
Detroit Public Schools Community District

Detroit, Michigan

Comprehensive Annual Financial Report with Supplemental Information June 30, 2020

Comprehensive Annual Financial Report

Detroit Public Schools Community District

Detroit, Michigan

For the fiscal year ended

June 30, 2020

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As prepared by the Division of Finance

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October 30, 2020

Citizens, Dr. Nikolai Vitti, Superintendent,
and Board of Education
Detroit Public Schools Community District
Detroit, Michigan

We are hereby submitting the Comprehensive Annual Financial Report (CAFR) of the Detroit Public Schools Community District (the "District") for the fiscal year (FY) ended June 30, 2020. State and federal statutes require that the District issue annual financial reports and that such reports be audited by an independent firm of certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report and all appropriate disclosures for the FY ended June 30, 2020 in an effort to provide all interested parties information on the financial condition of the District.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Office of Finance of the Detroit Public Schools Community District. To provide a reasonable basis for making these representations, management of the Detroit Public Schools Community District has established a comprehensive internal control framework that is designed to compile sufficient reliable information for the preparation of the District's financial statements in conformity with generally accepted accounting principles (GAAP). As the cost of internal controls should not outweigh their benefits, the Detroit Public Schools Community District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of all operations of the various government-wide and governmental funds of the District. All disclosures necessary to enable the reader to gain an understanding of the Detroit Public Schools Community District's financial activities have been included.

The District's financial statements have been audited by Plante & Moran, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the FY ended June 30, 2020 are free of material misstatement. The independent audit consisted of reviewing, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion, suggesting

that the District's financial statements for the FY ended June 30, 2020 are fairly presented in conformity with GAAP.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, a listing of the elected and top administrative officials of the District, and the District's administrative organizational chart. The financial section includes the independent auditor's report, management's discussion and analysis, basic financial statements, required supplementary information, and other supplementary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The basis for preparing the CAFR for the District was first to identify the financial reporting entity exclusive of any potential component units. Potential component units were evaluated to determine whether they should be reported in the District's CAFR. A component unit is considered to be part of the District's reporting entity if it meets the criteria as outlined by the Governmental Accounting Standards Board in Statement No. 14, The Financial Reporting Entity. The CAFR includes all District funds and account groups that are controlled or dependent upon the District's Board of Education. There are no component units included in the District's CAFR.

In addition, in accordance with *Government Auditing Standards*, the District issued the federally mandated single audit, designed to meet the special needs of federal granting agencies. The standards governing single audit engagements require the independent auditor to report on both the fair presentation of the financial statements and on the audited District's internal controls and compliance with legal requirements, especially concerning the administration of federal awards. This report is available separately in the District-issued report on federal awards.

Budgetary Controls

The Budget and Planning Division initiates the annual budget process each Fall by meeting with Cabinet members to understand new initiatives and priorities for the following fiscal year. During this process staff work with departments to build out cost estimates for new initiatives and proposals. Those plans are reviewed by the Superintendent and if approved included as part of the department's annual budget.

Budget staff participate in an annual review of the school staffing model with the Offices of Schools, Curriculum and Instruction, and Human Resources. This annual review determines the type and allocation of positions at schools that will be built in the overall school staffing allocation. Once the school staffing model is finalized, budget staff work with the Enrollment Department to pull actual school winter count data to allocate staff based on actual student enrollment.

Revenue projections are calculated based on the Fall and Winter student counts to calculate the projected State Aid (Proposition A and Discretionary Payment) to be received from the State of Michigan based on the projected total number of students.

Afterwards, budget staff prepare the projections for the remaining General Purpose revenues (MPSERS Rate Stabilization, Revenue Enhancement Millage, Medicaid, etc.) for the upcoming fiscal year. For the remaining funds (Adult Education, Grants, Special Education, Food Service), the respective fund managers provide the revenue projections.

In a parallel process, Department Heads develop line item budgets based on annual operating expenditures and any one-time initiatives. Through this process the Budget Division meets with staff to review past year expenditures and ensure proper budget estimates for the following year.

Department line item budgets and the school staffing model are combined to develop the initial budget proposal. This budget proposal is reviewed at the line-item level by the Superintendent, Chief Financial Officer and members of Cabinet. The budget is reviewed to ensure a balanced budget with contingency and alignment with District initiatives and priorities.

Upon approval from the Superintendent, budget staff compile the final department line item budgets and school staffing model into the budget proposal which is presented for approval to the School Board and Financial Review Commission. Upon approval the budget is loaded into PeopleSoft for implementation.

Budget staff prepare budget amendments during the year to account for actual Fall Count Day enrollment and then ensure budget aligns to actual expenditures. Additional amendments are presented if material changes to the District's budget occur. Through this process all positions are fully funded and District expenditures are aligned with Strategic Priorities. The District presented and received approval for FY 2020 Budget Amendment #2 by the School Board and FRC in June 2020.

Profile of the Detroit Public Schools Community District

On June 21, 2016, Public Act 192 of 2016 ("Act 192") amended the Revised School Code, 1976 PA 451, as amended, MCL 380.1 to 380.1853 was enacted to immediately effect the School District of the City of Detroit ("DPS") to become a qualifying school district under section 12b of the Code, MCL 380 12b. Detroit Public Schools Community District (hereinafter "DPSCD" or the "District"), was created for the same geographic area of DPS to provide public educational services for residents of that geographic area under section 383 of the Code, MCL 380.383. DPS was dissolved except for the limited purposes of repayment of debt, satisfaction of liabilities from legal claims filed before July 1, 2016, and protection of the credit of the State and of its school districts. Pursuant to Section 6(1) of public Act 181 of 2014, the Michigan Financial Review Commission Act was amended in March of 2016 to include the soon to be created DPSCD to provide oversight on financial matters.

The District encompasses an area of approximately 140 square miles, and is located within the City of Detroit, Wayne County, Michigan. Although the corporate boundaries of the District are coterminous with the corporate boundaries of the City of Detroit, the District is a totally separate governmental unit.

Detroit Public Schools Community District is the largest public-school system in Michigan. The District is one of the largest employers in Detroit, employing 7,749 employees (full-time equivalents).

Refer to Note 1 *Nature of Business* for more information regarding the reporting entity.

Profile of the City of Detroit

The City of Detroit is in Southeastern Michigan, incorporated in 1806, currently occupies a land area of approximately 140 squares miles and, according to the July 1, 2019 census estimate, serves a population of 670,031. The City of Detroit is the State of Michigan's largest city and accounts for nearly half of Wayne County's population.

Economic and Geographic Makeup

The District is in the major urban city of Detroit, which has an estimated population of 670,031 inhabitants based on the U.S. Census Bureau's July 1, 2019 estimates. Downtown Detroit has a strong and growing residential population that will provide a strong base for future development. According to the July 1, 2018 U.S. Census Bureau estimates, the City has 260,383 households with a median family income of \$29,481, and a poverty rate of 36.4 percent for individuals. The survey estimates that the Detroit population is made up of approximately 47.3 percent males and 52.7 percent females.

National economic factors have a direct impact on the employment rate within the city limits. The Bureau of Labor Statistics indicates that the unemployment rate for the City of Detroit is 12.9 percent while the national unemployment rate was 8.4 percent and the State of Michigan had a rate of 8.7 percent as of August 2020.

The City of Detroit will continue to thrive economically with the new Fiat Chrysler's Jeep factory opening late 2020. FCA invested nearly \$2.5 billion in the new Jeep plant and the adjacent Jefferson North Assembly Plant and hired 4,100 city residents. FCA has agreed to pay for a \$35-million package of community benefits, including \$19 million for workforce training and education, with millions more to build a buffer wall around the new plant and to demolish or renovate homes in the area. The deal is a major economic boost for the city Detroit.

About the Detroit Public Schools Community District

The District is divided into geographically defined configurations. Each configuration has administrative responsibility for the elementary, middle, and high schools located within its boundaries, which include regular, special education, vocational/technical, and alternative programs.

The District has 109 schools, consisting of 21 elementary schools, 49 K-8 schools, 4 middle schools, 2 middle/high school, 20 high schools, 1 K-12 school, 6 special education, 3 career technical and vocational centers, and 1 alternative education school. These locations provide services to nearly 50,895 students.

Of the District's total general fund operating expenditures of approximately \$777 million, 52 percent or approximately \$404 million, was spent on instruction for the year ended June 30, 2020. When pupil and instructional expenditures are included, the total spent on instruction related activities climbs to approximately 63 percent.

The District is focused on improving educational opportunities for all students of Detroit through our strategic plan Blueprint 2020. The District saw increases in student enrollment over the past three years including additional enrollment at the five new schools launched in FY 2020 (Barton, Edmonson, Hamilton, Marygrove, and Legacy Academy).

These schools increased the District's capacity in growing neighborhoods as well as increased the type of school programs offered to families including additional Montessori programming at Edmonson and Math, Science and Engineering programming at Marygrove.

During FY 2020 the District launched a new 18-month capital plan to continue to address facility issues facing the District. The plan involved the relocation of several schools to newer facilities, the investment and expansion of academic programs in facilities, and investment of capital dollars in over 70 facilities.

The following schools will move to newer facilities, reducing the District footprint while providing students access to better technology and equipment.

- Detroit International Academy is a K-12 all-girls school that will relocate to the White building. The White building is located near Hamtramck and Davison Elementary, a school currently at capacity with over 900 students.
- Pulaski Elementary School is a K-8 school on the District's east side. The school will move to the former Adult Education East building, a facility that was renovated in 2010.
- Communications Media Arts High School is an admissions high school focused on the media arts. The school will move to the Ludington campus. At the same time Ludington will stop enrolling students and will phase out over the next two years and Charles Wright will continue to expand adding additional grades until it is a PK - 8. This will create a PK-12 campus for families on the District's westside.

In addition to those physical moves, the District will implement new programming at several facilities to continue to attract new students to the District.

Responding to COVID-19

The District closed facilities on March 13, 2020 in response to the COVID-19 pandemic and quickly transitioned to remote learning for the remainder of the 2019-2020 school year. The District made investments in curriculum and technology to shift to remote learning.

Curriculum

During the Spring 2020, the District made available digital and printed grade level specific learning packets to all families. Teachers and school support staff provided academic support to families as students worked remotely.

In preparation for the 2020-2021 school year, the District made significant investments into digital curriculum and learning management systems to support remote learning. The District procured Schoology to serve as a platform for families to access digital content. The District procured digital versions of the adopted curriculum, and uploaded them into the Schoology platform to allow those families

who selected remote instruction to continue to access the same curriculum at home as those who attended in person school.

Connected Futures

Detroit Public Schools Community District (DPSCD) along with the DTE Energy Foundation, Quicken Loans Community Fund, Skillman Foundation, Ralph C. Wilson, Jr. Foundation, General Motors and the Kellogg Foundation addressed a historical digital divide through the Connected Futures Project, by providing students with wireless tablets through a \$23 million investment.

This initiative enabled approximately 51,000 students and families to receive wireless tablets and internet access for in-home use. These devices included six months of subsidized LTE data, immediately connecting students without wired internet connections at home, and are the property of the student and family.

The District will continue to provide devices to new enrollees and will maintain internet connectivity for families who qualify. The District will refurbish aging student laptops which will be distributed to families. The District will continue to make annual investments in new technology to replace aging devices and ensure every school was a 1-1 school.

COVID-19 Modifications

The District began returning on-site in June 2020 to prepare for Summer School and in-person instruction for the Fall of 2020. In preparation for the return the District has implemented a significant number of COVID-19 precautions including:

- Distribution of PPE (Masks, Gloves, Hand sanitizer, Disinfectant Wipes, and additional specialized PPE)
- Installation of Temperature Kiosks
- Installation of Plexi-glass and other barriers
- Contract services to deep clean potential exposure areas

As students return to school, class size will be limited based on the size of the classroom to ensure social distancing and no more than 20:1 student teacher ratio. The District will use CARES Act funding to fund supplemental teachers to maintain reduced class size.

The District will provide Hazard Pay to those workers who work in schools or interact directly with the community.

BLUEPRINT 2020

Given COVID-19, the School Board adopted a one-year extension of Blueprint 2020 for the 2020-2021 school year. The one-year extension builds on the work from the past four years and outlines priorities to address and respond to COVID-19. The strategic plan outlines the Districts priorities remain:

1. Outstanding Achievement - Dramatically improve the academic experience of all students ensure they are college and career ready.
2. Transformative Culture - Transform our culture so that students, families, community members, and staff feel safe, respected, and connected.
3. Whole Child Commitment - Champion a whole child approach that unlocks students' full potential.
4. Exceptional Talent - Build an excellent team of dedicated staff to serve our students.

5. Responsible Stewardship – Manage and deploy our resources responsibly, transparently, and equitably to support our students’ success.

Financial Planning, Policies and Future Financial Outlook

The District has demonstrated a commitment to sound financial procedures, conservative budgeting, and a priority on teaching and learning. FY 20 marks the fourth consecutive year the District had a positive fund balance. The District has continued to make annual investments into a Capital Projects fund to address the ongoing facility issues and maintained a “Rainy Day” fund in reserve.

The District has allocated approximately \$56M from its surplus to address urgent facility needs. The total need is approximately \$500 million which will grow to \$1.5 billion by 2023 as building systems reach the end of their useful life. While the District is making investments in capital repairs with one-time operating surplus, the District along with public and private stakeholders across the City of Detroit are identifying long term solutions to address the District’s facility needs.

The COVID-19 crisis has required the District to adjust financial plans, shift priorities, and change the way we work, all the while facing an uncertain financial reality. The federal CARES Act funding serves a bridge to allow the District flexibility to respond to the pandemic and potential revenue shortfalls from the state.

As we continue to respond to COVID-19, the District will need additional resources to meet the basic requirements of running both virtual and in-person instruction, providing PPE, identifying, and responding to connectivity and access issues. These items will require ongoing financial support from the state and/or federal government.

Acknowledgements

The preparation of this report was accomplished through the commitment, dedication, and tireless effort of the entire Office of Finance. We would also like to extend our thanks to other District and non-district personnel who assisted in the preparation of this report.

