



Mission Statement

The mission of Detroit Community Schools is to awaken our students' highest aspirations and develop the capabilities they need to lead purposeful and productive lives. We believe that all students should be prepared to enter college, pursue a career or engage in other forms of meaningful work in our ever-changing global society. Therefore, we offer a rigorous educational program that integrates academic, artistic, and experiential learning within a supportive community characterized by encouragement, collaboration, and mutual respect.

**Detroit Community Schools
12675 Burt Rd
Detroit, MI 48223
313-537-3570**

**December Special Board of Directors' Meeting Agenda
December 2, 2012
8:30 p.m.**

I. CALL TO ORDER BY THE BOARD PRESIDENT at 8:33

Roll Call

- | | |
|---------|---------|
| Lewis | absent |
| LoPatin | present |
| Posey | present |
| Watts | present |
| Zettner | present |

Others Present: VanderLaan, Tucker, Hakim, Kemp, Benjamin, McPhail, Risher, Harris, Dygert, Floyd, Flowers, Johnson (DCS Parent)

II. CALL TO THE PUBLIC

“This meeting is a meeting of the Board of Detroit Community Schools District in public for the purpose of conducting the School District’s business and is not to be considered a public community meeting. We now invite members of the public to address the Board and share any thoughts or concerns.

Comments should only be addressed to the person chairing this meeting, and per Board policy should be no longer than three minutes.”

Discussion: Johnson asked if she could review the Financial Report and VanderLaan explained that the Report would be posted on the school’s website.

III. ACCEPTANCE OF AGENDA

Moved by LoPatin, seconded by Posey, to accept the Detroit Community Schools' Special Board of Directors' Agenda for Sunday, December 2, 2012.

AYES: LoPatin, Posey, Watts, Zettner

NAYES: None

The motion to accept the Detroit Community Schools' Special Board of Directors' Agenda for Sunday, December 2, 2012 passed.

IV. DISCUSSION/ ACTION ITEMS

a) 2011-2012 Fiscal Year Financial Audit

The Board will be asked to approve and accept the Financial Audit for the fiscal year 2011-2012. Documents submitted under enclosures.

Moved by Posey, seconded by Zettner, to approve the 2011-2012 Fiscal Year Financial Audit.

Discussion: Brooks thanked everyone for coming and issued a copy of the Financial Report to the Board and stated that the date would be populated with today's date if the Board approved. Brooks went on to say that no new accounting policies were adopted this year and that auditors are required to review allocated information. He stated that there were a few delays that took place before the audit was complete. He added that he must have a representation letter by tomorrow in order for the paperwork to be filed and stated that the auditors are compensated to provide an audit and give a report. Brooks went on to make the following comments regarding the financial report:

On page 2, it states that the charter is an annual charter that is up for renewal, June 2013. Page 9 contains all assets and liabilities, with net assets totaling \$1,336, 042 and change in net assets totaling \$357,385, which was an increase of this year. LoPatin asked if the total assets is also the fund balance and Brooks responded no, the fund balance could be found on page 11, which is \$1,237,232. Posey asked what percentage of the budget does the fund balance represent and Brooks responded, 12%. Zettner asked how that relates to bond covenant and Brooks responded that bond payments are a percentage of revenues which is applied to expenditures. Posey asked if the excess of revenues under expenditures, which totaled \$117,524, was because we didn't get enough money from the Government and Brooks answered yes! McPhail added that the lunch cards weren't working when she got here.

In the report on expenditures to Federal Awards, Brooks stated that they review financial reporting of those funds making sure money is being spent correctly. He added that any school receiving funds must have written policies and procedures for those

funds, which the State of Michigan requires (see page 12). LoPatin asked whom DCS should be hiring to put the policies and procedures together. Brooks stated that there is a website that has been populated for policies and procedures. Brooks added that they followed up on last year's findings that were reported which were in compliance this year.

In the Letter of Comments and Recommendations Report, Brooks added that there was a gap only when there was a change in Business Managers, regarding bank requisitions. He added that there wasn't always a receipt attached to good ordered and that a packing slip needs to be attached to the purchase order. Regarding the accounting software, Brooks stated that DCS currently has QuickBooks but suggested RAMS instead adding that he has suggested RAMS to previous Business Managers but never to the BOD. McPhail added that RAMS is a Wayne County RESA system also known as Zango, which DCS should have up and running, by first of the year. Posey asked Brooks if other school districts see the auditors more than once a year and how DCS can get them here more than once a year to make sure DCS is compliant. Brooks stated that the auditors could help throughout the year. LoPatin asked Brooks what his overall assessment of this last year would be and Brooks responded good! Brooks added that DCS had 3 findings and other districts have had 9-10 findings. LoPatin asked if any federal programs would be thinking about taking funds back and Brooks answered no!

LoPatin asked if there were any questions from the audience. Johnson asked how much the RAMS system would cost as opposed to keeping QuickBooks. VanderLaan responded that we shouldn't ask the auditors that question. Johnson asked how the lunch program was short and LoPatin answered that it isn't uncommon for lunch programs to be net losers in Food Service. Johnson asked what the working capital for the 2012-2013 school year is and LoPatin responded \$1.2 million but not cash. LoPatin added that the state gives money based on what the school did last year. LoPatin added that it is a BOD decision to change over from QuickBooks to RAMS and he would like to see the analysis before we spend the money for RAMS

AYES: LoPatin, Posey, Watts, Zettner

NAYES: None

The motion to approve and accept the Financial Audit for the fiscal year 2011-2012 passed.

V. ENCLOSURES

- 2011-2012 Fiscal Year Financial Audit Report
- Board Resolution

CALL TO THE PUBLIC

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Discussion: Several people raised their hands to make comments and VanderLaan stated that any issues other than the Financial Report could not be discussed at this meeting since it is a Special BOD Meeting. Johnson asked if she could get a copy of the report and VanderLaan responded that the report would be uploaded on the school’s website. Risher asked if the auditors took a look at this year’s budget and Brooks responded that the auditors were responsible through June 2012 but did look for subsequent present events.

Floyd expressed that the Call to the Public states, “we now invite members of the public to address the Board and share any thoughts or concerns.” VanderLaan stated that the language in the Call to the Public should have been changed for the Special BOD Meetings.

ADJOURNMENT

Moved by LoPatin, seconded by Posey, to adjourn the December 2, 2012, Special Board of Directors’ Meeting.

AYES: LoPatin, Posey, Watts, Zettner

NAYES: None

The motion to adjourn the December 2, 2012, Special Board of Directors’ Meeting passed.

The December Special Board of Directors’ Meeting adjourned at 9:22 p.m.

I hereby certify that the foregoing is a true and complete copy of the minutes of the December 2, 2012 Detroit Community Schools Special Board of Directors' Meeting.


Secretary, Board of Directors

12-17-2012
Date: