within two years or three years.

MO: Right.

DB: And, generally, that policy does not cost that much. And you can prepay upfront. I don't know if we switch to Austin or company or we still have Gallagher.

MO: Gallagher's still there.

DB: Yeah. So Gallagher should be able to help us with this. And Susan and Michelle, I would encourage the Board to buy that tail end unless you guys think otherwise.

JK: What's the name of the policy again?

MO: A tail end.

DB: Tail end.

MO: But the explanation I got from Maria at Gallagher is the tail end is also what we call the claims made coverage. And what that does is the insurance coverage itself stops. And then we can buy one, two, or three years of that tail end coverage at 75%, 150%, or 225% of the annual premium, which is the \$5,300 and some odd change per year. The key is that that not only covers the E&O for the directors in the financial sense, it also covers any education liability and any law enforcement liability.

It does not--the tail end does not cover any sexual harassment, potential suits, or anything like that. So if the policy ends, we won't be covered for sexual harassment claims coming in later. And that's the way--

SB: Right. But it would--

MO: --that I read the policy earlier today to make sure I understood that.

SB: I'm not an expert in insurance, but if someone made a sexual harassment claim from a year, you were covered.

MO: That's what the claims made is. Right.

MC: I was just going to say the same thing. I'm pretty sure that's how it works. Right.

MO: Yes. Yes. And the kicker here was that when we talked about it with the Board, Digant, it seemed as though we weren't interested in ending the full up insurance coverage knowing that we're going to go for another year, two years, or whatever and still have financial transactions and work and trying to get things done. And the potential that someone could come, and it was more financially oriented because I think the fact that we've been out of the school for nearly a year now, nothing has surfaced. I don't see any real risk in all those other areas.

But certainly from a financial perspective, if somebody decided they wanted to sue the Board for malfeasance, and if we're not covered, that claim would fall on uninsured ears because it happened after the coverage was finished. So we didn't want to end that coverage yet. But we will always have that tail end possibility whenever we do end the coverage at those rates. So I'm still trying to

work with Maria to get the--make sure she's--most of the policy contains all that information, and I can summarize it for people. And in fact, in the cash summary state, the educator's liability policy numbers reflect keeping the policy open for the next, anywhere from eight months to a year-and-a-half, two years and a half.

SG: And, Mike, also, we're sure that you'll be as an independent contractor, you can be named and covered in a policy, right?

MO: I don't think I can be named to be covered under the school's policy. And she was very clear about it. It's very clear about who can be covered. And certainly, Board members are covered. No doubt there. And teachers and all these other folks. But as an independent contractor, it's very clear I could not be covered, which is why I own liability.

KP: Okay.

GA: Can we maybe make a summary from the agent in terms of what's the next step?

MO: I had asked for that. I don't have it yet. And I reminded her last week that I needed it. Still don't have it, but we're working to get that together. In the meantime, I can try to summarize a little bit of what's been said and just put it down on a piece of paper. But I think the big thing for the Board is, yes, we want to continue that educator's liability policy in force for the next whatever foreseeable future it is. And then, okay, we've got that. And then we can invoke the tail end stuff. There are a couple of other policies where there is tail end in effect if we choose to do it. And then a couple of other policies, like the general building coverage and those insurances, we've already canceled all that stuff. So that's all gone. But we didn't need building insurance after July anyway, so that was not a big deal.

KP: All right. So do we need any action here, Mike, or anyone, Susan, around number four?

MO: I don't think so.

SB: I don't think so.

KP: It's just more of an information that we are moving out. Ralph is in agreement with us doing that at this point.

MO: Right.

KP: And, okay, so let's talk about number five, business and employee records.

MO: Right.

KP: It says move to climate control. So what are we suggesting here?