Respectfully submitted,

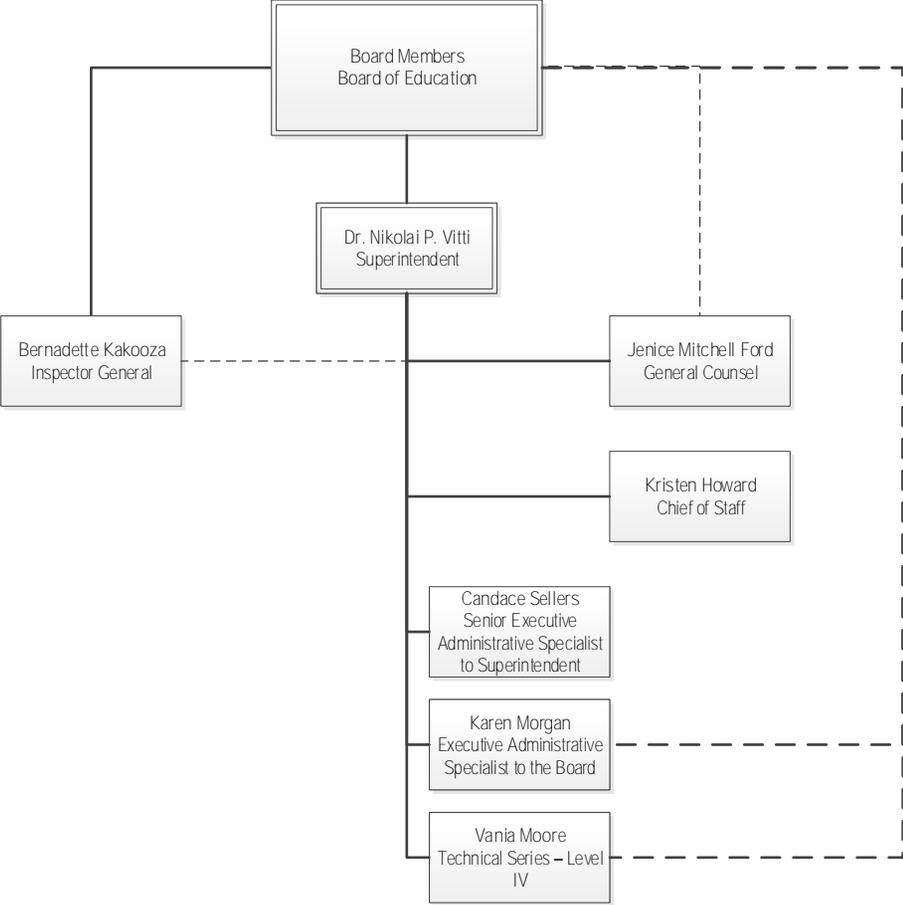


Jeremy Vidito
Chief Financial Officer



Arthur L. Jackson
Executive Director, Business Division

Board of Education and Office of the Superintendent



June 30, 2020

Board of Education

President	Dr. Iris Taylor
Vice President	Angelique Peterson-Mayberry
Treasurer	Sonya Mays
Secretary	Misha Stallworth
Member	Deborah Hunter-Harvill
Member	Georgia Lemmons
Member	Bishop. Corletta J. Vaughn

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Superintendent	Dr. Nikolai P. Vitti
Chief General Counsel	Jenice Mitchell Ford
Deputy Superintendent External Partnerships & Innovation	Alycia Meriweather
Deputy Superintendent Labor & Benefits	Luis Solano
Chief Financial Officer	Jeremy Vido
Deputy Superintendent Schools	Iranetta Wright
Assistant Superintendent Family & Community Engagement	Sharlonda Buckman
Chief Strategy Officer	Elizabeth Cutrona
Assistant Superintendent Curriculum & Instruction	Beth Gonzalez
Assistant Superintendent Communications	Chrystal Wilson
Assistant Superintendent Facilities, Transportation, Food & Maintenance	Machion Jackson
Chief of Staff	Kristen Howard
Executive Director Community Affairs	Tyrone Winfrey
Assistant Superintendent Human Resources	Ben Jackson

Independent Auditor's Report

To the Board of Education
Detroit Public Schools Community District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Detroit Public Schools Community District (the "School District") as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise Detroit Public Schools Community District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, 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 Public Schools Community District as of June 30, 2020 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the basic financial statements, as of July 1, 2019, the School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

To the Board of Education
Detroit Public Schools Community District

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 supplemental 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Detroit Public Schools Community District's basic financial statements. The other supplemental information, as identified in the table of contents, and introductory section and statistical section schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplemental information, as identified in the table of contents, 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. Such information 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 supplemental 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.

The introductory section and statistical section schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2020 on our consideration of Detroit Public Schools Community District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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 Public Schools Community District's internal control over financial reporting and compliance.



October 30, 2020

This section of Detroit Public Schools Community District's (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2020. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Using This Annual Report

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand Detroit Public Schools Community District financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term and what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds, the General Fund and the Capital Projects Fund, with all other funds presented in one column as nonmajor funds. The School District has also established proprietary internal service funds, primarily to account for certain insurance obligations and legal commitments. The remaining statements, the statement of custodial fund net position and statement of changes in custodial fund net position, present financial information about activities for which the School District serves as the custodian for various scholarship funds. This report is composed of the following elements:

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

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplemental Information

Budgetary Information for Major Fund

Schedules of the School District's Proportionate Share of the Net Pension Liability and Net OPEB Liability

Schedules of Pension and OPEB Contributions

Other Supplemental Information

In addition to the financial section, the School District has added the introductory section and the statistical section to complete its comprehensive annual financial report.

Reporting the School District as a Whole - Government-wide Financial Statements

One of the most important questions asked about the School District is, "As a whole, what is the School District'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 School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account, regardless of when cash is received or paid.

Detroit Public Schools Community District

Management's Discussion and Analysis (Continued)

These two statements report the School District's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the statement of net position - as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net position - as reported in the statement of activities - are indicators of whether its financial health is improving or deteriorating. The relationship between revenue and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits 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 School District.

The statement of net position and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, athletics, and food services. Unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

Reporting the School District's Most Significant Funds - Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds, not the School District as a whole. Some funds are required to be established by state law. However, the School District establishes many other funds to help it control and manage money for particular purposes (the Food Service Fund is an example) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as restricted dollars designated for certain purposes).

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 School District and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District'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.

Proprietary Funds

Proprietary fund reporting focuses on the economic resources measurement and an accounting method called full accrual accounting. The proprietary fund statements present a long-term view of operations and the services it provides to other funds. The School District established proprietary funds, specifically the internal service funds, to finance specific services provided to other funds of the School District on a cost-reimbursement basis. The specific services represent certain insurance and legal obligations.

Reporting the School District's Fiduciary Responsibilities

The School District has certain fiduciary responsibility for its custodial funds. All of the School District's fiduciary activities are reported in the separate statement of custodial fund net position and statement of changes in custodial fund net position. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Detroit Public Schools Community District

Management's Discussion and Analysis (Continued)

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. The following table provides a summary of the School District's net position as of June 30, 2020 and 2019:

	Governmental Activities	
	2020	2019
	(in millions)	
Assets		
Current and other assets	\$ 373.5	\$ 358.3
Capital assets	1,121.3	1,169.9
Total assets	1,494.8	1,528.2
Deferred Outflows of Resources	507.0	386.6
Liabilities		
Current liabilities	151.8	130.5
Noncurrent liabilities	31.0	23.9
Net pension liability	1,180.1	986.6
Net OPEB liability	268.0	265.5
Total liabilities	1,630.9	1,406.5
Deferred Inflows of Resources	208.2	233.2
Net Position		
Net investment in capital assets	1,121.3	1,169.9
Restricted	0.9	26.6
Unrestricted	(959.5)	(921.4)
Total net position	\$ 162.7	\$ 275.1

The above analysis focuses on net position. The change in net position of the School District's governmental activities is discussed below. The School District's net position was \$162.7 million at June 30, 2020. Net investment in capital assets totaling \$1,121.3 million compares the original cost, less depreciation of the School District's capital assets. Restricted net position is reported separately to show legal constraints from legislation that limit the School District's ability to use that net position for day-to-day operations. The remaining amount of net position (\$959.5) million) was unrestricted.

The \$(959.5) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations and the impact from the adoption of GASB Statement Nos. 68 and 75 (recording the School District's share of the net pension and OPEB liabilities from the state-managed retirement system). The unrestricted net position balance, when available, enables the School District to meet working capital and cash flow requirements and to provide for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

As required by the Governmental Accounting Standards Board (GASB), the School District adopted GASB Statement No. 84, *Fiduciary Activities*, as of July 1, 2019. This standard provides guidance on the identification and reporting of fiduciary activities and required the School District to evaluate activities to determine if they were fiduciary in nature. The standard also changed the reporting and presentation requirements of fiduciary activities. The effect of the adoption on the governmental activities was to increase July 1, 2019 beginning net position by approximately \$1.7 million, which represents the activities that used to be reported as fiduciary but are now reported as governmental under GASB 84. The governmental statement of net position at June 30, 2020 and statement of activities for the year ended June 30, 2020 include all the balances and transactions for those activities that were previously reported as fiduciary but are now reported as governmental. All school districts were required to adopt this new standard, unless they elected to defer for one year, as allowed under GASB Statement No. 95.

Detroit Public Schools Community District

Management's Discussion and Analysis (Continued)

The results of this year's operations for the School District as a whole are reported in the condensed statement of activities below, which shows the changes in net position for the years ended June 30, 2020 and 2019:

	Governmental Activities	
	2020	2019
	(in millions)	
Revenue		
Program revenue:		
Charges for services	\$ 6.1	\$ 5.0
Operating grants	401.6	387.0
General revenue:		
State aid not restricted to specific purposes	373.8	372.0
Other	32.4	30.4
Total revenue	813.9	794.4
Expenses		
Instruction	462.8	389.5
Support services	391.4	329.8
Athletics	3.0	3.7
Food services	47.1	40.4
Community services	5.0	3.4
Depreciation expense (unallocated - exclusive of direct charge)	18.7	18.7
Total expenses	928.0	785.5
Special Item	-	6.9
Change in Net Position	(114.1)	15.8
Net Position - Beginning of year - As restated	276.8	259.3
Net Position - End of year	\$ 162.7	\$ 275.1

As reported in the statement of activities, the cost of all of our governmental activities this year was \$928.0 million. Certain activities were partially funded from those who benefited from the programs (\$6.1 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$401.6 million). We paid for the remaining public benefit portion of our governmental activities with \$373.8 million in state foundation allowance and other revenue.

As discussed above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since unrestricted state aid constitutes the vast majority of district operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

The School District's Funds

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

As the School District completed this year, the governmental funds reported a combined fund balance of \$191.9 million, which is an increase of \$14.8 million from last year. The increased fund balance was due in large part to cost reductions implemented as part of the response to COVID-19. The State initially projected revenue shortfalls and potential cuts to per pupil funding for the 2019-2020 school year. At the outset of COVID-19, the School District shifted priorities to reduce costs for nonessential operations while prioritizing expenditures to support remote learning. Additional savings were realized from unfilled positions.

In the General Fund, our principal operating fund, the fund balance increased by \$2.2 million to \$141.7 million. The change is mainly due the cost reductions outlined previously and savings from vacant positions.

Detroit Public Schools Community District

Management's Discussion and Analysis (Continued)

In the Food Service Fund, the fund balance decreased from \$24.4 million last year to \$11.3 million this year as a result of the School District's efforts to spend down excess fund balance in accordance with our MDE-approved plan.

The School District has two capital projects funds that have a combined fund balance of \$37.2 million, which is an increase of \$25.6 million from last year. This increase is primarily due to the transfer of funds from the General Fund to the Capital Projects Fund to help pay for future capital improvements.

With the adoption of GASB 84, the School District created the Student Activities special revenue fund to account for activities previously reported as fiduciary funds. The effect of the adoption was to increase July 1, 2019 beginning fund balance by \$1.7 million.

Combining General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The School District amended the budget in January 2020 and June 2020 to reflect final fall student enrollment, adopted state per pupil funding, and revised projected expenditures. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements.

There were significant revisions made to the 2019-2020 General Fund original budget. The original budget was adopted in May 2019 and included projected state revenue allocations. Budgeted revenue was decreased by \$13.2 million due to anticipated reduction in state funding due to COVID-19.

Budgeted expenditures were also decreased by \$33.8 million, mainly due to cost reductions implemented due to projected state funding reductions.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2020, the School District had \$1,121.3 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This amount represents a net decrease (including additions, disposals, and depreciation) of approximately \$48.6 million, or 4.2 percent, from last year.

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Land	\$ 52,217,386	\$ 55,388,106
Buildings and improvements	1,025,015,176	1,064,401,818
Furniture and equipment	17,011,691	19,168,547
Buses and other vehicles	1,429,807	795,881
Land improvements	25,670,704	30,179,214
Total capital assets - Net of accumulated depreciation	<u>\$ 1,121,344,764</u>	<u>\$ 1,169,933,566</u>

There were significant additions in the current year across a wide array of asset groups but primarily related to buildings and improvements. Additional major capital projects are planned for the 2020-2021 fiscal year. We anticipate capital additions will be approximately \$20.0 million in fiscal year 2021. We present more detailed information about our capital assets in the notes to the financial statements.

Detroit Public Schools Community District

Management's Discussion and Analysis (Continued)

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration consider many factors when setting the School District's 2020-2021 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The 2020-2021 budget was adopted in June 2020 based on an estimate of students who will enroll in September 2020. Approximately 50.7 percent of total General Fund revenue is from the foundation allowance. Under state law, the School District cannot access additional property tax revenue for general operations. As a result, district funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2020 school year, we anticipate that the fall student count will be close to the estimates used in creating the FY 2021 budget. Once the final student count and related per pupil funding is validated, state law requires the School District to amend the budget if actual district resources are not sufficient to fund original appropriations.

Since the School District'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 revenue to fund its appropriation to the School District. The State periodically holds a Revenue Estimating Conference to estimate revenue. Based on the May 2020 Revenue Estimating Conference, the School District cut \$814 per student from the FY 2021 General Fund operating budget. The final adopted state budget fully funded schools at the 2019-2020 level, resulting in an additional \$814 per pupil in funding for the 2020-2021 school year.

During 2019, the School District settled wage reopeners with all seven labor groups represented by the School District's workforce. The financial impact on operations was included within the final FY 2020 budget and is included in the adopted FY 2021 budget.

Contacting the School District's Management

This financial report is intended to provide our taxpayers, parents, and investors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact 313-873-4149.

