

Detroit Community Schools

Financial Statements

June 30, 2025



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

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**Detroit Community Schools
Members of the Board of Directors
June 30, 2025**

Members of the Board of Directors

Patrick Devlin, President

Nicholas Tobier, Vice President

Sheryl Thomas-Mathews, Treasurer

Marie Hocker, Secretary

Independent Auditors' Report

Management and the Board of Directors
Detroit Community Schools
Detroit, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Detroit Community Schools, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Detroit Community Schools' basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Detroit Community Schools, as of June 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Detroit Community Schools, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Detroit Community Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Detroit Community Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Detroit Community Schools' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Detroit Community Schools' basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information, as identified in the table of contents, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2025 on our consideration of Detroit Community Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Detroit Community Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Detroit Community Schools' internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Ann Arbor, MI
October 29, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Detroit Community Schools
Management's Discussion and Analysis
June 30, 2025

Detroit Community Schools, a Michigan Public School Academy, has the legal standing of a "School District", but will be referred to as "The Academy". This section of the Academy's annual financial report represents our discussion and analysis of the Academy's financial performance during the year ended June 30, 2025. Please read it in conjunction with the Academy's financial statements that immediately follow this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Academy as a whole, financially. The Academy's financial statements provide information about the activities of the Academy, and present both an aggregate view of the Academy's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, the statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the Academy's operations in more detail than the Academy's financial statements by providing information about the major funds; the General Fund and the Debt Retirement Fund with all other funds presented in one column as non-major funds.

Management's Discussion and Analysis (MD&A)
(Required Supplementary Information)

Academy-wide Financial Statements
Fund Financial Statements

Notes to Financial Statements

Budgetary Information for the General Fund
(Required Supplementary Information)

Reporting the Academy as a Whole - Academy-wide Financial Statements

One of the most important questions asked about the Academy is, "As a whole, what is the Academy's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the Academy's financial statements, report information on the Academy as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Detroit Community Schools
Management's Discussion and Analysis
June 30, 2025

These two statements report the Academy's net position, the difference between assets and liabilities, as reported in the statement of net position, as one way to measure the Academy's financial health or financial position. Over time, increases and decreases in the Academy's net position, as reported in the statement of activities, are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Academy's operating results.

The Academy experienced an increase in net position of \$619,129 for the current year. The Academy considers this significant. This is attributed to the excess of revenue over expenditures primarily in the General Fund and Nonmajor Governmental Funds for the year. The Academy saw an increase in General Fund balance and resumed principal payments on general obligation bonds which affected its net position.

The State of Michigan uses a blended student count to fund the Academy, so as the enrollment increases and/or decreases, there is a timing lag in the amount of funds provided. We may have more students, but we are not funded 100% for those students. The Academy's goal is to provide services to our students, not to generate profit as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the Academy.

The statement of net position and statement of activities report the governmental activities for the Academy, which encompass all of the Academy's services, including instruction, support services, food services, athletics, community services, and interest on long-term debt. Unrestricted State Aid (foundation allowance revenue), and State and Federal grants finance most of these activities.

Reporting the Academy's Most Significant Funds - Fund Financial Statements

The Academy's fund financial statements provide detailed information about the most significant funds, not the Academy as a whole. Some funds are required to be established by State law. However, the Academy establishes other funds to help it control and manage money or to show it is meeting legal responsibilities for using certain grants, or other money. The governmental funds of the Academy use the following accounting approach:

Governmental funds - All of the Academy's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the Academy and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Academy's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation.

Detroit Community Schools
Management's Discussion and Analysis
June 30, 2025

The Academy as Trustee - Reporting the Academy's Fiduciary Responsibilities

The Academy is the trustee, or fiduciary, for its student activity funds. All of the Academy's fiduciary activities are reported in the separate statement of fiduciary net position. We exclude these activities from the Academy's other financial statements because the Academy cannot use these assets to finance its operations. The Academy is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The Academy as a Whole

Recall that the statement of net position provides the perspective of the Academy as a whole. Table I provides a summary of the Academy's net position as of June 30, 2025 and 2024. For comparative purposes, the Academy has provided the net position as of June 30:

Table I

	Governmental Activities	
	2025	2024
Assets		
Current and other assets	\$ 4,415,642	\$ 3,823,705
Capital assets, net of accumulated depreciation	4,929,451	5,281,657
Total assets	<u>\$ 9,345,093</u>	<u>\$ 9,105,362</u>
Liabilities		
Current liabilities	\$ 1,645,280	\$ 1,594,450
Long-term liabilities	7,957,807	8,388,035
Total liabilities	<u>9,603,087</u>	<u>9,982,485</u>
Net position		
Net deficit investment in capital assets	(3,028,356)	(3,106,378)
Restricted for Food service	300,174	263,435
Restricted for Debt service	1,279,967	1,294,684
Unrestricted	1,190,221	671,136
Total net position	<u>\$ (257,994)</u>	<u>\$ (877,123)</u>

Detroit Community Schools
Management's Discussion and Analysis
June 30, 2025

The above analysis focuses on the net position (see Table I). The change in net position (see Table II) of the Academy's governmental activities is discussed below. The Academy's net position increased by \$619,129 at June 30, 2025. Capital assets, net of related debt, compares the original cost, less depreciation of the Academy's capital assets to long-term obligations which were used to finance the acquisition of those assets.

The \$(257,994) in total net position represents the accumulated results of all past years' operations. The operating results of the funds will have a significant impact on the change in unrestricted net position from year to year. The \$(3,028,356) deficit in net capital assets is a function of the net book value of capital assets less the outstanding bonded debt.

The results of this year's operations for the Academy as a whole are reported in the statement of activities (see Table II), which shows the changes in net assets for year ended June 30, 2025. For comparative purposes, the Academy has provided the statement of activities as of June 30, 2024:

Table II	Governmental Activities	
	2025	2024
Revenue		
Program revenue		
Charges for services	\$ 37,642	\$ 30,217
Grants and contributions	3,514,743	3,993,974
General revenue		
State foundation allowance	6,396,887	5,327,432
Interest and investment earnings	58,908	54,673
Other	63,534	124,088
Total revenue	10,071,714	9,530,384
Functional/Program Expense		
Instruction	3,408,556	3,486,487
Support services	4,927,430	5,013,235
Student and school activities	38,223	27,914
Food services	500,928	528,175
Athletics	127,764	149,886
Community services	45,498	86,344
Interest on long-term obligations	404,186	421,409
Total expenses	9,452,585	9,713,450
Change in net position	\$ 619,129	\$ (183,066)

Detroit Community Schools
Management's Discussion and Analysis
June 30, 2025

As reported in the statement of activities, the cost of all of our governmental activities this year were \$9,452,585 compared to \$9,713,450 in the prior year. Certain activities were partially funded from those individuals that benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions (\$3,514,743 current and \$3,993,974 prior). We paid for the remaining "public benefit" portion of our government activities with \$6,396,887 in 2025 and \$5,327,432 in 2024 in State Foundation Allowance, and with our other revenues.

The Academy's Funds

As we noted earlier, the Academy uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the Academy is being accountable for the resources taxpayers, via the State Foundation, and others provide to it and may provide more insight into the Academy's overall financial health.

In the General Fund, our principal operating fund, the fund balance increased by \$488,668 to a \$1,144,387 surplus. The Academy saw an increase in enrollment resulting in an increase in State Aid and also worked to manage its budget to grow its General Fund balance and ensure sufficient funds to pay principal on its outstanding bonds which resumed for the year ended June 30, 2025.

The Academy maintains a debt retirement fund to account for the resources to retire its bonds. The Academy's bond issuances feature a savings account be held as a reserve fund of approximately \$1,300,000. The Academy does not receive local property tax revenues to assist in paying its principal and interest obligations. Therefore, the Academy relies on transfers from the General Fund to the Debt Retirement Fund to pay amounts due under the bond agreement.

The Academy maintains three nonmajor governmental funds. The Academy's Cafeteria Fund provides meals to students and is responsible for all food service claims and all food service-related costs. The Academy had food sales of \$543,663 before expenditures of \$506,924 which resulted in a increase in food service fund balance of \$36,739. The Academy's Student and School Activities Fund maintains revenue and pays expenditures related to certain activities benefiting students and families and the Academy. The Student and School Activities Fund had revenue of \$34,449 before expenditures of \$38,223 which resulted in a decrease in fund balance of \$3,774. The Capital Projects Fund had revenue of \$3,996 before expenditures of \$0 and other financing sources of \$30,195 which resulted in an increase in fund balance of \$34,191.