MO: Well, here's what I'm thinking about that. So the way the record transfer goes is when we submit the petition officially to the Office of Counsel, we submit a copy of that petition and our electronic records to the State Education Department. Once we've submitted those, then we still have to maintain the records, the physical records, until such time as both SUNY and the State Department of Education say, "You can destroy the records." And then we can physically destroy the paper records. But they have to tell us it's okay to do that.

And I'm thinking, well, the only thing we really own of value there now is all of those records. We've got 21 or 22 boxes of records here. So if we close the office, I mean, I can ask Riedman (sp?), do you mind if I just leave this stuff here. But I also don't think because it's employee records, we want to just leave it randomly accessible.

KP: Yeah. I don't like that idea. I think we need something secure.

MO: Yes.

KP: So, yeah, let's take that off the table. Okay.

MO: Yeah. So my one thought was, you know, I think you can get climate controlled storage, varying sizes, and all that sort of stuff. And, generally, there are some security there, both to get into this facility itself as well as get into a particular area that we would rent. And if we thought that that was going to be a solution, then I can start to price what's that going to cost. Because the boxes don't take up much room at all. It's not like we've got to rent a big 10 x 10 cage or anything like that.

And we would want them to be stored climate controlled only because they are all paper, and just throwing them in a sweltering warehouse someplace won't work well.

KP: Right. Okay.

JK: Which is good.

MO: So I just wanted to bring that up and see what people's thoughts were on taking that action.

JK: I think we should explore it and do it.

MO: Okay.

AZ: Right. And would we then ask them to destroy it afterward once we're given the word to destroy it? In other words, somebody who also does that.

MO: There is a company--the company that scanned them for us is called Classified Shredding and scanning. And part of the original quote was, well, you know, you tell me that the flash drives are good. Then I'll just destroy them for you. I said, "No, no, no, I can't do that." But they stand ready to go ahead and just take the records and destroy them in a certified manner so that there's no risk.

AZ: Okay. Good.

KP: Okay. So you can go ahead and see what that pricing is.

MO: Sure. All right.

KP: Wonderful. All right. Review and vote on the plan of dissolution. We had a meeting to talk about this. But are there any--do you want to talk about the plan, Susan and Mike?

SB: Sure.

KP: And then we can have the vote.

SB: I guess that would be me. So we did talk about it after my fumble with the Zoom. So we went old school and had a conference call. Karen, we added the language that you requested. And so if you look in Paragraph 3, you'll see that we have accepted our ongoing legal and accounting on the hourly fees, if any, of the COO who is coming in independent contractor. And then we added similar language to Paragraph 4, basically saying the same thing.

So the notion here, and then I guess the only open question is going to be whether the 75 is enough. And I think that's going to be the discussion as part of when Mike, he did the two spreadsheets. So the procedure here will be that, I think, we would approve this plan. And now we know what we're doing. And then when we are ready to execute the petition, this will be an exhibit to the petition that we will submit to the state, to the NYSED Office of Counsel so that they can see exactly what we're proposing of how to distribute the assets. And we tried to make it super specific so that they would maybe just do it. Although we have been told over and over to not expect that, so.

And then, you know, the other piece of it is that we didn't--we decided, Mike and I discussed it, and we decided not to attach the lists of all the assets. I think they were prepared as attachments to the 990. But if Koran comes back and she wants more specifics and she feels this could push us. The problem is that she was advising that they don't really know what the process is at NYSED. And that the woman that I was speaking to is no longer working in the Office of Counsel or

something, something. Things seem to have--and then, of course, the world turned upside down.

So when we work with Koran, if she needs more documentation and she needs more specifics and she thinks that that's going to help us just get the Regents to approve this, you know, we'll consult with the Board, and we will--you know, I'll interface with her and we'll consult with the Board, we'll consult with Digant and Michelle, if we need to. And we'll give her basically what she asks for, hopefully. And that's it.

So this is--we're approving this now to set us up for an easy meeting when we ultimately are ready to submit the petition. Does anyone have any further-- Karen, I hope the language captured what you were thinking.

KP: Yeah. Okay.

SB: Does anyone have any other thoughts, corrections, suggestions?

KP: No.

SB: Yeah, Koran had suggested that we do a plan. So that had been a source of confusion because there is lots of plans distributed throughout not-for-profit corporation law, but she clarified what she wanted. So hopefully this will work.

KP: Yeah. Any questions on the plan? Okay. Can we have a motion to--

SBH: Oh, my god, let's approve the plan.

AZ: [Raises hand.]

KP: Is that a motion, Jeannette?

SBH: Oh, my.

SB: Don't you like the plan?

SBH: I love the plan. Can we just approve the plan?

KP: Listen, can you imagine a plan to--did I see that as a second, Alex? Was that a--

AZ: Yes. Yes.

KP: Okay. So we have a motion by Jeannette and a second by Alex. All in favor.

GA: Yay.

AZ: [Raises hand.]

KP: Oppose?

SB: We have a plan. Yay.

KP: All right. We have a plan. Thank you all.

MO: Great.

KP: All right. Let's see. All right. Let's talk about the petition, the dissolution, and supporting documents and timing for submission and next steps.

MO: Right.

SB: Yes. I mean, I think we already talked through--

KP: Yeah. Do you want to--

SB: You want me to do a quick summarize?

KP: Yeah. Just summarize it for the record. Yeah.

SB: Okay. So the plan is a little bit more, I mean, sorry. The petition is a little bit--

KP: The petition.

SB: --more detailed in terms of the history of the school and the granting of the charter and the amendments to the charter. And then it's going to ultimately contain the date when we had the vote or when you guys had the vote. And then the resolution, which is also attached, will be attached to the petition, and it will be signed and notarized. Hopefully we're out of quarantine. So that's easy, but otherwise, we'll just do it.

There are executive orders allowing us to notarize things in quarantine. Then we'll attach the plan as Exhibit B. And it just goes through the various different steps. And I used all the templates. But the main hold up for submission is Paragraph 11, which is all the taxes have been paid and no taxes are due. And we have to have an affidavit signed to that effect. So that's why we're holding off until Mike becomes an independent contractor and everything is all settled with PrompTax.

And then other than that, we're again, if 75 is the number, then that's the number we keep. And then it required us to put in everybody's names and addresses, so, hopefully, we got all of that right. We indicated that the student records have already been transferred. And by the time we submit this, the personnel records

also will have been transferred, and the pension payments are all set. Hopefully, nothing else comes out of the woodwork. And that's basically it. Pretty straightforward.

KP: Okay. So that means once this is resolved with the payroll tax, Mike is off. The payroll tax done. We will schedule another meeting to go ahead and do the petition and approve it.

SB: We'll probably call a special meeting.

KP: Yeah.

SB: And it will be pretty quick.

KP: Okay.

SB: And then we'll set it up so that wherever you guys are, hopefully, we'll be able to meet in person. Otherwise, we'll have to--Mike and I will figure out how to get the notary, you know.

KP: Yes.

SB: Yeah, we'll figure that out.

KP: I'll just have the notary at my house, and we'll just get it signed, and be done.

SB: Well, she can stand outside.

KP: Yeah. I have a friend who's a notary, so we'll see.

SB: Yeah. We'll figure it out.

MO: Yeah.

KP: We'll make it--oh, I've already been thinking about that, so. All right. Okay, so thank you for that. All right. So let's move on to the presentation of financials and the Finance Committee report.

MO: Okay. I think they're probably close to one and the same.

KP: Yes.

MO: Let me get my glasses back on. So I send out copies of two different cash reports. And Zaid and Monita had put together the initial version of that based on some information that we exchanged back and forth. Just to kind of summarize where all the different cash expenditures were likely to go. And the whole point

behind doing the cash summary as opposed to standard financial balance sheet statements and all that sort of thing, is because most of that is all gone to zero. And Digant, Monita, please feel free to jump in any time.