Detroit Public Schools Community District

Statement of Net Position

June 30, 2020

Governmental
Activities

Assets

Cash and investments (Note 4)	\$ 209,563,240
Receivables:	
Land contract and other receivables	315,603
Due from other governments	156,627,247
Prepaid costs	4,579,470
Restricted assets - Cash and investments (Note 4)	2,325,321
Capital assets: (Note 6)	
Assets not subject to depreciation	52,217,386
Assets subject to depreciation - Net	1,069,127,378
Total assets	1,494,755,645

Deferred Outflows of Resources

Deferred pension costs (Note 10)	392,422,605
Deferred OPEB costs (Note 10)	114,624,721
Total deferred outflows of resources	507,047,326

Liabilities

Accounts payable	49,389,675
Due to other governmental units	9,637,107
Accrued liabilities and other	85,635,683
Unearned revenue (Note 5)	7,102,683
Noncurrent liabilities:	
Due within one year (Note 8)	12,768,947
Due in more than one year (Note 8)	18,267,356
Net pension liability (Note 10)	1,180,054,667
Net OPEB liability (Note 10)	268,029,670
Total liabilities	1,630,885,788

Deferred Inflows of Resources

Revenue in support of pension contributions made subsequent to the measurement date (Note 10)	41,194,818
Deferred pension cost reductions (Note 10)	63,559,339
Deferred OPEB cost reductions (Note 10)	103,495,299
Total deferred inflows of resources	208,249,456

Net Position

Net investment in capital assets	1,121,344,764
Restricted - Capital projects	874,289
Unrestricted	(959,551,326)
Total net position	\$ 162,667,727

Detroit Public Schools Community District

Statement of Activities

Year Ended June 30, 2020

Functions/Programs	Program Revenue			Governmental
	Expenses	Charges for Services	Operating Grants and Contributions	Activities Net (Expense) Revenue and Changes in Net Position
Primary government - Governmental activities:				
Instruction	\$ 462,839,661	\$ 52,200	\$ 275,937,642	\$(186,849,819)
Support services	391,445,159	-	92,880,681	(298,564,478)
Athletics	3,040,190	189,600	-	(2,850,590)
Food services	47,069,574	209,208	32,734,913	(14,125,453)
Community services	5,007,311	5,660,676	-	653,365
Depreciation expense (unallocated - exclusive of direct charge)	18,684,577	-	-	(18,684,577)
Total primary government	\$ 928,086,472	\$ 6,111,684	\$ 401,553,236	(520,421,552)
General revenue:				
State aid not restricted to specific purposes				373,786,417
Interest and investment earnings				1,691,688
Loss on disposal of capital assets				(2,044,517)
Other revenue:				
Enhancement millage				21,799,747
Other				11,078,207
Total general revenue				<u>406,311,542</u>
Change in Net Position				(114,110,010)
Net Position - Beginning of year, as restated (Note 2)				<u>276,777,737</u>
Net Position - End of year				<u>\$ 162,667,727</u>

Detroit Public Schools Community District

Governmental Funds Balance Sheet

June 30, 2020

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Assets				
Cash and investments (Note 4)	\$ 131,718,923	\$ 38,066,956	\$ 23,911,619	\$ 193,697,498
Receivables:				
Land contract and other receivables	315,603	-	-	315,603
Due from other governments	155,198,212	-	1,429,035	156,627,247
Due from other funds (Note 7)	10,733,712	17,320	-	10,751,032
Prepaid costs	4,579,470	-	-	4,579,470
Restricted assets - Cash and investments (Note 4)	-	-	2,325,321	2,325,321
	<u>\$ 302,545,920</u>	<u>\$ 38,084,276</u>	<u>\$ 27,665,975</u>	<u>\$ 368,296,171</u>
Total assets				
Liabilities				
Accounts payable	\$ 44,220,211	\$ 1,771,790	\$ 3,351,909	\$ 49,343,910
Due to other governmental units	9,637,107	-	-	9,637,107
Due to other funds (Note 7)	6,905,064	-	10,355,234	17,260,298
Accrued liabilities and other	85,620,252	-	15,431	85,635,683
Unearned revenue (Note 5)	7,102,683	-	-	7,102,683
	<u>153,485,317</u>	<u>1,771,790</u>	<u>13,722,574</u>	<u>168,979,681</u>
Total liabilities				
Deferred Inflows of Resources - Unavailable revenue (Note 5)	<u>7,393,729</u>	<u>-</u>	<u>-</u>	<u>7,393,729</u>
Total liabilities and deferred inflows of resources	<u>160,879,046</u>	<u>1,771,790</u>	<u>13,722,574</u>	<u>176,373,410</u>
Fund Balances				
Nonspendable - Prepaid costs	4,579,470	-	-	4,579,470
Restricted:				
Capital projects	-	-	874,289	874,289
Food service	-	-	11,264,033	11,264,033
Committed - Student activities	-	-	1,805,079	1,805,079
Assigned:				
Capital projects	-	36,312,486	-	36,312,486
Transitional funding	12,905,446	-	-	12,905,446
Rainy day fund	35,747,555	-	-	35,747,555
Unassigned	88,434,403	-	-	88,434,403
	<u>141,666,874</u>	<u>36,312,486</u>	<u>13,943,401</u>	<u>191,922,761</u>
Total fund balances				
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 302,545,920</u>	<u>\$ 38,084,276</u>	<u>\$ 27,665,975</u>	<u>\$ 368,296,171</u>

Detroit Public Schools Community District

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2020

Fund Balances Reported in Governmental Funds	\$ 191,922,761
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds:	
Cost of capital assets	2,175,068,276
Accumulated depreciation	<u>(1,053,723,512)</u>
Net capital assets used in governmental activities	1,121,344,764
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	7,393,729
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(8,728,722)
Net pension liability and related deferred inflows and outflows	(851,191,401)
Net OPEB liability and related deferred inflows and outflows	(256,900,248)
Revenue in support of pension contributions made subsequent to the measurement date is reported as a deferred inflow of resources in the statement of net position and is not reported in the funds	(41,194,818)
Internal service funds are included as part of governmental activities	<u>21,662</u>
Net Position of Governmental Activities	<u>\$ 162,667,727</u>

Detroit Public Schools Community District

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2020

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Revenue				
Local sources	\$ 37,528,620	\$ 253,243	\$ 3,007,802	\$ 40,789,665
State sources	531,017,722	-	1,382,513	532,400,235
Federal sources	203,676,100	-	32,734,913	236,411,013
Interdistrict sources	37,270,645	-	-	37,270,645
Total revenue	809,493,087	253,243	37,125,228	846,871,558
Expenditures				
Current:				
Instruction	404,162,443	-	-	404,162,443
Support services	365,109,760	57,433	2,283,000	367,450,193
Athletics	1,477,087	-	-	1,477,087
Food services	-	-	42,390,599	42,390,599
Community services	4,833,532	-	-	4,833,532
Capital outlay	1,164,519	8,630,643	4,854,965	14,650,127
Total expenditures	776,747,341	8,688,076	49,528,564	834,963,981
Excess of Revenue Over (Under) Expenditures	32,745,746	(8,434,833)	(12,403,336)	11,907,577
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	2,886,251	-	-	2,886,251
Transfers in (Note 7)	1,875,880	35,340,548	-	37,216,428
Transfers out (Note 7)	(35,340,548)	-	(1,875,880)	(37,216,428)
Total other financing (uses) sources	(30,578,417)	35,340,548	(1,875,880)	2,886,251
Net Change in Fund Balances	2,167,329	26,905,715	(14,279,216)	14,793,828
Fund Balances - Beginning of year, as restated (Note 2)	139,499,545	9,406,771	28,222,617	177,128,933
Fund Balances - End of year	<u>\$ 141,666,874</u>	<u>\$ 36,312,486</u>	<u>\$ 13,943,401</u>	<u>\$ 191,922,761</u>

Detroit Public Schools Community District

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2020

Net Change in Fund Balances Reported in Governmental Funds	\$ 14,793,828
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capitalized capital outlay	9,222,545
Depreciation expense	(52,880,579)
Net book value of assets disposed of	<u>(4,930,768)</u>
Total	(48,588,802)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	(26,625,110)
Revenue in support of pension contributions made subsequent to the measurement date	(4,225,469)
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(47,882,225)
Internal service funds are included as part of governmental activities	<u>(1,582,232)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (114,110,010)</u></u>

Detroit Public Schools Community District

**Proprietary Funds
Statement of Net Position**

June 30, 2020

Internal Service
Funds

Assets

Current assets:

Cash and investments (Note 4)

\$ 15,865,742

Due from other funds (Note 7)

6,841,979

Total current assets

22,707,721

Liabilities

Current liabilities:

Due to other funds (Note 7)

378,478

Self-insurance claims (Note 8)

11,334,089

Legal reserve (Note 8)

771,000

Total current liabilities

12,483,567

Noncurrent liabilities - Self-insurance claims and general liability (Note 8)

10,202,492

Total liabilities

22,686,059

Net Position - Unrestricted

\$ 21,662

Detroit Public Schools Community District

Proprietary Funds
Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2020

	<u>Internal Service Funds</u>
Operating Revenue - Charges for services	\$ 10,606,052
Operating Expenses - Payments and changes in estimates	<u>12,487,056</u>
Operating Loss	(1,881,004)
Nonoperating Revenue - Interest and earnings on investments	<u>298,772</u>
Change in Net Position	(1,582,232)
Net Position - Beginning of year	<u>1,603,894</u>
Net Position - End of year	<u><u>\$ 21,662</u></u>

Detroit Public Schools Community District

Proprietary Funds Statement of Cash Flows

Year Ended June 30, 2020

	<u>Internal Service Funds</u>
Cash Flows from Operating Activities	
Charges for services	\$ 6,980,201
Payments and changes in estimates	<u>(10,209,305)</u>
Net cash and investments used in operating activities	(3,229,104)
Cash Flows Provided by Investing Activities - Interest and earnings on investments	<u>298,772</u>
Net Decrease in Cash and Investments	(2,930,332)
Cash and Investments - Beginning of year	<u>18,796,074</u>
Cash and Investments - End of year	<u>\$ 15,865,742</u>
Reconciliation of Operating Loss to Net Cash from Operating Activities	
Operating loss	\$ (1,881,004)
Adjustments to reconcile operating loss to net cash from operating activities - Changes in assets and liabilities:	
Self-insurance and general liability claims	5,361,872
Legal reserve	260,500
Due to other funds	(3,619,510)
Due from other funds	(3,260,962)
Legal claims payable	<u>(90,000)</u>
Total adjustments	<u>(1,348,100)</u>
Net cash and investments used in operating activities	<u>\$ (3,229,104)</u>

Detroit Public Schools Community District

Custodial Fund
Statement of Custodial Fund Net Position

June 30, 2020

Donation &
Endowment
Fund

Assets

Cash and investments (Note 4)

\$ 457,825

Due from other funds (Note 7)

45,765

Net Position - Restricted

\$ 503,590

Detroit Public Schools Community District

Custodial Fund
Statement of Changes in Custodial Fund Net Position

Year Ended June 30, 2020

	<u>Donation & Endowment Fund</u>
Additions - Interest	\$ 12,864
Deductions	<u>27,118</u>
Net Decrease	(14,254)
Net Position - Beginning of year	<u>517,844</u>
Net Position - End of year	<u>\$ 503,590</u>

June 30, 2020

Note 1 - Nature of Business

Detroit Public Schools Community District (the "School District" or DPSCD) is a school district in the state of Michigan that provides educational services to students. Effective July 1, 2016, the Michigan Legislature approved a set of bills to restructure Detroit Public Schools (DPS). The bills effectively split the School District into two entities, Detroit Public Schools and Detroit Public Schools Community District. The bills include a funding package totaling \$617 million. DPS continues to exist for the purpose of collecting 18 mills of property taxes on nonhomestead properties, which are authorized to be assessed and collected through 2022. The tax revenue from the 18 mills will be used to pay down the certain remaining obligations of DPS, as negotiated with the Michigan Department of Treasury.

DPSCD holds the school buildings and all the assets and employee liabilities that are not specifically left in DPS and is responsible for overseeing the daily operations of the schools, primarily focused on student education. The students, employees, contracts, employee benefits, and assets transferred to DPSCD when it was established. Once DPS' allocated debt has been discharged, DPS will dissolve. As part of the funding package that created DPSCD, certain funds were to be transferred from DPS to pay for transitional costs, as well as certain operational support items.

In addition to the transitional funds provided, DPSCD will collect the full foundation allowance for the students of the School District. Additionally, as part of the restructuring package, control of DPSCD was returned to a seven-member locally elected school board in January 2017. The administration also reports activity associated with DPSCD to the Financial Review Commission, an independent body that provides additional oversight during the term of the financial restructuring. Subsequent to year end, the Financial Review Commission voted unanimously to grant a waiver from oversight through December 31, 2021.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The School District follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the School District:

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the School District has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, claims and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the School District considers amounts collected within 60 days of year end to be available for recognition. Revenue not meeting this definition is classified as a deferred inflow of resources.

Proprietary funds and custodial funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Note 2 - Significant Accounting Policies (Continued)

Fund Accounting

The School District accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the School District to show the particular expenditures for which specific revenue is used. The various funds are aggregated into the following fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, and capital projects funds. The School District's major funds are as follows:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Capital Projects Fund is used to set aside funds for capital improvements. The Capital Projects Fund is funded through transfers from the General Fund.

Additionally, the School District reports the following nonmajor governmental fund types:

- Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes. The School District's special revenue funds are the Food Service and the Student Activity funds. Revenue sources for the Food Service Fund include sales to customer and dedicated grants from federal sources. Revenue sources for the Student Activity Fund include fundraising revenue and donations earned and received by student groups. Any operating deficit generated by these activities is the responsibility of the General Fund.
- The 1994 School Building Site Improvements Bonds Series V Capital Projects Fund originated under DPS and was subsequently transferred to DPSCD upon its formation and was used to record bond proceeds or other revenue. Under DPSCD, the fund is used to record the disbursement of invoices specifically designated for acquiring new school sites, buildings, equipment, and technology upgrades and for remodeling and repairs. The fund operates until the purpose for which it was created is accomplished.

Proprietary Funds

The School District has three internal service funds that serve different purposes:

- Termination Incentive Program Fund - This fund was established to process payments to employees as they separate from service, based on an agreement previously prescribed between DPS and certain employees. A one-time transfer of funds was made from DPS to DPSCD, which was equal to the nonpresent value of the remaining obligation at July 1, 2016. As of June 30, 2019, all outstanding obligations have been paid in full. The remaining balance in the fund was transferred to the Workers Compensation, Health and General Liability Fund.
- Workers Compensation, Health and General Liability Fund - This fund was established to service the School District's obligations related to self-insured workers' compensation claims, self-insured dental claims, and general liability claims. Current obligations are paid for by the General Fund through charges for service on an annual basis, based on expected claims each year.
- Legal Reserve Fund - This fund was established to service the School District's obligations that arise from legal claims or judgements. Current obligations will be provided by the DPSCD General Fund on a cost-reimbursement basis for future legal claims.

Note 2 - Significant Accounting Policies (Continued)

Custodial Funds

Custodial funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the School District's programs. The School District maintains a Donation & Endowment Fund, which is used to account for funds received by the School District from donors to be awarded in the form of scholarships, at the sole discretion of the donor.

Interfund Activity

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Note 2 - Significant Accounting Policies (Continued)

Reporting Entity

The School District is governed by an elected seven-member Board of Education. In accordance with government accounting principles, there are no separate legal entities appropriate to be reported within these financial statements.

Specific Balances and Transactions

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value except for investments in the Michigan Liquid Asset Fund (MILAF), which are valued at amortized cost. Investment income is recorded in the fund for which the investment income account was established.

Inventories and Prepaid Items

Inventories, if any, are valued at cost, on a first-in, first-out basis. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements, when applicable.

Restricted Assets

The unspent bond proceeds and related interest on 1994 School Building Site Improvement Bonds Series V, which were transferred from DPS to DPSCD, are required to be set aside for future capital project expenditures.

