



**Renaissance Charter High School for Innovation**

**Meeting of the Board of Trustees**

**April 29th, 2015**

**410 East 100th Street, New York, NY 10029**

**Finance & Audit Committee Meeting Minutes**

**1. Roll Call**

Committee Chairperson Sona Karia called the meeting to order. Committee members Ivan Fraser and Jon Jelley were also present, constituting a quorum for purposes of conducting business. Also present were Stephen Falla Riff (Executive Director), Mike Jolley (Development & External Affairs Coordinator), Debbie DaGiau (Associate Director of HR/Finance), and Loeb & Troper representatives Bernie Grotell and Joe Blatt.

**2. Filing of Notice of Meeting**

In accordance with the law, a notice of the meeting was published on the school's website, sent via email to the New York Times and also posted publicly at the M99 School Building where Innovation High School is located at 410 East 100th Street New York, NY 10029.

**3. Introduction and Audit Planning (Loeb & Troper)**

Mr. Grotell and Mr. Blatt introduced themselves to the Committee and discussed their approach to audit planning including collection of extensive information about the organization's internal controls, financial management, and other process related to compliance. They reviewed the phases of their audit process and planning document.

Mr. Falla Riff gave an overview of Innovation's relevant policies for the Committee and asked for feedback from Mr. Grotell and Mr. Blatt. Upon discussion they suggested that Mr. Jelley should not remain a member of Innovation's Finance & Audit Committee in order to maintain compliance with the Nonprofit Revitalization Act of 2013 as he may not be considered an "independent" director. The Committee discussed Mr. Jelley's replacement on this Committee in the next regularly scheduled Board meeting.

**4. Review of 2013-14 Form 990 (Executive Director)**

Mr. Falla Riff distributed a draft of the 2013 Form 990 prepared by Arthur Bader CPA with notes from Loeb & Troper to the Board to review. Upon review it became clear that additional edits to the Form 990 were required.

Mr. Falla Riff agreed to send Mr. Bader an email with an itemized list of changes and to follow up to ensure that the filing occurs prior to the deadline for submission to the IRS. Mr. Falla Riff will reach out to Mr. Bader with notes for additional revision in order to meet the upcoming deadline.

#### **5. Review Committee Charter and Confirm Calendar of Committee Meetings (Executive Director)**

Mr. Falla Riff distributed and reviewed a draft of the Finance & Audit Committee charter for discussion including relevant dates and duties of the Committee. The draft charter will be presented to the Board for approval in the upcoming regularly scheduled meeting. Once the 2015-16 calendar of Board meetings is established, Finance & Audit Committee meetings will be scheduled.

#### **6. Update 2015-16 Budget (Executive Director)**

Mr. Falla Riff reviewed the budget process to date for the Committee including the two included student enrollment scenarios and their impact on revenue. He stated that an enrollment estimate for the 2015-16 school year would be determined by the Principal and Director of Student Life & Community Engagement within the next week. Ms. Karia raised a question about increasing school expenditures related to compensation and cost of living and suggested that this may be an issue for future discussion with the Board.

Mr. Falla Riff also requested input from the Committee on behalf of the Principal related to the possibility of Board approval of the school operating at a loss based on one-time expenses only. Ms. Karia expressed that, although other Board members may approve projected losses, she would be hesitant to do so. The Committee also discussed the relevance of determining an appropriate cash reserve that would help inform any decisions about approved losses. Mr. Jolley and Ms. DaGiau suggested that Innovation's financial services consultant, Charter School Business Management, may be able to provide advice to the Board about best practices in this area.

#### **7. Other new business**

No other new business was discussed

#### **8. Adjournment**

Ms. Karia motioned to adjourn and Mr. Jelley seconded. The motion carried unanimously and the meeting was concluded.