But, basically, none of those things are really applicable anymore. There's not much to talk about. There's not a budget to compare to. Now, it's more a matter of making sure that we're not wasting money and keeping track, paying all our bills, and all that sort of stuff.

And then, of course, looking forward, you know, how much runway is there for the organization if we needed to have it, and what do we do, and how would we do that. So that was the basis of these spreadsheets. And then as we talked during the Finance Committee meeting, the desire to keep things rolling, keep insurances in place, and keep different organizations in play, we've got some estimates on how much money people would likely spend if we were open. And I just had to choose a couple of things. So I chose a likely scenario, which I should have put in small letters, but it basically would have us finishing up and being able to submit and close the office by the end of this year. So that's eight months from now.

And so those are the numbers that I used, and I used going rates for everybody. And Susan gave us a rough estimate of what it would cost for her to finish out. Michelle gave me an estimate for what she would expect to spend too. And basically, after we do the 2020 tax return, and it's likely we'll have a 2021. It's \$2,500 a tax return. So that math is pretty easy.

SB: Mike, I just want to say that, I mean, I don't think it's going to cost that much, unless they send us to court.

MO: Right.

SB: And, you know, like and at that point, I don't think it's a complicated thing. But if there is no court, then it's not going to be anywhere close to that.

MO: Right. Right. And the bottom line is it will wind up where we wind up. And the big key, and we did clarify this with Ralph too about do we have to segregate certain money to dissolve, and then should we pay out the rest of the money early? And his answer was absolutely not. You just wait until it's all done and somebody will tell you what you need to do, and then you just go do it.

And I understand that, because the last thing we would need to do is, you know, give away a bunch of money that we'll never get back. And then all of a sudden something comes out of the woodwork, and we've got no resources to take care of that. That would be a bad day. So all I did there was so we had the eight months through December of this year. And then I said, "Well, if we went through that eight months, and we went all the way out to the end of 2022. So

it's two-and-a-half, two years, eight months. That's a long time. But I just wanted to see where that went. And it just struck me.

And so those are the two spreadsheets. And the only real difference, and the costs are different, obviously. But if we assumed that all of those expenses went all the way out to the end of 2022, and we wound up at \$97,000 for dissolution costs as opposed to the less than 70, 75 for the other scenarios and where we are now. I will say too that as of this date, even though we've been incurring dissolution costs, we haven't actually decremented that account at all. So it's still \$75,123. And so basically just trying to illustrate what our options were and what the bills are. The only bill that I didn't capture on here, and I need to, is the cost of shredding those records. I can't imagine that it's a ton of money, but it's not going to be 25 bucks either. So I'll get an estimate on that one. But it's, I mean, it cost us \$7,000 and change to get them all scanned. But I don't think the destruction is anywhere near that labor intensive.

KP: Okay. All right.

MO: So I don't know if we wanted to go through it at all. You can see basically, you know, I assumed Digant and Accounting Solutions of New York is the same amount of money per month. I don't know if you guys see changes in that as we go forward or not. Didn't get a chance to check that with you, so any thoughts you have?

DB: No. I think we--no. Didn't we--whatever we were, we cut it down to like half, and then we cut it even half now.

MO: Right. And that's this \$2,083.34. It's a quarter of what you used to get.

DB: Yeah. I think it would be like probably for three months of that or four months max. I doubt that it would be that much. But what I don't know, Susan, is in one case where I had to deal with is creation of the inventory. And when we went to the--and that, in one case, we did have to go and submit an inventory and provide the cost basis and what we gave to or donated or how we--we had to kind of put it in three buckets.

And I hope all this that I'm going to say in the next two minutes, we never have to deal with it. But what we dealt with is that there was let's say there were a hundred items that were there. We had to put a list of each of those hundred items, come up with the depreciated or the market value of each of those items. And then we had to divide it into three buckets. One, that we gave to another charter school, and we received some money back. So there was an exchange transaction.