Capital Assets

Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the School District as assets with a useful life in excess of one year and an initial individual cost equal to or exceeding \$500, if purchased with grant funds, and \$5,000 or more for all other non-grant-funded expenditures. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Buildings and improvements	20 to 50
Furniture and equipment	5 to 20
Buses and other vehicles	5 to 10

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

The School District reports deferred outflows related to the deferred charges for the unfunded pension and OPEB benefit obligations.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Note 2 - Significant Accounting Policies (Continued)

The School District reports deferred inflows related to revenue in support of pension and OPEB payments made subsequent to the measurement date and deferred pension and OPEB cost reductions. The School District also reports deferred inflows relating to unavailable revenue, which is money that has not been received within the period of availability.

Net Position

Net position of the School District is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The School District will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements (as applicable), a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The School District will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. The School District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The School District's assigned fund balance relates to intent to spend resources on specific purposes. The assignment related to transitional funding is directed by the legislation that created the School District. The assignment related to the rainy day fund represents funds set aside by the School District in a particular investment account to be used at the discretion of the Board of Education, in support of the School District's students. The assignment related to the Capital Projects Fund represents the fund balance that has been designated by the Board of Education for the purpose of future capital improvements.

Note 2 - Significant Accounting Policies (Continued)

Grants and Contributions

The School District receives federal, state, and local grants, as well as contributions from individuals and private organizations. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions are reported after nonoperating revenue and expenses.

Pension and Other Postemployment Benefit (OPEB) Plan

For the purpose of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to each plan, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from the MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. MPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expenses when due and payable in accordance with the plan benefit terms. Related plan investments are reported at fair value.

Compensated Absences (Vacation and Sick Leave)

It is the School District's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Sick pay is accrued for the estimated amount that the School District will pay upon employment termination; vacation pay is accrued when incurred. These amounts are reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Generally, the funds that report each employee's compensation are used to liquidate the obligations.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of proprietary funds are charges to customers for sales or services. Operating expenses for these funds include the cost of sales or services, administrative expenses, and may include depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

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

June 30, 2020

Note 2 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncement

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The School District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the School District's financial statements for the year ending June 30, 2021 but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

Adoption of New Accounting Pronouncement

During the current year, the School District adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, student activities were previously reported as fiduciary activities but no longer meet the definition of such; therefore, these activities are now reported within a nonmajor governmental special revenue fund, the Student Activities Fund.

The effect of this new standard on net position/fund balance was as follows:

	Governmental Activities	Nonmajor Governmental Funds
Net position/fund balance - June 30, 2019 - As previously reported	\$ 275,111,304	\$ 26,556,184
Adjustment for GASB Statement No. 84 - To change fund type	1,666,433	1,666,433
Net position/fund balance - June 30, 2019 - As restated	\$ 276,777,737	\$ 28,222,617

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund and all special revenue funds except that capital outlay is budgeted in other expenditure categories on a functional basis. All annual appropriations lapse at fiscal year end. The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner. There were significant amendments during the year that are further discussed in the management's discussion and analysis.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and contracts) are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the School District incurred expenditures in the General Fund and Food Service Fund that were in excess of the amounts budgeted for in the final budget amendment, which are as follows:

June 30, 2020

Note 3 - Stewardship, Compliance, and Accountability (Continued)

	Budget	Actual
General Fund - Instruction	\$ 388,773,265	\$ 404,235,515
General Fund - Support services - Instructional staff	45,993,513	53,207,461
General Fund - Support services - Operations and maintenance	76,185,840	89,819,235
General Fund - Community services	3,126,006	4,833,532
Food Service Fund - Personnel	15,500,000	18,455,552

Note 4 - Deposits and Investments

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, certificates of deposit, commercial paper rated prime at the time of purchase that matures no more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

The School District has designated four banks for the deposit of its funds.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost except for the School District's investments in the Michigan Liquid Asset Fund Plus - MAX Class fund, which may not be redeemed for at least 14 calendar days with the exception of direct investments of funds distributed by the State. Redemptions made prior to the end of the applicable 14-day period are subject to a penalty equal to 15 days' interest on the amount so redeemed. Investments in the MILAF Cash Management Class have no limitations or restrictions on withdrawals except for a one-day minimum investment period.

The School District's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At year end, the School District had \$35,274,682 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The School District believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the School District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's policy for custodial credit risk states that custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law and by prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the School District will do business using the criteria established in the investment policy. At June 30, 2020, the School District does not have investments with custodial credit risk.

Note 4 - Deposits and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity. The School District's policy minimizes interest rate risk by requiring the structuring of 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 School District's cash requirements. At year end, the School District did not hold any investments with maturity dates.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities are as follows:

Investment	Fair Value	Rating	Rating Organization
MILAF+ Cash management Class	\$ 99,927,239	AAAm	S&P
MILAF+ MAX Class	85,868,004	AAAm	S&P
Total	<u>\$ 185,795,243</u>		

Concentration of Credit Risk

The School District places no limit on the amount the School District may invest in any one issuer. The School District's policy minimizes concentration of credit risk by requiring diversification of the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. All investments held at year end are reported in the schedule above.

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the School District's investment policy prohibit investments in foreign currency.

Note 5 - Unavailable/Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue recognition in connection with resources that have been received but not yet earned. The majority of unavailable revenue relates to federal grant funding not yet received.

Unearned revenue relates to certain state and local grants where funding, primarily Section 31a At-Risk funding, was received in advance of programs being offered or completed. Additionally, there is unearned revenue related to cell tower leases whereby the lessors prepaid the lease payments in a previous year. The cell tower lease revenue is earned monthly over a period of 15-20 years.

June 30, 2020

Note 5 - Unavailable/Unearned Revenue (Continued)

At June 30, 2020, the various components of unearned and unavailable revenue were as follows:

	Governmental Funds	
	Deferred Inflow - Unavailable	Liability - Unearned
Land contract receivable	\$ 34,478	\$ -
Grant and categorical aid payments not received until subsequent to 60 days after year end	7,359,251	-
Grant and categorical aid payment received prior to meeting all eligibility requirements	-	3,809,069
Cell tower leases	-	3,293,614
Total	\$ 7,393,729	\$ 7,102,683

Note 6 - Capital Assets

Capital asset activity of the School District's activities was as follows:

	Balance July 1, 2019	Additions	Disposals	Balance June 30, 2020
Capital assets not being depreciated - Land	\$ 55,388,106	\$ -	\$ (3,170,720)	\$ 52,217,386
Capital assets being depreciated:				
Buildings and improvements	1,797,385,932	5,554,143	(3,923,208)	1,799,016,867
Machinery and other equipment	212,681,799	2,283,237	(472,174)	214,492,862
Vehicles	3,236,273	794,854	-	4,031,127
Land improvements	105,370,892	590,311	(651,169)	105,310,034
Subtotal	2,118,674,896	9,222,545	(5,046,551)	2,122,850,890
Accumulated depreciation:				
Buildings and improvements	732,984,114	43,407,462	(2,389,885)	774,001,691
Machinery and other equipment	193,513,252	4,372,803	(404,884)	197,481,171
Vehicles	2,440,392	160,928	-	2,601,320
Land improvements	75,191,678	4,939,386	(491,734)	79,639,330
Subtotal	1,004,129,436	52,880,579	(3,286,503)	1,053,723,512
Net capital assets being depreciated	1,114,545,460	(43,658,034)	(1,760,048)	1,069,127,378
Net governmental activities capital assets	<u>\$ 1,169,933,566</u>	<u>\$ (43,658,034)</u>	<u>\$ (4,930,768)</u>	<u>\$ 1,121,344,764</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
Instruction	\$ 28,475,217
Support services	3,328,546
Community services	35,925
Food services	856,874
Athletics	1,499,441
Unallocated	18,684,577
Total governmental activities	\$ 52,880,580

June 30, 2020

Note 6 - Capital Assets (Continued)

Depreciation expense was unallocated for assets that benefit multiple activities, making allocation impractical.

Construction Commitments

The School District has active construction projects at year end. At year end, the School District's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment
Capital projects	\$ 10,683,382	\$ 2,208,346

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	Fund Due From			Total
	General Fund	Internal Service Funds	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 378,478	\$ 10,355,234	\$ 10,733,712
Capital Projects Fund	17,320	-	-	17,320
Internal service funds	6,841,979	-	-	6,841,979
Custodial Fund	45,765	-	-	45,765
Total	\$ 6,905,064	\$ 378,478	\$ 10,355,234	\$ 17,638,776

Interfund receivables and payables occur in the course of ordinary operations and reflect short-term transactions between funds. All interfund balances are expected to be repaid within one year.

Interfund transfers consisted of a transfer from the Food Service Fund to the General Fund for administrative costs for approximately \$1,880,000, as well as a transfer from the General Fund to the Capital Projects Fund to cover the costs of various capital improvements for approximately \$35,340,000.

Note 8 - Long-term Debt

Long-term debt activity for the year ended June 30, 2020 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Compensated absences	\$ 7,249,230	\$ 1,479,492	\$ -	\$ 8,728,722	\$ 663,858
Workers' compensation and health insurance claims (included in internal service fund)	16,174,709	11,937,980	(6,576,108)	21,536,581	11,334,089
Legal reserve (included in internal service fund)	510,500	683,500	(422,500)	771,500	771,000
Total obligations	\$ 23,934,439	\$ 14,100,972	\$ (6,998,608)	\$ 31,036,803	\$ 12,768,947

Note 9 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District has purchased commercial insurance for medical claims and is self-insured for workers' compensation; dental benefits; and other claims, litigation, and assessments. Accruals for claims, litigation, and assessments are recorded in the Legal Reserve internal service fund. These accruals are recorded in the fund financial statements within the governmental funds when the amounts are due and payable at year end. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three years. There were no significant reductions in coverage from the prior year.

Dental insurance and workers' compensation claims that are probable of loss and estimable in amount are included in the Workers Compensation, Health and General Liability Fund. The amount of claims liability is based on analyses performed by outside consultants and includes an estimate of incurred claims that have not yet been reported.

A reconciliation of the School District's self-insured claims liability at June 30, 2020 is as follows:

	2020	2019
Estimated liability - Beginning of year	\$ 16,174,709	\$ 16,312,912
Estimated claims incurred, including changes in estimates	11,937,980	6,487,389
Claim payments	(6,576,108)	(6,625,592)
Estimated liability - End of year	\$ 21,536,581	\$ 16,174,709

The liability for workers' compensation claims includes an estimate of loss and allocated loss adjustment (ALAE). The estimate of loss is based on historical loss runs for the workers' compensation program through June 30, 2020. ALAE represents the cost of legal fees, expert testimony, medical examination, etc. that are associated with the defense and settlement of particular claims. Unallocated loss adjustment expenses are not included in the estimate.

Various legal actions, proceedings, and claims are pending or may be asserted in the future against the School District, including those arising out of personal injuries and civil actions. Some of the foregoing matters involve compensatory and/or punitive damage claims.

Litigation is subject to many uncertainties, the ultimate outcome of which is not predictable; however, the School District's management believes the resulting liabilities from outstanding legal actions, proceedings, and claims will not have a material adverse effect upon the School District's financial position or results of operations. At June 30, 2020, the School District has recorded an estimated liability of \$771,000 for pending litigation as a long-term obligation.

Note 10 - Michigan Public School Employees' Retirement System

Plan Description

The School District participates in the Michigan Public School Employees' Retirement System (the "System"), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the School District. Certain school district employees also receive defined contribution retirement and health care benefits through the System. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides postemployment health care benefits to retirees and beneficiaries who elect to receive those benefits.

June 30, 2020

Note 10 - Michigan Public School Employees' Retirement System (Continued)

The System is administered by the Office of Retirement Services (ORS). The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the pension and postemployment health care plans. That report is available on the web at <http://www.michigan.gov/orsschools> or by writing to the Office of Retirement Services at 7150 Harris Drive, P.O. Box 30171, Lansing, MI 48909.

Benefits Provided

Benefit provisions of the defined benefit (DB) pension plan and the postemployment health care plan are established by state statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit pension plan and the postemployment health care plan.

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of services times a pension factor ranging from 1.25 percent to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.

Depending on the member's date of hire, MPSERS offers the option of participating in the defined contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Members are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The disability benefits plus authorized outside earnings are limited to 100 percent of the participant's final average compensation, with an increase of 2 percent each year thereafter.

Benefits may transfer to a beneficiary upon death and are determined in the same manner as retirement benefits but with an actuarial reduction.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. Some members who do not receive an annual increase are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

MPSERS provides medical, prescription drug, dental, and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by MPSERS, with the balance deducted from the monthly pension of each retiree health care recipient. Depending on the member's date of hire, this subsidized portion ranges from 80 percent to the maximum allowed by the statute.

Contributions

Public Act 300 of 1980, as amended, required the School District to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by state statute and may be amended only by action of the state Legislature. Under these provisions, each school district's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Under the OPEB plan, retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits. Participating employers are required to contribute at that rate.

Under Public Act 300 of 2012, members were given the choice between continuing the 3 percent contribution to the retiree health care and keeping the premium subsidy benefit described above or choosing not to pay the 3 percent contribution and, instead, opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable tax-deferred fund that can be used to pay health care expenses in retirement. Participants in the PHF are automatically enrolled in a 2 percent employee contribution into their 457 account as of their transition date, earning them a 2 percent employer match into a 401(k) account. Members who selected this option stopped paying the 3 percent contribution to retiree health care as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

The School District's contributions are determined based on employee elections. There are multiple different pension and health care benefit options included in the plan available to employees based on date of hire and the elections available at that time. Contribution rates are adjusted annually by the ORS.

The ranges of rates are as follows:

	Pension	OPEB
October 1, 2018 - September 30, 2019	13.39% - 19.59%	7.57% - 7.93%
October 1, 2019 - September 30, 2020	13.39% - 19.59%	7.57% - 8.09%

Depending on the plan selected, member pension contributions range from 0 percent up to 7.0 percent of gross wages. For certain plan members, a 4 percent employer contribution to the defined contribution pension plan is required. In addition, for certain plan members, a 3 percent employer match is provided to the defined contribution pension plan.

The School District's required and actual pension contributions to the plan for the year ended June 30, 2020 were \$107,952,457, which include the School District's contributions required for those members with a defined contribution benefit. The School District's required and actual pension contributions include an allocation of \$41,194,818 in revenue received from the State of Michigan and remitted to the System to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate for the year ended June 30, 2020.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2020 were \$28,310,896, which include the School District's contributions required for those members with a defined contribution benefit.

Net Pension Liability

At June 30, 2020, the School District reported a liability of \$1,180,054,667 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2018, which used update procedures to roll forward the estimated liability to September 30, 2019. The School District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2019 and 2018, the School District's proportion was 3.56 and 3.28 percent, respectively, representing a change of 8.57percent.

June 30, 2020

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Net OPEB Liability

At June 30, 2020, the School District reported a liability of \$268,029,670 for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2020 was measured as of September 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2018, which used update procedures to roll forward the estimated liability to September 30, 2019. The School District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2019 and 2018, the School District's proportion was 3.73 and 3.34 percent, respectively, representing a change of 11.81 percent.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For 2020, the School District recognized pension expense of \$165,020,690, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference between expected and actual experience	\$ 5,289,380	\$ (4,920,715)
Changes in assumptions	231,055,534	-
Net difference between projected and actual earnings on pension plan investments	-	(37,818,747)
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	64,071,340	(20,819,877)
The School District's contributions to the plan subsequent to the measurement date	<u>92,006,351</u>	<u>-</u>
Total	<u>\$ 392,422,605</u>	<u>\$ (63,559,339)</u>

The \$41,194,818 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the UAAL payment will be recognized as state appropriations revenue for the year ending June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending</u>	<u>Amount</u>
2021	\$ 82,025,575
2022	74,754,353
2023	56,421,351
2024	<u>23,655,636</u>
Total	<u>\$ 236,856,915</u>

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the School District recognized OPEB expense of \$14,630,459.

June 30, 2020

Note 10 - Michigan Public School Employees' Retirement System (Continued)

At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (98,347,665)
Changes in assumptions	58,076,605	-
Net difference between projected and actual earnings on OPEB plan investments	-	(4,661,165)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	35,212,420	(486,469)
Employer contributions to the plan subsequent to the measurement date	21,335,696	-
Total	<u>\$ 114,624,721</u>	<u>\$ (103,495,299)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and, therefore, will not be included in future OPEB expense):

Years Ending	Amount
2021	\$ (4,703,179)
2022	(4,703,179)
2023	(2,377,518)
2024	556,983
2025	1,020,619
Total	<u>\$ (10,206,274)</u>

Actuarial Assumptions

The total pension liability and total OPEB liability as of September 30, 2019 are based on the results of an actuarial valuation as of September 30, 2018 and rolled forward. The total pension liability and OPEB liability were determined using the following actuarial assumptions:

Actuarial cost method		Entry age normal
Investment rate of return - Pension	6.00% - 6.80%	Net of investment expenses based on the groups
Investment rate of return - OPEB	6.95%	Net of investment expenses based on the groups
Salary increases	2.75% - 11.55%	Including wage inflation of 2.75%
Health care cost trend rate - OPEB	7.50%	Year 1 graded to 3.5% year 12
Mortality basis		RP-2014 Male and Female Employee Annuitant Mortality tables, scaled 100% (retirees: 82% for males and 78% for females) and adjusted for mortality improvements using projection scale MP-2017 from 2006
Cost of living pension adjustments	3.00%	Annual noncompounded for MIP members

Assumption changes as a result of an experience study for the periods from 2012 to 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2017 valuation.

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Significant assumption changes since the prior measurement date, September 30, 2018, for pension and OPEB include a reduction in both discount rates; continued impact of the updated experience study, which resulted in lower than projected per person health benefit costs for OPEB; and favorable investment experience for both plans. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 6.00 to 6.80 percent as of September 30, 2019 depending on the plan option. The discount rate used to measure the total OPEB liability was 6.95 percent as of September 30, 2019. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that district contributions will be made at statutorily required rates.

Based on those assumptions, the pension plan's fiduciary net position and the OPEB plan's fiduciary net position were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and total OPEB liability.

The long-term expected rate of return on pension plan and OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	28.00 %	5.50 %
Private equity pools	18.00	8.60
International equity pools	16.00	7.30
Fixed-income pools	10.50	1.20
Real estate and infrastructure pools	10.00	4.20
Absolute return pools	15.50	5.40
Short-term investment pools	2.00	0.80
Total	100.00 %	

Long-term rates of return are net of administrative expense and inflation of 2.3 percent.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the School District, calculated using the discount rate depending on the plan option. The following also reflects what the School District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.00 - 5.80%)	Current Discount Rate (6.00 - 6.80%)	1 Percentage Point Increase (7.00 - 7.80%)
Net pension liability of the School District	\$ 1,534,146,559	\$ 1,180,054,667	\$ 886,500,288

June 30, 2020

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the School District, calculated using the current discount rate. It also reflects what the School District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.95%)	Current Discount Rate (6.95%)	1 Percentage Point Increase (7.95%)
Net OPEB liability of the School District	\$ 328,778,666	\$ 268,029,670	\$ 217,017,386

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liability of the School District, calculated using the current health care cost trend rate. It also reflects what the School District's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.50%)	Current Rate (7.50%)	1 Percentage Point Increase (8.50%)
Net OPEB liability of the School District	\$ 214,854,686	\$ 268,029,670	\$ 328,771,459

Pension Plan and OPEB Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued MPSERS financial report.

Payable to the Pension Plan and OPEB Plan

At June 30, 2020, the School District reported a payable of \$22,603,148 and \$4,772,233 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2020.

Note 11 - Subsequent Events

Following the passing of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law on March 27, 2020 to combat the effects of the COVID-19 pandemic, the U.S. Department of Treasury distributed Coronavirus Relief Fund (CRF) payments to the State of Michigan. During July and August 2020, the School District received approximately \$18,246,000 of these restricted CRF funds from the Michigan Department of Education. The CRF funds can be used only for eligible costs and are subject to certain Uniform Guidance and grant-specific reporting requirements.

Required Supplemental Information

Detroit Public Schools Community District

Required Supplemental Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 28,884,544	\$ 35,500,553	\$ 37,528,620	\$ 2,028,067
State sources	534,394,178	501,450,432	531,017,722	29,567,290
Federal sources	171,902,060	186,557,044	203,676,100	17,119,056
Intergovernmental sources	32,553,676	31,025,287	37,270,645	6,245,358
Total revenue	767,734,458	754,533,316	809,493,087	54,959,771
Expenditures				
Current:				
Instruction	373,572,765	388,773,265	404,235,515	15,462,250
Support services:				
Pupil	81,055,677	81,159,431	83,401,360	2,241,929
Instructional staff	51,888,343	45,993,513	53,207,461	7,213,948
General administration	6,169,694	5,162,705	5,362,638	199,933
School administration	49,331,306	47,449,137	47,756,967	307,830
Business office	11,557,020	14,843,994	15,660,851	816,857
Operations and maintenance	93,592,373	76,185,840	89,819,235	13,633,395
Pupil transportation services	41,721,229	28,161,733	26,743,214	(1,418,519)
Central	48,719,542	40,794,207	43,787,455	2,993,248
Other	95,000	25,000	462,026	437,026
Athletics	1,535,804	1,211,299	1,477,087	265,788
Community services	7,428,069	3,126,006	4,833,532	1,707,526
Total expenditures	766,666,822	732,886,130	776,747,341	43,861,211
Excess of Revenue Over Expenditures	1,067,636	21,647,186	32,745,746	11,098,560
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	2,886,251	2,886,251	-
Transfers in	8,900,000	1,500,000	1,875,880	375,880
Transfers out	-	(25,315,000)	(35,340,548)	(10,025,548)
Total other financing sources (uses)	8,900,000	(20,928,749)	(30,578,417)	(9,649,668)
Net Change in Fund Balance	9,967,636	718,437	2,167,329	1,448,892
Fund Balance - Beginning of year	139,499,545	139,499,545	139,499,545	-
Fund Balance - End of year	\$ 149,467,181	\$ 140,217,982	\$ 141,666,874	\$ 1,448,892

Detroit Public Schools Community District

Required Supplemental Information
Schedule of the School District's Proportionate Share of the
Net Pension Liability
Michigan Public School Employees' Retirement System

	Last Four Plan Years			
	Plan Years Ended September 30			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
School District's proportion of the net pension liability	3.56333 %	3.28201 %	3.23564 %	3.38535 %
School District's proportionate share of the net pension liability	\$ 1,180,054,667	\$ 986,631,301	\$ 838,120,461	\$ 844,616,130
School District's covered payroll	\$ 326,492,206	\$ 284,689,399	\$ 266,534,366	\$ 279,494,927
School District's proportionate share of the net pension liability as a percentage of its covered payroll	361.43 %	346.56 %	314.45 %	302.19 %
Plan fiduciary net position as a percentage of total pension liability	60.08 %	62.12 %	63.96 %	63.01 %

Detroit Public Schools Community District

Required Supplemental Information
Schedule of Pension Contributions
Michigan Public School Employees' Retirement System

	Last Four Fiscal Years			
	Years Ended June 30			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily required contribution	\$ 107,952,457	\$ 94,471,645	\$ 81,231,740	\$ 76,103,398
Contributions in relation to the statutorily required contribution	<u>107,952,457</u>	<u>94,471,645</u>	<u>81,231,740</u>	<u>76,103,398</u>
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 352,318,380	\$ 319,137,617	\$ 279,301,756	\$ 267,779,118
Contributions as a Percentage of Covered Payroll	30.64 %	29.60 %	29.08 %	28.42 %

Detroit Public Schools Community District

Required Supplemental Information
Schedule of the School District's Proportionate Share of the
Net OPEB Liability
Michigan Public School Employees' Retirement System

	Last Three Plan Years		
	Plan Years Ended June 30		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's proportion of the net OPEB liability	3.73417 %	3.33967 %	3.23326 %
School District's proportionate share of the net OPEB liability	\$ 268,029,670	\$ 265,468,584	\$ 286,320,154
School District's covered payroll	\$ 326,492,206	\$ 284,689,399	\$ 266,534,366
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	82.09 %	93.25 %	107.42 %
Plan fiduciary net position as a percentage of total OPEB liability	48.67 %	43.10 %	36.53 %

Detroit Public Schools Community District

Required Supplemental Information
Schedule of OPEB Contributions
Michigan Public School Employees' Retirement System

	Last Three Fiscal Years		
	Years Ended June 30		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 28,310,896	\$ 25,068,340	\$ 20,058,056
Contributions in relation to the statutorily required contribution	<u>28,310,896</u>	<u>25,068,340</u>	<u>20,058,056</u>
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 352,318,380	\$ 319,137,617	\$ 279,301,756
Contributions as a Percentage of Covered Payroll	8.04 %	7.86 %	7.18 %

June 30, 2020

Pension Information

Ultimately, 10 years of data will be presented in both of the pension-related schedules. The number of years currently presented represents the number of years since the accounting standard requiring these schedules first became applicable.

Benefit Changes

There were no changes of benefit terms for each of the plan years ended September 30.

Changes in Assumptions

There were no significant changes of assumptions for each of the report plan years ended September 30, except for the following:

- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25 percentage points.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017.
- 2017 - The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50 percentage points.

OPEB Information

Ultimately, 10 years of data will be presented in both of the OPEB-related schedules. The number of years currently presented represents the number of years since the accounting standard requiring these schedules first became applicable.

Benefit Changes

There were no changes of benefit terms for each of the plan years ended September 30.

Changes in Assumptions

There were no significant changes of assumptions for each of the report plan years ended September 30, except for the following:

- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by \$1.4 billion in 2018.

Other Supplemental Information

Detroit Public Schools Community District

Other Supplemental Information Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2020

	Special Revenue Funds		Capital Projects Fund	Total
	Food Service Fund	Student Activity Fund	1994 School Building Site Improvement Bonds Series V Fund	
Assets				
Cash and investments	\$ 22,106,540	\$ 1,805,079	\$ -	\$ 23,911,619
Due from other governments	1,429,035	-	-	1,429,035
Restricted assets - Cash and investments	-	-	2,325,321	2,325,321
Total assets	<u>\$ 23,535,575</u>	<u>\$ 1,805,079</u>	<u>\$ 2,325,321</u>	<u>\$ 27,665,975</u>
Liabilities				
Accounts payable	\$ 2,901,827	\$ -	\$ 450,082	\$ 3,351,909
Due to other funds	9,354,284	-	1,000,950	10,355,234
Accrued liabilities and other	15,431	-	-	15,431
Total liabilities	12,271,542	-	1,451,032	13,722,574
Fund Balances				
Restricted:				
Capital projects	-	-	874,289	874,289
Food service	11,264,033	-	-	11,264,033
Committed - Student activities	-	1,805,079	-	1,805,079
Total fund balances	11,264,033	1,805,079	874,289	13,943,401
Total liabilities and fund balances	<u>\$ 23,535,575</u>	<u>\$ 1,805,079</u>	<u>\$ 2,325,321</u>	<u>\$ 27,665,975</u>

Detroit Public Schools Community District

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds

Year Ended June 30, 2020

	Special Revenue Funds		Capital Projects Fund	Total
	Food Service Fund	Student Activity Fund	1994 School Building Site Improvement Bonds Series V Fund	
Revenue				
Local sources	\$ 556,528	\$ 2,421,646	\$ 29,628	\$ 3,007,802
State sources	1,382,513	-	-	1,382,513
Federal sources	32,734,913	-	-	32,734,913
Total revenue	34,673,954	2,421,646	29,628	37,125,228
Expenditures				
Current:				
Support services	-	2,283,000	-	2,283,000
Food services	42,390,599	-	-	42,390,599
Capital outlay	3,535,150	-	1,319,815	4,854,965
Total expenditures	45,925,749	2,283,000	1,319,815	49,528,564
Excess of Revenue (Under) Over Expenditures	(11,251,795)	138,646	(1,290,187)	(12,403,336)
Other Financing Uses - Transfers out	(1,875,880)	-	-	(1,875,880)
Net Change in Fund Balances	(13,127,675)	138,646	(1,290,187)	(14,279,216)
Fund Balances - Beginning of year, as restated (Note 2)	24,391,708	1,666,433	2,164,476	28,222,617
Fund Balances - End of year	\$ 11,264,033	\$ 1,805,079	\$ 874,289	\$ 13,943,401

Detroit Public Schools Community District

Other Supplemental Information
Combining Statement of Net Position
Internal Service Funds

June 30, 2020

	Termination Incentive Program Fund	Workers Compensation, Health and General Liability Fund	Legal Reserve Fund	Eliminations	Total
Assets					
Current assets:					
Cash and investments	\$ -	\$ 14,694,602	\$ 1,171,140	\$ -	\$ 15,865,742
Due from other funds	-	6,841,979	-	-	6,841,979
Total current assets	-	21,536,581	1,171,140	-	22,707,721
Liabilities					
Current liabilities:					
Due to other funds	-	-	378,478	-	378,478
Self-insurance claims and general liability	-	11,334,089	-	-	11,334,089
Legal reserve	-	-	771,000	-	771,000
Total current liabilities	-	11,334,089	1,149,478	-	12,483,567
Noncurrent liabilities - Self-insurance claims and general liability	-	10,202,492	-	-	10,202,492
Total liabilities	-	21,536,581	1,149,478	-	22,686,059
Net Position - Unrestricted	\$ -	\$ -	\$ 21,662	\$ -	\$ 21,662

Detroit Public Schools Community District

Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Position Internal Service Funds

Year Ended June 30, 2020

	Termination Incentive Program Fund	Workers Compensation, Health and General Liability Fund	Legal Reserve Fund	Eliminations	Total
Operating Revenue - Charges for services	\$ -	\$ 10,606,052	\$ -	\$ -	\$ 10,606,052
Operating Expenses - Payments and changes in estimates	-	11,938,078	548,978	-	12,487,056
Operating Loss	-	(1,332,026)	(548,978)	-	(1,881,004)
Nonoperating Revenue - Interest and earnings on investments	-	280,389	18,383	-	298,772
Change in Net Position	-	(1,051,637)	(530,595)	-	(1,582,232)
Net Position - Beginning of year	-	1,051,637	552,257	-	1,603,894
Net Position - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,662</u>	<u>\$ -</u>	<u>\$ 21,662</u>

Detroit Public Schools Community District

Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds

Year Ended June 30, 2020

	Termination Incentive Program Fund	Workers Compensation, Health and General Liability Fund	Legal Reserve Fund	Total
Cash Flows from Operating Activities				
Charges for services	\$ -	\$ 6,980,201	\$ -	\$ 6,980,201
Payments and changes in estimate	(3,633,197)	(6,576,108)	-	(10,209,305)
Net cash and investments (used in) provided by operating activities	(3,633,197)	404,093	-	(3,229,104)
Cash Flows Provided by Investing Activities -				
Interest and earnings on investments	-	280,389	18,383	298,772
Net (Decrease) Increase in Cash and Investments	(3,633,197)	684,482	18,383	(2,930,332)
Cash and Investments - Beginning of year	3,633,197	14,010,120	1,152,757	18,796,074
Cash and Investments - End of year	<u>\$ -</u>	<u>\$ 14,694,602</u>	<u>\$ 1,171,140</u>	<u>\$ 15,865,742</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities				
Operating loss	\$ -	\$ (1,332,026)	\$ (548,978)	\$ (1,881,004)
Adjustments to reconcile operating loss to net cash from operating activities -				
Changes in assets and liabilities:				
Self-insurance and general liability claims	-	5,361,872	-	5,361,872
Legal reserve	-	-	260,500	260,500
Due to other funds	(3,633,197)	(416,971)	378,478	(3,671,690)
Due from other funds	-	(3,208,782)	-	(3,208,782)
Legal claims payable	-	-	(90,000)	(90,000)
Total adjustments	(3,633,197)	1,736,119	548,978	(1,348,100)
Net cash and investments (used in) provided by operating activities	<u>\$ (3,633,197)</u>	<u>\$ 404,093</u>	<u>\$ -</u>	<u>\$ (3,229,104)</u>

Detroit Public Schools Community District

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Fund Food Service Fund

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Local sources	\$ 636,272	\$ 850,000	\$ 556,528	\$ (293,472)
State sources	1,863,114	1,472,492	1,382,513	(89,979)
Federal sources	47,501,752	31,000,000	32,734,913	1,734,913
Total revenue	50,001,138	33,322,492	34,673,954	1,351,462
Expenditures				
Current - Food services:				
Personnel	19,644,227	15,500,000	18,455,552	2,955,552
Purchased services	1,071,239	3,717,500	3,457,489	(260,011)
Supplies	27,126,203	20,000,000	20,477,558	477,558
Capital outlay	12,147,515	3,500,000	3,535,150	35,150
Utilities	341,954	-	-	-
Total expenditures	60,331,138	42,717,500	45,925,749	3,208,249
Excess of Expenditures Over Revenue	(10,330,000)	(9,395,008)	(11,251,795)	(1,856,787)
Other Financing Uses - Transfers out	(2,000,000)	(1,500,000)	(1,875,880)	(375,880)
Net Change in Fund Balance	(12,330,000)	(10,895,008)	(13,127,675)	(2,232,667)
Fund Balance - Beginning of year	24,391,708	24,391,708	24,391,708	-
Fund Balance - End of year	<u>\$ 12,061,708</u>	<u>\$ 13,496,700</u>	<u>\$ 11,264,033</u>	<u>\$ (2,232,667)</u>

Statistical and Other Information
(Unaudited)

Statistical and Other Information (Unaudited)

This part of Detroit Public Schools' Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the government's overall financial health. Due to the structure of the District, they do not collect property taxes or carry debt. As such, the statistical sections related to those items have been excluded from the report.

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<i>These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.</i>	
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<i>These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.</i>	
Demographic and Economic Information	62-64
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.</i>	
Operating Information	65-80
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year

Detroit Public Schools Community District

Net Position by Component (Unaudited)

Last Four Fiscal Years

	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Governmental Activities				
Net investment in capital assets	\$ 1,264,920,459	\$ 1,213,918,525	\$ 1,169,933,566	\$1,121,344,764
Restricted	17,137,249	24,368,197	26,556,184	874,289
Unrestricted	<u>(783,754,910)</u>	<u>(978,976,540)</u>	<u>(921,378,446)</u>	<u>(959,551,326)</u>
Total net position	<u>\$ 498,302,798</u>	<u>\$ 259,310,182</u>	<u>\$ 275,111,304</u>	<u>\$ 162,667,727</u>

Source: District Comprehensive Annual Financial Report

Note: There is only four years of prior historical data for Detroit Public Schools Community District as it was established July 1, 2016. The District will build this schedule to include 10 years of data on a prospective basis.

Changes in Governmental Net Position (Unaudited)

Last Four Fiscal Years

	2017	2018	2019	2020
Expenses				
Governmental activities:				
Instruction	\$ 289,892,135	\$ 330,239,944	\$ 389,479,989	\$ 462,839,661
Support services	267,183,144	294,093,879	329,805,720	391,445,159
Community services	3,666,308	5,528,566	3,378,976	5,007,311
Food services	38,473,730	34,689,187	40,356,766	47,069,574
Athletics	2,972,243	1,961,266	3,729,375	3,040,190
Depreciation (unallocated - exclusive of direct charge)	18,710,663	19,056,838	18,734,196	18,684,577
Total governmental activities	620,898,223	685,569,680	785,485,022	928,086,472
Revenue				
Governmental activities - Charges for services:				
Instruction	86,150	-	-	52,200
Support services	-	-	-	-
Community services	3,479,804	5,457,502	4,592,841	5,660,676
Food services	355,123	480,297	391,396	209,208
Athletics	-	-	-	189,600
Total charges for services	3,921,077	5,937,799	4,984,237	6,111,684
Operating grants and contributions:				
Instruction	140,438,000	298,104,723	267,434,164	275,937,642
Support services	129,111,529	2,367,076	77,637,414	92,880,681
Community services	-	-	-	-
Food services	47,247,599	40,630,342	41,927,073	32,734,913
Total operating grants and contributions	316,797,128	341,102,141	386,998,651	401,553,236
Net expenses	(300,180,018)	(338,529,740)	(393,502,134)	(520,421,552)
General Revenue				
Federal and state aid not restricted to specific purposes	310,332,569	353,003,900	371,985,072	373,786,417
Interest and investment earnings	22,091	130,020	707,217	1,691,688
Other sources	22,456,507	6,193,318	8,325,954	11,078,207
County-wide enhancement millage	-	16,716,750	21,287,319	21,799,747
(Loss) Gain on sale of capital assets	(2,501,331)	-	55,857	(2,044,517)
Total general revenue	330,309,836	376,043,988	402,361,419	406,311,542
Special Item	468,172,980	15,188,659	6,941,837	-
Change in Net Position	\$ 498,302,798	\$ 52,702,907	\$ 15,801,122	\$ (114,110,010)

Source: District Comprehensive Annual Financial Report

Note: There is only four years of prior historical data for Detroit Public Schools Community District as it was established July 1, 2016. The District will build this schedule to include 10 years of data on a prospective basis.

Detroit Public Schools Community District

Fund Balances, Governmental Funds (Unaudited)

Last Four Fiscal Years

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund:				
Nonspendable	\$ 2,609,934	\$ 3,852,965	\$ 4,006,059	\$ 4,579,470
Assigned	20,190,532	16,466,398	48,659,014	48,653,001
Unassigned	<u>56,162,654</u>	<u>119,985,374</u>	<u>86,834,472</u>	<u>88,434,403</u>
Total General Fund	<u>78,963,120</u>	<u>140,304,737</u>	<u>139,499,545</u>	<u>141,666,874</u>
Other governmental funds:				
Restricted	17,137,249	24,368,197	26,556,184	12,138,322
Assigned			9,406,771	36,312,486
Committed				1,805,079
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other governmental funds	<u>17,137,249</u>	<u>24,368,197</u>	<u>35,962,955</u>	<u>50,255,887</u>
Total fund balance	<u>\$ 96,100,369</u>	<u>\$ 164,672,934</u>	<u>\$ 175,462,500</u>	<u>\$ 191,922,761</u>

Source: District Comprehensive Annual Financial Report

Note: There is only four years of prior historical data for Detroit Public Schools Community District as it was established July 1, 2016. The District will build this schedule to include 10 years of data on a prospective basis.

Detroit Public Schools Community District

Changes in Fund Balances Governmental Funds (Unaudited)

Last Four Fiscal Years

	2017	2018	2019	2020
Revenue				
Local revenue	\$ 24,208,800	\$ 29,086,201	37,244,471	40,789,665
State revenue	443,612,908	485,408,565	522,308,103	532,400,235
Federal revenue	163,539,913	172,361,381	172,707,038	236,411,013
Intergovernmental sources	38,857,198	37,682,585	37,341,126	37,270,645
Total revenue	670,218,819	724,538,732	769,600,738	846,871,558
Other Financing Sources				
Transfers in	2,571,460	1,779,586	19,201,826	37,216,428
Proceeds from sale of capital assets	9,453,274	-	1,447,670	2,886,251
Total revenue and other financing sources	682,243,553	726,318,318	790,250,234	886,974,237
Expenditures				
Instruction	300,458,746	324,114,333	374,311,760	404,162,443
Support services	278,073,392	300,438,395	330,435,676	367,450,193
Community services	3,698,595	4,047,594	3,395,888	4,833,532
Food services	40,520,751	34,591,200	39,648,147	42,390,599
Athletics	1,535,672	1,996,288	2,278,384	1,477,087
Capital outlay	4,291,558	3,878,357	17,130,824	14,650,127
Total expenditures	628,578,714	669,066,167	767,200,679	834,963,981
Other Financing Uses				
Transfers out	2,571,460	1,779,586	19,201,826	37,216,428
Total expenditures and other financing uses	631,150,174	670,845,753	786,402,505	872,180,409
Special Item	45,006,990	13,100,000	6,941,837	-
Net Change in Fund Balances	\$ 96,100,369	\$ 68,572,565	\$ 10,789,566	\$ 14,793,828

Source: District Comprehensive Annual Financial Report

Note: There is only four years of prior historical data for Detroit Public Schools Community District as it was established July 1, 2016. The District will build this schedule to include 10 years of data on a prospective basis.

Detroit Public Schools Community District

Comparison of Unassigned General Fund Balance to Expenditures and Other Uses (Unaudited)

Last Four Fiscal Years

<u>Fiscal Year</u>	<u>Unassigned Fund Balance</u>	<u>Expenditures and Transfers Out</u>	<u>General Fund Balance as a Percentage of Expenditures and Other Uses</u>
2017	56,162,654	\$ 587,898,328	9.55%
2018	119,985,374	633,115,754	18.95%
2019	86,834,472	735,847,161	11.80%
2020	88,434,403	812,087,889	10.89%

Source: District Comprehensive Annual Financial Report

Note: There is only four years of prior historical data for Detroit Public Schools Community District as it was established July 1, 2016. The District will build this schedule to include 10 years of data on a prospective basis.

Detroit Public Schools Community District

Assessed Value and Estimated Actual Value of Taxable Property (Unaudited)

Last Four Fiscal Years

Fiscal Year	Assessed Value				Taxable Value			Total Direct Tax Rate	Taxable Assessed Value
	Commercial and Industrial	Residential	Personal	Total	Commercial and Industrial	Residential	Total		as a Percentage of Actual Taxable Value
2017	\$ 2,867,178,689	\$ 2,566,135,740	\$ 1,518,530,153	\$ 6,951,844,582	\$ 2,867,178,689	\$ 2,566,135,740	\$ 5,433,314,429	N/A*	78.16%
2018	2,938,295,128	2,450,477,398	1,482,438,412	\$ 6,871,210,938	\$ 2,938,295,128	\$ 2,450,477,398	\$ 5,388,772,526	N/A*	78.43%
2019	3,272,436,415	2,574,909,572	1,484,119,257	\$ 7,331,465,244	\$ 3,272,436,415	\$ 2,574,909,572	\$ 5,847,345,987	N/A*	79.76%
2020	5,272,779,000	2,892,304,491	1,549,192,198	\$ 9,714,275,689	\$ 5,272,779,000	\$ 2,892,304,491	\$ 8,165,083,491	N/A*	84.05%

Note: Property in Wayne County is reassessed every year. The county reassesses property at 50 percent of actual value for commercial, industrial, and residential. Estimated actual value is calculated by sales and 50 percent of the market value.

* Tax Rate is not applicable as the School District, by way of legislation, does not have the authority to levy taxes. The School District will receive the full Foundation allowance from the State of Michigan

Source: Wayne County Equalization Report and Wayne County Assessor's Office.

Detroit Public Schools Community District

Assessed Valuation Data (Unaudited)

For the Year Ended June 30, 2020

Type of Property	Assessed Value at December, 31 2019*	Total Real Property	Percent of Total Roll
Commercial property	\$ 4,834,419,775	53.44%	45.46%
Industrial property	672,531,600	7.43%	6.32%
Residential property	<u>3,538,916,142</u>	<u>39.12%</u>	<u>33.28%</u>
Total real property	9,045,867,517	<u>100.00%</u>	85.06%
Personal property	<u>1,588,885,315</u>		<u>14.94%</u>
Total property	<u>\$ 10,634,752,832</u>		<u>100.00%</u>

* The December 31, 2019 valuations, used for the 2019 tax year levy, are not used to generate revenue for the School District, as they have no ability to levy taxes, due to the legislation that formed the District.

