

SCHOOL DISTRICT OF THE
CITY OF HAZEL PARK
COUNTY OF OAKLAND AND STATE OF MICHIGAN
STUDY SESSION

CALL TO ORDER

The Study Session of the Hazel Park Board of Education was held at the Ford School Administration Office on February 16, 2015, and was called to order by President Noth at 6:47 p.m.

ROLL CALL

Members Present: Noth, Hinton, Hemple, Nagy, Polowski
Members Absent: Hammonds, Adkins
Others Present: Berger, Hazekamp, Meisinger, Paterson

APPROVAL OF THE AGENDA

Moved by Mrs. Polowski, supported by Mrs. Hemple, that the Agenda be approved as written.

Discussion

None

Roll Call Vote

Yeas: Polowski, Hemple, Hinton, Nagy, Noth
Nays: None

ORDER OF BUSINESS

1. Review of Hazel Park Schools Financial Structure

Mr. Charles Hazekamp, Interim Chief Business Official, reviewed with the Board of Education how the District receives State and Federal funding, stating that most of the District's funding comes from the State. He reviewed how the District's revenue is allocated to various funds, such as the General Fund, Special Education Center Program Fund, Food Service Fund, Latch Key Fund, Debt and Capital Projects Funds, Sinking Fund and 2012 Capital Projects Fund. Mr. Hazekamp reviewed what the Debt and Capital Project Funds are and how they are paid. He reviewed the QZAB and Energy Bonds and how the District pays them back. The Sinking Fund is connected to the local millage and the uses of these funds are very specific. Mr. Hazekamp reviewed and explained Rhonda Kribs' PowerPoint presentation *Michigan School Accounting Manual (Bulletin 1022) Know the Numbers and Account Structure*. Mr. Hazekamp stated that he and Mr. Robert Moore, Deputy Superintendent of Finance & Operations, have drafted the General Fund Budget. He reviewed the draft document in detail and explained key points of the budget. Mr. Hazekamp reviewed and described areas of the Required Supplemental Information Budgetary Comparison Schedule General Fund for the year ending June 30, 2014, and documentation from the 2013/14 audit. Mr. Hazekamp explained to the Board of Education how to read the Monthly Budget Report. He reminded the board that their

job is to ask questions of their Business Officials and, make them accountable for what they are reporting. Mr. Hazekamp gave the board members the Michigan Department of Education website to find various reports relating to school expense and explained how to interpret the State Aid Financial Status Report. He spoke about benchmarking and comparing to other district similar to Hazel Park when working to balance the budget. Mr. Hazekamp spoke about the difference BETWEEN the cash method and accrual. He stated that with the cash method, income is not counted until cash is actually received, and expenses are not counted until they are actually paid. Accrual accounting is when the District recognizes a revenue when it is due to the District whether it has been received or not, and recognizes an order or service as an expense whether the funds have been dispersed or not; the District does not wait until the funds are actually paid out to record the transaction. Mr. Hazekamp spoke about the months the District receives State Aid, the process to apply for grant draws, and the Michigan School Loan Revolving Fund. He stated that the budget process is a fifteen to eighteen month process. He highlighted the various cash items the District would be reviewing to build the budget. The budget draft should be ready in May for review, and then in June the Board of Education would approve the budget.

Discussion was held and questions were asked by the Board of Education and Board Counsel, of Mr. Hazekamp.

PUBLIC DISCUSSION

No Participants

BOARD MEMBER AND ADMINISTRATION COMMENTS

No Participants

ADJOURNMENT

Moved and supported that the meeting be adjourned at 7:50 p.m.

Unanimous approval.

Respectfully submitted,

Sue Hemple, Secretary
Hazel Park Board of Education