General Fund Budgetary Highlights

Over the course of the year, the Academy can revise its budget as it attempts to deal with changes in revenues and expenditures. State law requires that the budget be amended to ensure the expenditures do not exceed appropriations. A schedule showing the Academy's original and final budget amounts compared with amounts actually paid and received is provided in the required supplementary information of these financial statements. There were significant changes to the original budget because of decreases in revenues and decreases in expenditures due to controlled spending.

There were significant revisions made to the 2024-2025 General Fund original budget.

Detroit Community Schools
Management's Discussion and Analysis
June 30, 2025

Budgeted revenue was increased by \$1,430,006 due to increases in foundation allowance and Federal award spending. Budgeted expenditures were increased by \$1,612,183, primarily due to increased employment, occupancy and capital outlay costs associated with equipment and improvements.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2025 the Academy had \$15,322,593 invested in a broad range of capital assets, including land and building, furniture and equipment, computers and vehicles.

	2025	2024
Land	\$ 132,754	\$ 132,754
Building and improvements	12,385,814	12,385,814
Land improvements	130,720	130,720
Furniture and equipment	2,272,280	2,272,280
Vehicles	163,296	163,296
Right to use asset - buses and other vehicles	237,729	137,791
Total capital assets	15,322,593	15,222,655
Less accumulated depreciation	10,393,142	9,940,998
Net capital assets	\$ 4,929,451	\$ 5,281,657

We present more detailed information about our capital assets in the notes to the financial statements.

Debts

The Academy had \$543,612 and \$516,967 as current debt and \$7,414,195 and \$7,871,068 in long-term debt obligations as of June 30, 2025 and 2024, respectively. After a bond refunding in 2022 that paused principal payments on the bond through June 30, 2024, the Academy resumed principal payments for the year ended June 30, 2025.

Economic Factors and Next Year's Budgets and Rates

The Academy's preliminary budget for the year end June 30, 2026 was based on 663 blended student count. Once the final student count and related pupil finding is validated, the budget will be amended. State law requires the Academy to amend the budget if actual Academy resources are not sufficient to fund the original appropriations.

Detroit Community Schools
Management's Discussion and Analysis
June 30, 2025

Since the Academy's revenue is heavily dependent on State funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenues to fund its appropriation to school districts.

Contingency

Bay Mills Community College entered into a Charter School authorized contract with Detroit Community Schools. The charter school authorized contract is effective through June 30, 2026.

Contacting the Academy's Financial Management

This financial report is designed to provide the Academy's customers, investors and creditors with a general overview of the Academy's finances and to demonstrate the Academy's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Business Office, 12675 Burt Rd, Detroit, MI 48223.

BASIC FINANCIAL STATEMENTS

Detroit Community Schools
Statement of Net Position
June 30, 2025

	<u>Governmental Activities</u>
Assets	
Cash	\$ 1,016,965
Due from other governmental units	1,595,751
Investments	1,537,368
Prepaid items	265,558
Capital assets not being depreciated	132,754
Capital assets - net of accumulated depreciation	<u>4,796,697</u>
Total assets	<u>9,345,093</u>
Liabilities	
Accounts payable	69,606
Accrued expenditures	599,771
Unearned revenue	975,903
Long-term liabilities	
Due within one year	543,612
Due in more than one year	<u>7,414,195</u>
Total liabilities	<u>9,603,087</u>
Net Position	
Net investment in capital assets	(3,028,356)
Restricted for	
Food service	300,174
Debt service	1,279,967
Unrestricted	<u>1,190,221</u>
Total net position	<u>\$ (257,994)</u>

See Accompanying Notes to the Financial Statements

Detroit Community Schools
Statement of Activities
For the Year Ended June 30, 2025

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions		Net (Expense) Revenue and Changes in Net Position
Functions/Programs				
Governmental activities				
Instruction	\$ 3,408,556	\$ -	\$ 1,907,581	\$ (1,500,975)
Supporting services	4,927,430	-	1,091,215	(3,836,215)
Athletics	127,764	3,057	-	(124,707)
Student and school activities	38,223	34,449	-	(3,774)
Food services	500,928	136	509,401	8,609
Community services	45,498	-	6,546	(38,952)
Interest and fiscal charges on long-term debt	404,186	-	-	(404,186)
Total governmental activities	\$ 9,452,585	\$ 37,642	\$ 3,514,743	(5,900,200)
General revenues				
State aid - unrestricted				6,396,887
Interest and investment earnings				58,908
Other				63,534
Total general revenues				6,519,329
Change in net position				619,129
Net position - beginning				(877,123)
Net position - ending				\$ (257,994)