Source: Wayne County Equalization Report (2019)

Detroit Public Schools Community District

Direct and Overlapping Property Tax Rates (Unaudited)

**(Rates per \$1,000 of assessed value)
Last Four Fiscal Years**

Fiscal Year	School Operating	School Debt	Judgement Levy	Total	State Education		City of Detroit	Wayne County*	Wayne	Wayne	Wayne County
					Tax	Library			Regional Education Service Agency	County Community College	
2017	N/A	N/A	N/A	0.000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	0.000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	0.000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	0.000	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Tax Rate is not applicable as the School District, by way of legislation, does not have the authority to levy taxes. The School District will receive the full Foundation allowance from the State of Michigan

Source: City of Detroit Finance Department and Michigan Department of Education

Detroit Public Schools Community District

Demographic and Economic Statistics (Unaudited)

Last Four Fiscal Years

Fiscal Year	Population	Personal Income*	Per Capita Personal Income**	Unemployment Rate
2017	672,795	N/A*	N/A*	8.40%
2018	673,104	N/A*	N/A*	9.30%
2019	672,662	N/A*	N/A*	9.30%
2020	670,031	N/A*	N/A*	12.90%

n/a* - City of Detroit information not available

Sources:

U.S. Census Bureau

U.S. Department of Labor - Bureau of Labor Statistics

Note: There is only four years of prior historical data for Detroit Public Schools Community District as it was established July 1, 2016. The District will build this schedule to include 10 years of data on a prospective basis

Detroit Public Schools Community District

Principal Private Employers (Unaudited)

Last Four Fiscal Years

Employer	2020 Employees	Percentage of Total Employment	2019 Employees	Percentage of Total Employment	2018 Employees	Percentage of Total Employment	2017 Employees	Percentage of Total Employment
Rock Ventures	17,887	21.7%	17,819	21.9%	16,617	20.4%	14,237	17.7%
Henry Ford Health System	11,784	14.3%	10,008	12.3%	8,923	10.9%	8,790	10.9%
City of Detroit	9,749	11.8%	9,565	11.8%	9,066	11.1%	8,918	11.1%
Detroit Medical Center	8,683	10.5%	8,738	10.7%	9,014	11.1%	9,184	11.4%
U.S. government	6,352	7.7%	6,279	7.7%	6,361	7.8%	6,427	8.0%
General Motors Co.	5,913	7.2%	5,932	7.3%	6,341	7.8%	7,371	9.1%
Wayne State University	5,850	7.1%	5,910	7.3%	5,780	7.1%	5,806	7.2%
FCA US LLC	5,577	6.8%	5,778	7.1%	5,981	7.3%	5,919	7.3%
Detroit Public Schools Community District	5,430	6.6%	5,700	7.0%	5,794	7.1%	6,300	7.8%
Ilitch companies	5,157	6.3%	5,630	6.9%	7,686	9.4%	7,616	9.5%
Total principal private employers	82,382		81,359		81,563		80,568	
Total employment	N/A		N/A		N/A		N/A	

Source: Crain's Detroit Business
 District Human Resource System
 City of Detroit Finance Department
 Bureau of Labor Statistics

Detroit Public Schools Community District

Principal Property Tax Payers (Unaudited)

Last Four Fiscal Years

Taxpayer	Fiscal Year 2019/2020		Fiscal Year 2018/2019		Fiscal Year 2017/2018		Fiscal Year 2016/2017	
	2019 Taxable Value	Percentage of Total	2018 Taxable Value	Percentage of Total	2017 Taxable Value	Percentage of Total	2016 Taxable Value	Percentage of Total
1 DTE ENERGY COMPANY	\$ 631,300,000	87.3%	\$ 568,479,098	9.5%	\$ 518,815,824	8.9%	\$ 524,606,862	8.7%
2 MARATHON PETROLEUM COMPANY	308,300,000	4.3%	173,300,491	2.9%	303,313,157	5.2%	285,369,420	4.7%
3 VHS HARPER-HUTZEL HOSPITAL INC	210,600,000	2.9%	220,713,351	3.7%	278,258,817	4.8%	287,730,332	4.8%
4 MGM GRAND DETROIT	176,200,000	2.4%	191,765,504	3.2%	204,898,402	3.5%	207,301,077	3.4%
5 RIVERFRONT HOLDINGS LLC	159,800,000	2.2%	112,301,823	1.9%	112,962,017	1.9%	111,055,429	1.8%
6 FCA US LLC	115,000,000	1.6%	72,558,950	1.2%	72,014,109	1.2%	73,710,524	1.2%
7 INTERNATIONAL TRANSMISSION COMPANY	86,600,000	1.2%	83,611,386	1.4%	66,889,416	1.1%	67,642,795	1.1%
8 DETROIT ENTERTAINMENT LLC	65,300,000	0.9%	62,905,348	1.0%	60,420,398	1.0%	61,357,822	1.0%
9 GREEKTOWN CASINO LLC	63,900,000	0.9%	130,952,900	2.2%	54,069,657	0.9%	53,069,211	0.9%
10 1000 WEBWARD LLC	54,000,000	0.8%	56,699,278	0.9%	56,699,278	1.0%	50,601,350	0.8%
Total	\$ 1,871,000,000	28.0%	\$ 1,673,288,129	27.9%	\$ 1,728,341,075	29.7%	\$ 1,722,444,822	28.5%
Total taxable value	\$ 6,671,463,345		\$ 6,006,998,424		\$ 5,820,081,759		\$ 6,038,052,029	

Source: City of Detroit Finance Department
Wayne County Equalization Report

Fiscal Year Ended	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-teacher Ratio	Average Daily Attendance
2017	45,237	\$ 624,287,156	\$ 13,800	N/A	\$ 628,578,714	\$ 13,895.23	N/A	2,494	18.1	85.0%
2018	50,875	\$ 665,187,810	\$ 13,075	N/A	\$ 669,066,167	\$ 13,151.18	N/A	2,700	18.8	83.0%
2019	50,176	\$ 750,069,855	\$ 14,949	N/A	\$ 767,200,679	\$ 15,290.19	N/A	2,835	17.7	85.2%
2020	50,895	\$ 820,313,854	\$ 16,118	N/A	\$ 834,963,981	\$ 16,405.62	N/A	3,098	16.4	89.7%

Note: Operating expenditures are total expenditures less debt service and capital outlays.
 The School District was formed July 1, 2016. This schedule will build to 10 years of information on a prospective basis.

Source: Nonfinancial information from School District records

Detroit Public Schools Community District

Full-time Equivalent District Employees by Type (Unaudited)

Last Four Fiscal Years

	2017	2018	2019	2020
Officials, administrators, managers	163.0	182.0	230.0	273.0
Principals	96.0	103.0	113.0	114.0
Assistant principals	48.0	57.0	119.0	134.0
Classroom teachers	2,493.7	2,669.2	2,834.8	3,098.4
Guidance	98.2	98.6	123.0	156.0
Psychological	33.4	31.4	30.0	34.0
Librarians/Audio-visual staff	-	-	2.0	2.0
Consultants/Supervisors of instruction	205.0	109.0	133.0	160.0
Other professional staff	317.0	340.0	527.4	686.4
Teacher aides	997.0	965.0	990.0	1,059.0
Technicians	6.0	5.0	5.0	5.0
Clerical/Secretarial staff	260.0	275.0	288.0	317.0
Service workers	676.0	655.0	779.0	962.0
Skilled crafts	11.0	10.0	10.0	10.0
Staff Totals	5,404.3	5,500.2	6,184.2	7,010.8
Part-time Staff	328.0	381.0	320.0	320.0
Substitute staff:				
Instructional	370.0	742.0	411.0	357.0
Instructional support	7.0	8.0	2.0	1.0
Substitute Staff Totals	377.0	750.0	413.0	358.0
Staff Totals	6,109.3	6,631.2	6,917.2	7,688.8

Note: Full-time equivalent employees are as of June 30.

Source: District Human Resource department

Schedule of Major Insurance Coverage (Unaudited)

For the Year Ended June 30, 2020

Policy Coverage	Insurance Company Policy Number	Policy Period	Details of Insurance Coverage	Premium	Insurance Agency/Broker
Commercial General Liability Insur	AIG-Lexington	01/30/20-01/30/21	Provides coverage for bodily injury and property damage arising out of premises and operations.	\$ 327,965	Aon Risk Management Services
Law Enforcement Professional Liability Insurance	AIG-Lexington	01/30/20 - 01/30/21	Provides errors and omissions coverage for DPSCD Police Department.	\$ 375,742	Aon Risk Management Services
School Leader Liability Insurance	AIG-Lexington	01/30/20 - 01/30/21	School Entity Errors and Omissions Insurance/Employment Practices Liability.	\$ 87,007	Aon Risk Management Services
Commercial Property Insurance	Lexington Insurance Company	07/01/19 - 07/01/20	Coverage protects the physical assets of the District – buildings ,contents, valuable papers & records. Coverage is provided on an all risk basis, including Earthquake and Flood, subject to exclusions.	\$ 458,000	Aon Risk Management Services
Excess Workers' Compensation a	State National Insurance Company, Inc.	08/01/19 - 08/01/20	Excess Insurance coverage against catastrophic occurrences for Self-Insured loss	\$ 146,041	Aon Risk Management Services
Automobile Liability Insurance	National Union Fire Insurance Company	09/01/19-09/01/20	Liability coverage for Detroit Public Schools Community District owned vehicles.	\$ 164,595	Aon Risk Management Services
Student Travel Insurance	AIG - National Union Fire Insurance Company of Pittsburgh, PA.	09/01/19- 09/01/20	Covers participating students and adult supervisors to & from DPS sponsored and supervised field trips – out of state & international only.	\$ 5,000	Aon Risk Management Services
Underground Storage Tank Liability Insurance	ACE American Insurance Company	09/19/19 -09/19/20	For Eastside & Westside Hub/Bus Terminal Third-Party Liability, Corrective Action, and Cleanup Policy.	\$ 3,514	Aon Risk Management Services
Surety Bond	The Hartford	10/19/19- 10/19/20	For Detroit Public Schools Community District Police Department -campus police. (Two-year policy)	\$ 194	Aon Risk Management Services
Aircraft Hull & Liability Insurance	ACE American Insurance Company Endurance American Insurance Company	11/13/19- 11/13/20	Liability coverage for District's owned aircrafts at Davis Aerospace.	\$ 22,096	Aon Risk Management Services
Student Catastrophic Athletic Accident Insurance	Gerber Life Insurance Company	12/1/19 - 12/01/20	Covers students involved in interscholastic activities, including athletics sport, and nonsport extracurricular activities.	\$ 27,055	Aon Risk Management Services

Detroit Public Schools Community District

Graduate Information (Unaudited)

Last Four Fiscal Years

<u>School Year</u>	<u>High School</u>	<u>Adult High School Completion</u>	<u>GED Graduates</u>
2016-2017	2,647	34	85
2017-2018	2,965	12	71
2018-2019	2,852	13	54
2019-2020	2,597	14	22

Source: Student Information Services - Detroit Public Schools
Office of Adult Education - Detroit Public Schools

Note: There is only four years of prior historical data for Detroit Public Schools Community District as it was established July 1, 2016. The District will build this schedule to include 10 years of data on a prospective basis

Detroit Public Schools Community District

Summary of Buildings and Sites (Unaudited)

Last Four Fiscal Years

School	2020	2019 (1)	2018	2017
Elementary Schools				
Bagley (1929):				
Square feet	54,317	54,317	54,317	54,317
Capacity	596	596	596	596
Enrollment	574	411	325	325
Bennett (1911):				
Square feet	67,144	67,144	67,144	67,144
Capacity	673	673	673	697
Enrollment	563	437	497	497
Bow (1949):				
Square feet	59,100	59,100	59,100	59,100
Capacity	652	652	652	652
Enrollment	611	496	456	456
Brown (2001):				
Square feet	122,415	122,415	122,415	122,415
Capacity	1,170	1,170	1,170	1,161
Enrollment	917	913	731	731
Carleton (1945):				
Square feet	52,134	52,134	52,134	52,134
Capacity	641	641	641	640
Enrollment	431	310	295	295
Chrysler (1962):				
Square feet	23,066	23,066	23,066	23,066
Capacity	160	160	160	160
Enrollment	127	125	163	163
Clemente, Roberto (2001):				
Square feet	86,000	86,000	86,000	86,000
Capacity	786	786	786	862
Enrollment	676	629	658	658
Cooke (1925):				
Square feet	45,184	45,184	45,184	45,184
Capacity	412	412	412	420
Enrollment	368	365	294	294
Dossin (1949):				
Square feet	50,508	50,508	50,508	50,508
Capacity	432	432	432	404
Enrollment	432	357	325	325
Edison (1921):				
Square feet	44,263	44,263	44,263	44,263
Capacity	459	459	459	476
Enrollment	384	276	284	284

Detroit Public Schools Community District

Summary of Buildings and Sites (Unaudited) (Continued)

Last Four Fiscal Years

School	2020	2019 (1)	2018	2017
Elementary Schools (continued)				
Emerson (1947):				
Square feet	126,805	126,805	126,805	126,805
Capacity	1,038	1,038	1,038	473
Enrollment	135	554	567	554
Gardner (1925):				
Square feet	32,634	32,634	32,634	32,634
Capacity	432	432	432	397
Enrollment	303	248	259	259
Harms (1915):				
Square feet	44,933	44,933	44,933	44,933
Capacity	616	616	616	687
Enrollment	332	398	415	415
Mann (1944):				
Square feet	44,909	44,909	44,909	44,909
Capacity	464	464	464	492
Enrollment	419	326	348	344
Maybury (1909):				
Square feet	45,322	45,322	45,322	45,322
Capacity	645	645	645	542
Enrollment	292	278	302	333
Neinas (1916):				
Square feet	52,771	52,771	52,771	52,771
Capacity	498	498	498	499
Enrollment	433	290	326	289
Pasteur (1930):				
Square feet	56,541	56,541	56,541	56,541
Capacity	500	500	500	607
Enrollment	338	337	386	388
Schulze (2002):				
Square feet	94,991	94,991	94,991	94,991
Capacity	749	749	749	749
Enrollment	651	585	479	462
Thirkell (1914):				
Square feet	68,701	68,701	68,701	68,701
Capacity	609	609	609	528
Enrollment	608	552	558	591

Detroit Public Schools Community District

Summary of Buildings and Sites (Unaudited) (Continued)

Last Four Fiscal Years

School	2020	2019 (1)	2018	2017
Elementary Schools (continued)				
Vernor (1945):				
Square feet	44,608	44,608	44,608	44,608
Capacity	452	452	452	428
Enrollment	289	223	243	220
Wayne (1929):				
Square feet	45,296	45,296	45,296	45,296
Capacity	519	519	519	606
Enrollment	373	286	286	272
Wright, Charles (2002):				
Square feet	94,991	94,991	94,991	94,991
Capacity	746	746	746	739
Enrollment	578	436	458	404
Young, C. (1982):				
Square feet	67,800	67,800	67,800	67,800
Capacity	718	718	718	718
Enrollment	493	434	375	375
K - 8 Schools				
Academy of the Americas (1996):				
Square feet	97,929	97,929	97,929	97,929
Capacity	1,116	1,116	1,116	1,034
Enrollment	750	872	872	924
Ann Arbor Trail (1946):				
Square feet	44,850	44,850	44,850	44,850
Capacity	532	532	532	626
Enrollment	276	215	215	282
Bates Academy (at Beaubien MS) (1966):				
Square feet	128,190	128,190	128,190	128,190
Capacity	1,393	1,393	1,393	1,210
Enrollment	809	704	704	674
Blackwell Institute (1980):				
Square feet	57,044	57,044	57,044	57,044
Capacity	817	817	817	808
Enrollment	397	304	304	312
Bow (1949):				
Square feet	59,100	59,100	59,100	59,100
Capacity	652	652	652	804
Enrollment	611	525	525	456
Brenda Scott Academy(2003)				
Square feet	147,620	147,620	147,620	147,620
Capacity	1,098	1,098	1,098	1,152
Enrollment	772	728	723	728