Second bucket was what we gave to another not-for-profit or charter school or whatever as a contribution. And the third bucket was that which had a value, but

we basically disposed of. So we had to put it in in those three categories, and we had to do an extensive work. Like I said, I hope we don't have to do that, but, Mike, you and I can take off line. I don't want to, you know, take everybody's time.

MO: Sure.

DB: But, I think, whatever the quarter number you have for another two, three months should be sufficient.

MO: Okay. All right.

SB: Mike, don't you already have a list that's somewhat like that?

MO: We do. We do. And if somebody comes after that information, we can pull things together. It's not to the penny, shall I say. But it's certainly quite a list of where things went, how much they went for if we sold them, things that we gave away, how much we thought they were roughly worth. I think there's that spreadsheet as well.

The one thing that, as Digant outlines, that it gets a little dicey. I could imagine if things really went south is there were a lot of things that we just got rid of. We called 1-800 Got Junk and we got rid of them because no one wanted them.

KP: Removed them. Yeah.

MO: We had an entire class and category of school desks absolutely no one wanted them. So we had to get rid of them somehow.

Sb: Right.

MO: And that company fortunately has a pension for before they get rid of stuff that's junk, they see if they can donate it somewhere.

SB: Right.

MO: And they have all kinds of resources. So, you know, maybe they gave it all away to another school somewhere. They'd be great. We have no insight what happened.

SB: So Digant, so can the school--so if they need to basically hire you as a consultant. Right. Like if this comes up, you know, they have us sitting there for a year-and-a-half, and then all of a sudden, you know, oops, we're moving forward. We need Digant. What does that look like? Because they will have probably--I think what I'm hearing you say is they'll probably stop paying you a monthly fee after a little bit.

DB: Sorry. I would evaluate at that time, and I would, you know, see how much labor intensive it is, and we can work something out. But it's certainly, you know, the stuff that I have done in the past. Yeah.

MO: Right.

SB: So but you wouldn't need them to continuously pay the whole time?

DB: I don't think that I need to get paid the whole time or a retainer on an ongoing basis.

MO: Right.

DB: I can see how much Mike needs us. Probably, Mike, you and I should just do an off call.

MO: Sure. Yep.

DB: But, Susan, to answer your question, you know, when you are doing something with Mike and there's a question here or there, I'm happy to help. The school has been good to me and, you know, absolutely. No worries at all.

SB: No. I was not suggesting you shouldn't get paid.

MC: A quick question. I'm sorry if I could. Mike, I'm sorry if you've already said this, but it looks like on your cash projections, and you've said this to me before, that you probably are going to have cash leftover.

MO: Oh, yes.

MC: And which is not the case for the other schools I dealt with that have closed, so that's fantastic. So what happens to that cash?

MO: That cash, and it's in the plan of dissolution. But basically, we divide that up proportionate to the percentage of students in our school from the various school districts.

MC: Yep. And it goes to the districts. Okay.

MO: And it goes in a check to each of those districts, so.

MC: Yep.

SB: It's a statutory requirement, which is why we're hoping that they just tell us to do that, because there is no choice.

MC: Right. Right. You know, and it's just that it blows my mind with all of this, too, that if that's the case, right, wouldn't they just want the most cash to go back to the districts and not to spend it on whatever you got to spend it on to get through all the red tape that you got to get through?

MO: Right. Right.

MC: It's like come on. It just blows my mind. But, anyway, thank you.

MO: Bureaucracy is bureaucracy.

DB: It makes two of us, Michelle. I had a case, which was like so horrific. Department of Ed called me to help them just with the dissolution. There was, you know, only one Board member left, and there was no executive. I had zero knowledge of the place. And when I walked into a school, which was a full functioning school two weeks ago, and the department called me up. And this was at the time when Duffy was--I go in, and I look at the place. It's a fully functioning school. And I take the laptops. I take the computers. And I go to the DOE, and I say, "These are the things." The principal said this to me, "Digant, throw them away." I was like, "What?" She said, "Digant, throw them away. I don't have space for those things and that garbage in my high school."