See Accompanying Notes to the Financial Statements

Detroit Community Schools
Governmental Funds
Balance Sheet
June 30, 2025

	General Fund	Debt Retirement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 1,016,965	\$ -	\$ -	\$ 1,016,965
Due from other funds	164,996	-	311,817	476,813
Due from other governmental units	1,595,751	-	-	1,595,751
Investments	-	1,420,813	116,555	1,537,368
Prepaid items	<u>265,558</u>	<u>-</u>	<u>-</u>	<u>265,558</u>
Total assets	<u>\$ 3,043,270</u>	<u>\$ 1,420,813</u>	<u>\$ 428,372</u>	<u>\$ 4,892,455</u>
Liabilities				
Accounts payable	\$ 69,606	\$ -	\$ -	\$ 69,606
Due to other funds	311,817	82,632	82,364	476,813
Accrued expenditures	541,557	-	-	541,557
Unearned revenue	<u>975,903</u>	<u>-</u>	<u>-</u>	<u>975,903</u>
Total liabilities	<u>1,898,883</u>	<u>82,632</u>	<u>82,364</u>	<u>2,063,879</u>

See Accompanying Notes to the Financial Statements

Detroit Community Schools
Governmental Funds
Balance Sheet
June 30, 2025

	General Fund	Debt Retirement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances				
Non-spendable				
Prepaid items	265,558	-	-	265,558
Restricted for				
Food service	-	-	300,174	300,174
Debt service	-	1,338,181	-	1,338,181
Committed for student and school activities	-	-	11,643	11,643
Assigned				
Capital projects	-	-	34,191	34,191
Assigned for future budgeted expenditures over revenues	239,622	-	-	239,622
Unassigned	639,207	-	-	639,207
Total fund balances	<u>1,144,387</u>	<u>1,338,181</u>	<u>346,008</u>	<u>2,828,576</u>
Total liabilities and fund balances	<u>\$ 3,043,270</u>	<u>\$ 1,420,813</u>	<u>\$ 428,372</u>	<u>\$ 4,892,455</u>

See Accompanying Notes to the Financial Statements

Detroit Community Schools
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025

Total fund balances for governmental funds	\$ 2,828,576
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	132,754
Capital assets - net of accumulated depreciation	4,796,697
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(58,214)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Bonds payable	(7,855,000)
Other loans payable and liabilities	<u>(102,807)</u>
Net position of governmental activities	<u>\$ (257,994)</u>

Detroit Community Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	General Fund	Debt Retirement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Local sources	\$ 60,305	\$ 54,855	\$ 38,581	\$ 153,741
State sources	8,362,982	-	699	8,363,681
Federal sources	727,765	-	542,828	1,270,593
Interdistrict sources	283,699	-	-	283,699
	<u>9,434,751</u>	<u>54,855</u>	<u>582,108</u>	<u>10,071,714</u>
Total revenues				
Expenditures				
Current				
Education				
Instruction	3,209,706	-	-	3,209,706
Supporting services	4,638,011	2,151	-	4,640,162
Student and school activities	-	-	38,223	38,223
Food services	-	-	506,924	506,924
Community services	46,497	-	-	46,497
Athletic activities	96,114	-	-	96,114
Capital outlay	158,567	-	-	158,567
Debt service				
Principal	60,166	470,000	-	530,166
Interest and other expenditures	3,169	404,500	-	407,669
	<u>8,212,230</u>	<u>876,651</u>	<u>545,147</u>	<u>9,634,028</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>1,222,521</u>	<u>(821,796)</u>	<u>36,961</u>	<u>437,686</u>

See Accompanying Notes to the Financial Statements

Detroit Community Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	General Fund	Debt Retirement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)				
Proceeds from issuance of leases	99,938	-	-	99,938
Transfers in	-	803,596	30,195	833,791
Transfers out	(833,791)	-	-	(833,791)
 Total other financing sources (uses)	<u>(733,853)</u>	<u>803,596</u>	<u>30,195</u>	<u>99,938</u>
 Net change in fund balances	488,668	(18,200)	67,156	537,624
 Fund balances - beginning	<u>655,719</u>	<u>1,356,381</u>	<u>278,852</u>	<u>2,290,952</u>
 Fund balances - ending	<u>\$ 1,144,387</u>	<u>\$ 1,338,181</u>	<u>\$ 346,008</u>	<u>\$ 2,828,576</u>

See Accompanying Notes to the Financial Statements

Detroit Community Schools
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balances - Total governmental funds	\$ 537,624
 Total change in net position reported for governmental activities in the statement of activities is different because:	
 Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.	
Depreciation and amortization expense	(452,144)
Capital outlay	99,938
 Expenses are recorded when incurred in the statement of activities.	
Interest	3,483
 Bond and note proceeds and leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	
Debt issued	(99,938)
Repayments of long-term debt	<u>530,166</u>
 Change in net position of governmental activities	 <u><u>\$ 619,129</u></u>

Detroit Community Schools
Notes to the Financial Statements
June 30, 2025

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Detroit Community Schools (Academy) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the Academy's significant accounting policies:

Reporting Entity

The Academy is authorized to operate as a Public School Academy under a 6 year contract with Bay Mills Community College which expires on June 30, 2026. The Academy is governed by a Board of Directors (the Board) appointed by the College. The Academy paid authorizer fees of \$260,555 to Bay Mills Community College for the year ended June 30, 2025. The Academy has \$41,341 due to the authorizer in accounts payable at June 30, 2025.

The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the Academy's reporting entity, and which organizations are legally separate component units of the Academy. The Academy has no component units.

Academy-wide Financial Statements

The Academy's basic financial statements include both academy-wide (reporting for the Academy as a whole) and fund financial statements (reporting the Academy's major funds). The academy-wide financial statements categorize all nonfiduciary activities as either governmental or business type. All of the Academy's activities are classified as governmental activities.

The statement of net position presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The Academy's net position is reported in three parts (1) net investment in

capital assets, (2) restricted net position, and (3) unrestricted net position.

The statement of activities reports both the gross and net cost of each of the Academy's functions. The functions are also supported by general government revenues (property taxes and certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). In creating the academy-wide financial statements the Academy has eliminated interfund transactions.

The academy-wide focus is on the sustainability of the Academy as an entity and the change in the Academy's net position resulting from current year activities.

Fund Financial Statements

Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Academy considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Detroit Community Schools
Notes to the Financial Statements
June 30, 2025

Unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The Academy reports the following major governmental funds:

General Fund - The General Fund is used to record the general operations of the Academy pertaining to education and those operations not required to be provided for in other funds.

Debt Retirement Fund - The Debt Retirement Fund is used to record interest and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

Additionally, the Academy reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Academy's Special Revenue Funds include the Cafeteria Fund and Student and School Activity Fund.

Capital Projects Fund - The Capital Project Fund is used to record transfers from the General Fund and the disbursement of invoices specifically for acquiring equipment, and for remodeling and repairs. The fund is kept open until the purpose for which the fund was created has been accomplished.

Assets, Liabilities and Net Position or Fund Balance

Receivables and Payables - Generally, outstanding amounts owed between funds are classified as "due from/to other funds". These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

All trade receivables are shown net of an allowance for uncollectible amounts. The Academy considers all accounts receivable to be fully

collectible; accordingly, no allowance for uncollectible amounts is recorded.

Prepaid Items - Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the Academy follows the consumption method, and they therefore are capitalized as prepaid items in both academy-wide and fund financial statements.

Capital Assets - Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The Academy defines capital assets as assets with an initial individual cost in excess of \$500. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The Academy does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20 - 50 years
Site improvements	10 - 20 years
Equipment and furniture	5 - 10 years
Buses and other vehicles	5 - 10 years

Long-term Obligations - In the academy-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period.

In the Academy's fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses.

Detroit Community Schools
Notes to the Financial Statements
June 30, 2025

Fund Balance - In the fund financial statements, governmental funds report fund balances in the following categories:

Non-spendable - amounts that are not available in a spendable form.

Restricted - amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed - amounts that have been formally set aside by the Board for specific purposes. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Directors.

Assigned - amounts intended to be used for specific purposes, as determined by the Board. The Board has the authority to assign funds. Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

Unassigned - all other resources; the remaining fund balances after non-spendable, restrictions, commitments, and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Academy's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the Academy's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as well as deferred inflows and deferred outflows

of resources at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Eliminations and Reclassifications

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Adoption of New Accounting Standards

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints.