Detroit Public Schools Community District

Summary of Buildings and Sites (Unaudited) (Continued)

Last Four Fiscal Years

School	2020	2019 (1)	2018	2017
K - 8 Schools (Continued)				
Brewer Academy (at Columbus MS) (1928):				
Square feet	54,174	54,174	54,174	54,174
Capacity	655	655	655	812
Enrollment	560	495	495	480
Bunche Academy (at Duffield) (1922):				
Square feet	109,671	109,671	109,671	109,671
Capacity	552	552	552	1,167
Enrollment	552	584	584	517
Burton International (at Pelham) (1963):				
Square feet	114,200	114,200	114,200	114,200
Capacity	653	653	653	1,038
Enrollment	653	632	632	672
Carstens Academy (at Remus Robinson) (1977):				
Square feet	128,000	128,000	128,000	128,000
Capacity	526	526	526	785
Enrollment	363	363	363	317
Carver (1953):				
Square feet	67,102	67,102	67,102	67,102
Capacity	794	794	794	6,628
Enrollment	448	315	315	301
Clark (1925):				
Square feet	56,852	56,852	56,852	56,852
Capacity	801	801	801	789
Enrollment	406	430	430	508
Dixon Academy (at Lessenger) (1963):				
Square feet	93,258	93,258	93,258	93,258
Capacity	877	877	877	914
Enrollment	592	495	495	449
Dossin (1949):				
Square feet	50,508	50,508	50,508	50,508
Capacity	404	404	404	498
Enrollment	432	366	366	-
Durfee (1928):				
Square feet	170,870	170,870	170,870	170,870
Capacity	1,218	1,218	1,218	1,561
Enrollment	600	498	498	514
Earhart Elementary/Middle (2011):				
Square feet	111,090	111,090	111,090	111,090
Capacity	966	966	966	1,064
Enrollment	966	793	793	737

Detroit Public Schools Community District

Summary of Buildings and Sites (Unaudited) (Continued)

Last Four Fiscal Years

School	2020	2019 (1)	2018	2017
K - 8 Schools (Continued)				
Ellington, Duke at Beckham (2001):				
Square feet	104,836	104,836	104,836	104,836
Capacity	818	818	818	1,069
Enrollment	655	602	602	562
Emerson (1947):				
Square feet	126,805	126,805	126,805	126,805
Capacity	1,038	1,586	1,586	1,586
Enrollment	715	567	567	554
Fisher Magnet Lower Academy (at Heilmann Park ES) (2002):				
Square feet	95,098	95,098	95,098	95,098
Capacity	678	866	866	866
Enrollment	656	546	546	549
Fisher Magnet Upper Academy (at Heilmann Park MS) (2003):				
Square feet	147,620	147,620	147,620	147,620
Capacity	678	1,088	1,088	1,088
Enrollment	443	431	431	423
Foreign Language Immersion (1992):				
Square feet	92,010	92,010	92,010	92,010
Capacity	882	1,037	1,037	1,037
Enrollment	747	681	681	658
Garvey Academy, Marcus (at Butzel) (1964):				
Square feet	144,400	144,400	144,400	144,400
Capacity	485	1,080	1,080	1,080
Enrollment	388	342	342	348
Gompers Elementary/Middle (2011):				
Square feet	111,882	111,882	111,882	111,882
Capacity	837	1,064	1,064	1,064
Enrollment	837	765	765	793
Greenfield Union (1914):				
Square feet	75,285	75,285	75,285	75,285
Capacity	955	893	893	893
Enrollment	300	297	297	303
Henderson Academy (1963):				
Square feet	109,000	109,000	109,000	109,000
Capacity	1,292	1,013	1,013	1,013
Enrollment	824	800	800	726

Detroit Public Schools Community District

Summary of Buildings and Sites (Unaudited) (Continued)

School	Last Four Fiscal Years			
	2020	2019 (1)	2018	2017
K - 8 Schools (continued)				
Holmes, A. L. (1915):				
Square feet	102,217	102,217	102,217	102,217
Capacity	989	813	813	813
Enrollment	459	447	447	437
Hutchinson at Howe (2002):				
Square feet	97,174	97,174	97,174	97,174
Capacity	745	745	745	745
Enrollment	341	342	342	361
King J.R. (at Cerveny) (1923):				
Square feet	133,580	133,580	133,580	133,580
Capacity	1,090	1,320	1,320	1,320
Enrollment	897	880	1,189	790
Marion Law Academy(2001)				
Square feet	125,995	125,995	125,995	125,995
Capacity	1,244	1,227	1,227	1,227
Enrollment	474	476	425	476
Mackenzie Elementary/Middle (2012):				
Square feet	111,774	111,774	111,774	111,774
Capacity	1,064	1,064	1,064	1,064
Enrollment	908	804	804	1,116
Marquette (1949):				
Square feet	92,618	92,618	92,618	92,618
Capacity	996	1,233	1,233	1,233
Enrollment	532	510	510	521
Marshall, Thurgood (1920):				
Square feet	90,905	90,905	90,905	90,905
Capacity	712	781	781	781
Enrollment	518	584	584	578
Mason Elementary/Middle (at Farwell MS) (1964):				
Square feet	96,304	96,304	96,304	96,304
Capacity	889	974	974	974
Enrollment	491	413	413	378
Munger Elementary/Middle (2012):				
Square feet	111,245	111,245	111,245	111,245
Capacity	1,153	1,064	1,064	1,064
Enrollment	1,001	1,007	1,007	955
Nichols (1910):				
Square feet	51,904	51,904	51,904	51,904
Capacity	475	481	481	481
Enrollment	285	292	292	256

Detroit Public Schools Community District

Summary of Buildings and Sites (Unaudited) (Continued)

School	Last Four Fiscal Years			
	2020	2019 (1)	2018	2017
K - 8 Schools (continued)				
Noble (1920):				
Square feet	143,605	143,605	143,605	143,605
Capacity	939	1,030	1,030	1,030
Enrollment	285	634	634	515
Palmer Park Prep Academy (at B. Jordan) (1928):				
Square feet	160,261	160,261	160,261	160,261
Capacity	1,115	1,115	1,115	1,115
Enrollment	519	437	437	392
Priest Elementary/Middle (1923):				
Square feet	117,502	117,502	117,502	117,502
Capacity	1,145	1,161	1,161	1,161
Enrollment	519	743	743	750
Pulaski (1942):				
Square feet	60,966	60,966	60,966	60,966
Capacity	755	955	955	955
Enrollment	466	468	468	473
Robeson, Paul / Malcolm X Academy at Hally (1927):				
Square feet	48,500	48,500	48,500	48,500
Capacity	755	750	750	750
Enrollment	466	309	309	326
Sampson Webber Academy (1964):				
Square feet	145,118	145,118	145,118	145,118
Capacity	981	1,101	1,101	1,101
Enrollment	392	335	335	339
Schulze (2002):				
Square feet	94,991	94,991	94,991	94,991
Capacity	749	813	813	813
Enrollment	651	479	479	462
Spain (1912):				
Square feet	145,591	145,591	145,591	145,591
Capacity	990	1,125	1,125	1,125
Enrollment	380	359	359	337
Thirkell (1914):				
Square feet	68,701	68,701	68,701	68,701
Capacity	609	619	619	619
Enrollment	608	558	558	591
Twain, Mark Academy (at Boynton) (1925):				
Square feet	120,132	120,132	120,132	120,132
Capacity	581	936	936	936
Enrollment	232	216	216	243

Detroit Public Schools Community District

Summary of Buildings and Sites (Unaudited) (Continued)

Last Four Fiscal Years

School	2020	2019 (1)	2018	2017
K - 8 Schools (continued)				
Clippert Academy (1905):				
Square feet	46,194	46,194	46,194	46,194
Capacity	567	626	626	626
Enrollment	472	461	461	509
Detroit Lions Alternative MS (1963):				
Square feet	32,241	32,241	32,241	32,241
Capacity	197	146	146	146
Enrollment	95	86	86	97
Ludington Magnet (at Langston Hughes/Taft MS) (1963):				
Square feet	95,591	95,591	95,591	95,591
Capacity	702	693	693	693
Enrollment	184	359	359	369
Breithaupt Career and Tech (1981):				
Square feet	150,361	150,361	150,361	150,361
Capacity	792	616	616	616
Enrollment	3	6	6	5
Carson, Ben Academy (at Crockett CTC) (1980):				
Square feet	95,691	95,691	95,691	95,691
Capacity	594	594	594	594
Enrollment	339	385	385	400
Cass Tech (2004):				
Square feet	402,484	402,484	402,484	402,484
Capacity	2,336	2,286	2,286	2,286
Enrollment	2,336	2,458	2,458	2,447
Cody (1947):				
Square feet	286,752	286,752	286,752	286,752
Capacity	2,108	677	677	677
Enrollment	538	704	217	248
King HS (2011):				
Square feet	245,413	245,413	245,413	245,413
Capacity	2,006	1,656	1,656	1,656
Enrollment	1,034	1,189	1,189	1,424
Osborn (1956):				
Square feet	201,884	201,884	201,884	201,884
Capacity	1,891	671	671	671
Enrollment	483	615	615	---
Randolph Career and Tech (1982):				
Square feet	122,883	122,883	122,883	122,883
Capacity	704	660	660	660
Enrollment	22	6	6	105

Detroit Public Schools Community District

Summary of Buildings and Sites (Unaudited) (Continued)

Last Four Fiscal Years

School	2020	2019 (1)	2018	2017
K - 8 Schools (continued)				
Renaissance (2005):				
Square feet	295,523	295,523	295,523	295,523
Capacity	1,169	1,169	1,169	1,169
Enrollment	1,160	1,178	1,178	1,134
West Side Academy (at Westside Multicultural) (2002):				
Square feet	71,283	71,283	71,283	71,283
Capacity	592	419	419	419
Enrollment	273	486	---	484
Western International (1937):				
Square feet	299,630	299,630	299,630	299,630
Capacity	1,862	2,367	2,367	2,367
Enrollment	1,761	1,985	1,985	1,878
Special Education Centers				
Banks-Williamson, Diann Special Education Center (2013):				
Square feet	21,165	21,165	21,165	21,165
Capacity	108	108	108	108
Enrollment	67	66	66	73
Drew Transion Center (1970):				
Square feet	139,000	139,000	139,000	139,000
Capacity	1,224	500	500	500
Enrollment	488	468	468	477
Field, Moses Center (1964):				
Square feet	53,742	53,742	53,742	53,742
Capacity	180	97	97	97
Enrollment	82	78	---	---
Keidan Special Education Center (1963)				
Square feet	83,850	83,850	83,850	83,850
Capacity	382	492	492	492
Enrollment	131	123	127	266
Turning Point Academy (1929)				
Square feet	58,690	58,690	58,690	58,690
Capacity	477	659	659	659
Enrollment	41	31	26	75
Total - Instructional				
Total - Square Feet ⁽²⁾	8,810,431	8,810,431	8,810,431	8,810,431

Detroit Public Schools Community District

Summary of Buildings and Sites (Unaudited) (Continued)

Last Four Fiscal Years

Total - Capacity ⁽³⁾	70,551	70,209	70,209	77,862
Total - Enrollment (PK-12) ⁽⁴⁾	45,012	43,593	42,558	42,008

School	2020	2019 (1)	2018	2017
Noninstructional Sites				
Children's Museum (1929):				
Square feet	29,928	29,928	29,928	29,928
Capacity	---	---	---	---
Enrollment	---	---	---	---
Detroit School for the Deaf (1970):				
Square feet	61,152	61,152	61,152	61,152
Capacity	---	---	---	---
Enrollment	---	---	---	---
Eastside Bus Terminal (1940):				
Square feet	44,784	44,784	44,784	44,784
Capacity	---	---	---	---
Enrollment	---	---	---	---
Fisher Building (1928):				
Square feet	172,068	172,068	172,068	172,068
Capacity	---	---	---	---
Enrollment	---	---	---	---
Golightly Horticulture (1982):				
Square feet	1,600	1,600	1,600	1,600
Capacity	---	---	---	---
Enrollment	---	---	---	---
Office of Adult Education East (at Richard) (1928):				
Square feet	43,664	43,664	43,664	43,664
Capacity	---	---	---	---
Enrollment	---	---	---	---
Office of Adult Education West (at Crary) (1938):				
Square feet	48,742	48,742	48,742	48,742
Capacity	---	---	---	---
Enrollment	---	---	---	---
Professional Development at Northwestern:				
Square feet	33,700	33,700	33,700	33,700
Capacity	---	---	---	---
Enrollment	---	---	---	---
Public Safety Command Center/HQ (2011):				
Square feet	28,400	28,400	28,400	28,400
Capacity	---	---	---	---
Enrollment	---	---	---	---

Detroit Public Schools Community District

Summary of Buildings and Sites (Unaudited) (Continued)

School	Last Four Fiscal Years			
	2020	2019 (1)	2018	2017
Noninstructional Sites (continued)				
Speech & Hearing Clinic:				
Square feet	5,400	5,400	5,400	5,400
Capacity	---	---	---	---
Enrollment	---	---	---	---
Support Services Bldg A (1929):				
Square feet	169,000	169,000	169,000	169,000
Capacity	---	---	---	---
Enrollment	---	---	---	---
Support Services Bldg B (1921):				
Square feet	28,000	28,000	28,000	28,000
Capacity	---	---	---	---
Enrollment	---	---	---	---
Support Services Bldg C (1929):				
Square feet	44,000	44,000	44,000	44,000
Capacity	---	---	---	---
Enrollment	---	---	---	---
Westside Bus Terminal (1939):				
Square feet	41,735	41,735	41,735	41,735
Capacity	---	---	---	---
Enrollment	---	---	---	---
Total - Non-Instructional				
Total - Square Feet ⁽²⁾	752,173	752,173	752,173	752,173
Total - Capacity ⁽³⁾	-	-	-	-
Total - Enrollment (PK-12) ⁽⁴⁾	-	-	-	-
GRAND TOTAL				
Total - Square Feet ⁽²⁾	9,562,604	9,562,604	9,562,604	9,562,604
Total - Capacity ⁽³⁾	70,551	70,209	70,209	77,862
Total - Enrollment (PK-12) ⁽⁴⁾	45,012	43,593	42,558	42,008

Summary of Buildings and Sites (Unaudited) (Continued)

Last Four Fiscal Years

Notes:

- (1) The enrollment number reflects the ACTUAL Spring 2020 FTE count.
- (2) Total gross square footage by school and non-instructional building. Provided by DPSPMT Planning and Programming Department.
- (3) The capacity result reflect program capacity of the School. The numbers come from the "School Facility Capacity Report" conducted and prepared by the Pupil Population Management Department.
- (4) The enrollment reflects the actual pre-audit number of PK-12 and Special Education students (based on FTE's) resulting from the Official Count Day process.

Source: Department of Pupil Population Management, DPSCD; DPSCD Capital Projects Group; and, District historical records.