Because they were in a co-location, and it was a very hostile fight for a DOE to see a charter school in that building. And that just blows my mind. And where she made me, and when I--in the end, whatever I saw, I said, "Okay, I'll put it in this closet. And when we will leave, you can go in and enjoy with it." And she was like, "No, I want it thrown." It is mind boggling. Yes.

GA: Guys, I have about five minutes.

JBH: Me too.

MO: Okay.

JBH: I got to sign off at 5:00, so if we could come the end, which, I think, we're naturally kind of making our way there, but.

KP: Yep. We are.

MO: Oh, I'll give on this cash scenario, I'll give Digant a call, and we can work up some new numbers and keep this going as a communication tool. Just go ahead and make use of this best we can.

JK: There is no way we could make a donation to any charter schools before this or no?

MO: Not that we are aware of.

SB: With the cash. I was hoping that Ralph would say just write the checks, but he didn't, so.

MO: Yeah.

SB: So, I mean, the only question is whether we should--the petition--the plan of dissolution, which is currently draft, which I'm going to finalize, it says 70--it says keep the dissolution account the way it is. We can just do that for now.

MO: Yeah.

SB: And then if we feel like before we sign the petition, we want to fix it, we can change it.

MO: Sure.

SB: Unless people would just say, "Let's just put more in there." And whatever it is, whatever is leftover is going back to the districts in the same proportion. So it kind of doesn't matter. But that's up to you guys. Maybe, I don't know if Digant you have any thoughts on that?

DB: We can leave it as is.

MO: Yeah.

DB: And at some point whatever is left, we leave \$15, \$20,000 in the end, and we put it in an escrow account with you, Susan, where we have just come to the end, that, hey, in the end, we have to pay this person \$5,000, or this person \$2,000. And then just leave that bottom line number. Because I do feel that some of this final reconciliation would have to go through your escrow account as a legal representative.

I saw it being done as that, and then an accounting of that was provided by the lawyer to the auditor that, hey, received \$100, cleaned out \$100, and that was the end of it. But that's how I saw that. But I'm happy to, you know, hear what you, Susan and Michelle have done. But we can cross that bridge given the time we are at. It's almost five. We can cross that bridge when we get to it.

MO: Right. Right. Okay.

KP: Wonderful. Okay. So is that it on the presentation of the financials are good?

MO: Yeah, I think so.

KP: And seeing as there's no committees operating, I think we're done there.

MO: Yes. I think so. And we have no need for executive session. True?

KP: No.

MO: Okay. Very good. And then we need the motions to adjourn.

MC: I'm sorry.

KP: Hold on.

MC: I'm sorry I'm unmuting myself real quick. From an audit perspective, I just want to give you the opportunity to go into executive session with me if you feel that's necessary.

MO: I don't think we do, and the process to do that is to stop this meeting. Give you another conference call number, have you call into that. It's more trouble than it's worth.

MC: Okay.

KP: And I don't think we had anything we needed to discuss in executive, so.

MO: We don't have any questions anyway.

MC: Okay. I just want to make sure the Board is comfortable.

KP: Yeah. Appreciate that. Yeah.

MC: If you need to contact me, make sure, I'm sure you can get my information to contact me.

KP: Yes.

MO: Absolutely.

MC: Thank you.

MO: We appreciate that. Thank you.

KP: All right.

MO: All right.

KP: So do I have a motion to adjourn?

GA: [Raises hand.]

JK: [Raises hand.]

KP: Guy, don't jump so quickly. Guy.

DB: Guy was like, "All right. Gone."

KP: And Joe second it. So all in favor.

JBH: [Raises hand.]

GA: [Raises hand.]

KP: One last one. Here we go.

JK: One thing before everyone leaves. My wife just came back from Thimble Tailor.  
They have masks--

[END OF RECORDING]