Upcoming Accounting and Reporting Changes

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This Statement included changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This Statement is effective for the year ending June 30, 2026.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-

Detroit Community Schools
Notes to the Financial Statements
June 30, 2025

Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. This Statement is effective for the year ending June 30, 2026.

The Academy is evaluating the impact that the above pronouncements will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby canceling all encumbrances. These appropriations are reestablished at the beginning of the year.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the Academy to have its budget in place by July 1. An Academy is not considered in violation of the law if reasonable procedures are in use by the Academy to detect violations.

The Superintendent is authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.

Budgeted amounts are as originally adopted or as amended by the Board of Directors throughout the year.

Excess of Expenditures over Appropriations

During the year, the Academy incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Instructional staff	\$ 318,701	\$ 329,881	\$ 11,180
School administration	573,330	645,721	72,391
Capital outlay	49,100	158,567	109,467
Debt service	48,600	63,335	14,735
Student and School Activities Fund	28,000	38,223	10,223

Detroit Community Schools
Notes to the Financial Statements
June 30, 2025

Note 3 - Deposits and Investments

The Academy's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities
Cash	\$ 1,016,965
Investments	1,537,368
	\$ 2,554,333

The breakdown between deposits and investments for the Academy is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 1,016,965
Investments in securities, mutual funds, and similar vehicles	1,537,368
Total	\$ 2,554,333

As of year end, the Academy had the following investments:

Investment	Carrying Value	Maturities	Rating	Rating Organization
U.S. Treasury Fund	\$ <u>1,537,368</u>	August 2025	AAA	S&P

Interest rate risk - In accordance with its investment policy, the Academy will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools

and limiting the average maturity in accordance with the Academy's cash requirements.

Concentration of credit risk - The Academy has no policy that would limit the amount that may be invested with any one issuer. The Academy maintains a policy that investments in U.S. Treasury securities and those other securities completely guaranteed by the Treasury as to payment of principal and interest may be purchased in any dollar amount or up to 100% of the available reserves. The Academy maintains a policy that investments in other types of authorized securities may be made with the provision that no more than 50% of the total current investment portfolio consists of one type of security.

Custodial credit risk - deposits - In the case of deposits, this is the risk that in the event of a bank failure, the Academy's deposits may not be returned to it. The Academy does not have a deposit policy for custodial credit risk. As of year end, \$667,101 of the Academy's bank balance of \$1,021,055 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk - investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of year end, the School District's U. S. Treasury Fund investments of \$1,537,368 were uninsured.

Detroit Community Schools
Notes to the Financial Statements
June 30, 2025

Note 4 - Fair Value Measurements

The Academy categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Academy has the following recurring fair value measurements as of June 30, 2025:

- U.S. Treasury securities of \$1,537,368 are valued using quoted market prices (Level 1 inputs)

Note 5 - Capital Assets

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 132,754	\$ -	\$ -	\$ 132,754
Capital assets being depreciated				
Buildings and additions	12,385,814	-	-	12,385,814
Site improvements	130,720	-	-	130,720
Equipment and furniture	2,272,280	-	-	2,272,280
Buses and other vehicles	163,296	-	-	163,296
Right to use asset - buses and other vehicles	137,791	99,938	-	237,729
Total capital assets being depreciated	<u>15,089,901</u>	<u>99,938</u>	<u>-</u>	<u>15,189,839</u>
Less accumulated depreciation for				
Buildings and additions	7,432,939	362,057	-	7,794,996
Site improvements	130,721	-	-	130,721
Equipment and furniture	2,171,692	19,297	-	2,190,989
Buses and other vehicles	129,096	10,800	-	139,896
Right to use asset - buses and other vehicles	76,550	59,990	-	136,540
Total accumulated depreciation	<u>9,940,998</u>	<u>452,144</u>	<u>-</u>	<u>10,393,142</u>
Net capital assets being depreciated	<u>5,148,903</u>	<u>(352,206)</u>	<u>-</u>	<u>4,796,697</u>
Net capital assets	<u>\$5,281,657</u>	<u>\$ (352,206)</u>	<u>\$ -</u>	<u>\$4,929,451</u>

Depreciation expense of capital assets and amortization expense of right to use assets were charged to activities of the Academy as follows:

Governmental activities	
Instruction	\$ 171,815
Supporting services	248,679
Food services	<u>31,650</u>
Total governmental activities	<u>\$ 452,144</u>

Detroit Community Schools
Notes to the Financial Statements
June 30, 2025

Note 6 - Interfund Receivables, Payables, and Transfers

Individual interfund receivable and payable balances at year end were:

Payable Fund	Receivable Fund	Amount
General Fund	Nonmajor Governmental Fund	\$ 311,817
Debt Service	General Fund	82,632
Nonmajor Governmental Fund	General Fund	<u>82,364</u>
		<u>\$ 476,813</u>

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Interfund transfers consist of the following:

Transfers in	Transfers Out
	General Fund
Debt Retirement Fund	\$ 803,596
Nonmajor governmental funds	<u>30,195</u>
	<u>\$ 833,791</u>

Transfers from the General Fund to Debt Retirement Fund were made to cover the Academy's debt needs that could not be provided by Debt Retirement Fund revenue. Transfers from the General Fund to Nonmajor governmental funds were for funds anticipated to cover future capital projects.

Note 7 - Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the components of unearned revenue are as follows:

Grant and categorical aid payments received prior to meeting all eligibility requirements	<u>\$ 975,903</u>
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Note 8 - Leases

At June 30, 2025, the Academy has the following multi-year lease agreements:

Three buses with an initial lease liability of \$137,791 due in monthly installments of \$4,050 at a discount rate of 3.92%. Payments began November 2022 and continue for 36 months until the final payment in October 2025.	\$ 16,069
One bus with an initial lease liability of \$99,938 due in monthly installments of \$2,947 at a discount rate of 3.92%. Payments begin February 2025 and continue for 36 months until the final payment in January 2028.	<u>86,738</u>
Total	<u>\$ 102,807</u>

Detroit Community Schools
Notes to the Financial Statements
June 30, 2025

As of June 30, 2025, the value of the future required annual principal and interest payments are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 48,612	\$ 2,952
2027	33,843	1,521
2028	<u>20,352</u>	<u>277</u>
Total	<u>\$ 102,807</u>	<u>\$ 4,750</u>

Note 9 - Long-Term Debt

The Academy issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the Academy. Other long-term obligations include lease liabilities.

Long-term obligation activity is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Bonds and notes payable					
General obligation bonds	\$8,325,000	\$ -	\$ 470,000	\$7,855,000	\$ 495,000
Other liabilities					
Leases	<u>63,035</u>	<u>99,938</u>	<u>60,166</u>	<u>102,807</u>	<u>48,612</u>
Total	<u>\$8,388,035</u>	<u>\$ 99,938</u>	<u>\$ 530,166</u>	<u>\$7,957,807</u>	<u>\$ 543,612</u>

General obligation bonds payable at year end, consist of the following:

\$8,325,000 original issuance, 2021 refunding bond due in annual installments of \$495,000 to \$1,635,000 through November 2036, interest at 5.0% \$ 7,855,000

Future principal and interest requirements for bonded debt and direct borrowings and direct placements are as follows:

<u>Year Ending June 30,</u>	<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 495,000	\$ 392,750
2027	520,000	368,000
2028	545,000	342,000
2029	575,000	314,750
2030	600,000	286,000
2031-2035	3,485,000	948,250
2036	<u>1,635,000</u>	<u>81,750</u>
Total	<u>\$ 7,855,000</u>	<u>\$ 2,733,500</u>

The general obligation bonds are payable from the Debt Retirement Fund. As of year end, the fund had a balance of \$1,338,181 to pay this debt. Future debt and interest will be payable from future tax levies.

The Academy is bound to two covenants related to the outstanding bond debt. The first covenant, operating reserve balance covenant, requires that the Academy maintain at least 60 days cash on hand as measured on the last day of each fiscal year. The second covenant, debt service coverage ratio covenant, further requires the Academy to maintain 90 days cash on hand and a debt service coverage ratio that will be at least 1.0 times during the fiscal year or, if the Academy maintains fewer than 90 days of cash on hand, the Academy will maintain a debt service coverage ratio that will be at least 1.1 times during the fiscal year. The Academy is required to provide a certification to the Trustee for both covenants by December 31 of each fiscal year. As of June 30, 2025, the Academy met the cash on hand covenant test,

Detroit Community Schools
Notes to the Financial Statements
June 30, 2025

but did not meet the debt service coverage covenant test.

Note 10 - Risk Management

The Academy is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) and certain medical benefits provided to employees. The Academy has purchased commercial insurance for general liability, property and casualty and health and vision claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past three fiscal years.

Note 11 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although the Academy expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year June 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

Detroit Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Revenues				
Local sources	\$ 88,000	\$ 45,100	\$ 60,305	\$ 15,205
State sources	7,707,482	8,838,437	8,362,982	(475,455)
Federal sources	665,752	1,007,703	727,765	(279,938)
Interdistrict sources	-	-	283,699	283,699
	<u>8,461,234</u>	<u>9,891,240</u>	<u>9,434,751</u>	<u>(456,489)</u>
Expenditures				
Instruction				
Basic programs	2,885,998	2,892,614	2,289,756	(602,858)
Added needs	331,383	1,119,684	919,950	(199,734)
Supporting services				
Pupil	575,433	694,564	518,889	(175,675)
Instructional staff	152,000	318,701	329,881	11,180
General administration	967,698	1,298,912	1,265,774	(33,138)
School administration	296,000	573,330	645,721	72,391
Business	175,250	110,300	103,450	(6,850)
Operations and maintenance	1,154,000	1,172,694	1,169,703	(2,991)
Pupil transportation services	392,500	578,007	563,072	(14,935)
Central	345,465	111,928	41,521	(70,407)
Athletic activities	139,120	123,060	96,114	(26,946)
Community services	95,300	79,436	46,497	(32,939)
Capital outlay	-	49,100	158,567	109,467
Debt service				
Principal	46,967	46,967	60,166	13,199
Interest and fiscal charges	1,633	1,633	3,169	1,536
	<u>7,558,747</u>	<u>9,170,930</u>	<u>8,212,230</u>	<u>(958,700)</u>
Excess (deficiency) of revenues over expenditures	902,487	720,310	1,222,521	502,211

Detroit Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Other Financing Sources (Uses)				
Proceeds from issuance of leases	-	-	99,938	99,938
Transfers in	45,000	-	-	-
Transfers out	(937,536)	(917,536)	(833,791)	(83,745)
Total other financing sources (uses)	(892,536)	(917,536)	(733,853)	16,193
Net change in fund balances	9,951	(197,226)	488,668	685,894
Fund balance - beginning	655,719	655,719	655,719	-
Fund balance - ending	<u>\$ 665,670</u>	<u>\$ 458,493</u>	<u>\$ 1,144,387</u>	<u>\$ 685,894</u>

OTHER SUPPLEMENTARY INFORMATION

**Detroit Community Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025**

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	<u>Cafeteria</u>	Student and School Activities Fund	<u>Capital Projects Fund</u>	
Assets				
Due from other funds	\$ 300,174	\$ 11,643	\$ -	\$ 311,817
Investments	<u>-</u>	<u>-</u>	<u>116,555</u>	<u>116,555</u>
Total assets	<u>\$ 300,174</u>	<u>\$ 11,643</u>	<u>\$ 116,555</u>	<u>\$ 428,372</u>
Liabilities				
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,364</u>	<u>\$ 82,364</u>
Fund Balances				
Restricted for				
Food service	300,174	-	-	300,174
Assigned				
Capital projects	-	-	34,191	34,191
Committed for student and school activities	<u>-</u>	<u>11,643</u>	<u>-</u>	<u>11,643</u>
Total fund balances	<u>300,174</u>	<u>11,643</u>	<u>34,191</u>	<u>346,008</u>
Total liabilities and fund balances	<u>\$ 300,174</u>	<u>\$ 11,643</u>	<u>\$ 116,555</u>	<u>\$ 428,372</u>

Detroit Community Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Cafeteria Fund	Student and School Activities Fund	Capital Projects Fund	
Revenues				
Local sources	\$ 136	\$ 34,449	\$ 3,996	\$ 38,581
State sources	699	-	-	699
Federal sources	542,828	-	-	542,828
	543,663	34,449	3,996	582,108
Total revenues				
Expenditures				
Current				
Education				
School and student activities	-	38,223	-	38,223
Food services	506,924	-	-	506,924
	506,924	38,223	-	545,147
Total expenditures				
Other Financing Sources (Uses)				
Transfers in	-	-	30,195	30,195
	-	-	30,195	30,195
Net change in fund balances	36,739	(3,774)	34,191	67,156
Fund balances - beginning	263,435	15,417	-	278,852
Fund balances - ending	\$ 300,174	\$ 11,643	\$ 34,191	\$ 346,008