DETROIT SERVICE LEARNING ACADEMY
REPORT TO THE BOARD OF DIRECTORS

JUNE 30, 2023

Wilkerson & Associate P.C.
CERTIFIED PUBLIC ACCOUNTANTS

3 PARKLANE BLVD. SUITE 612
DEARBORN, MICHIGAN 48126
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LARRY WILKERSON, C.P.A
THOMAS E. WILKERSON, C.P.A

To the Board of Directors of
Detroit Service Learning Academy

We have recently completed our audit of the basic financial statements of Detroit Service Learning Academy (the "Academy") as of and for the year ended June 30, 2023.In addition to our audit report, we are providing the following required audit communication, recommendations, and informational items which impact the Academy:

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We are grateful for the opportunity to be of service to Detroit Service Learning Academy. Should you have any questions regarding the comments in this report, please do not hesitate to call.

Wilkerson & Associate PC

October 19, 2023

Members: A.I.C.P.A. and M.I.C.P.A.

To the Board of Directors
Detroit Service Learning Academy
October 19, 2023

Results of the Audit

We have audited the financial statements of Detroit Service Learning Academy (the "Academy") as of and for the year ended June 30,2023 and have issued our report thereon dated October 19, 2023 Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated January 27,2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. We are responsible for planning and performing the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of the Academy. Our consideration of internal control was solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters and our audit of the financial statements does not relieve you or management of your responsibilities.

Our audit of the Academy's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we have made some assessments of the Academy's compliance with certain provisions of laws, regulations, contracts, and grant agreements. While those assessments are not sufficient to identify all noncompliance with applicable laws, regulations, and contract provisions, we are required to communicate all noncompliance conditions that come to our attention. We have communicated those conditions in a separate letter dated October 19, 2023, regarding our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

We are also obligated to communicate certain matters related to our audit of those responsible for the governance of the Academy, including certain instances of error or fraud and significant deficiencies in internal control that we identify during our audit. In certain situations, *Government Auditing Standards* require disclosure of illegal acts to applicable government agencies. If such illegal acts were detected during our audit, we would be required to make disclosures regarding these acts to applicable government agencies. No such disclosures were required.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters during the preliminary audit phase.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter. We will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Academy are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30,2023.

We noted no transactions entered into by the Academy during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimates included in this year's financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statements disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive disclosures included in the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statement or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated as of the date of the audit report.

Management Consultants with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultant involves application of an accounting principle to the Academy's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

To the Board of Directors
Detroit Service Learning Academy
October 19, 2023

Other Audit Findings or Issues

In the normal course of our professional association with the Academy, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Academy, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition of our retention as the Academy's auditors.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the Academy's financial statements and report does not extend beyond the financial statements. We do not have an obligation to determine whether or not such information is properly stated. However, we read the management's discussion and analysis and budgetary comparison schedule and nothing came to our attention that caused us to believe that such information, or its manner of presentation is materially inconsistent with the information or manner of its presentation in the financial statements.

In addition to the comments and recommendations in this letter, our observations and comments regarding the Academy's internal controls, including any significant deficiencies or material weaknesses that we identified, have been reported to you in the report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards.*

This information is intended solely for the use of the board of directors and management of Detroit Service Learning Academy and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Wilkerson & Associate PC

Larry D. Wilkerson, CPA

Recommendations

DETROIT SERVICE LEARNING ACADEMY RECOMMENDATIONS

As a result of auditing standards required to be implemented last year, the audit continues to require a strong emphasis to be placed on the Academy's internal control systems. The primary goal of internal controls is to provide a reasonable (as opposed to absolute) protection to the Academy and its assets and financial information. During this year's audit process, we noted no items that required management to make changes; therefore, no recommendations are made for this year.

DETROIT SERVICE LEARNING ACADEMY

Financial Report
with Supplemental Information
and Single Audit Report
June 30, 2023

DETROIT SERVICE LEARNING ACADEMY

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LARRY WILKERSON, C.P.A
THOMAS E. WILKERSON, C.P.A

Independent Auditor's Report

To Management
and the Board of Directors of
Detroit Service Learning Academy

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining information of Detroit Service Learning Academy (the 'Academy'), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

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 Service Learning Academy as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Academy, and meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison 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 Government Auditing Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America,

which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 Service Learning Academy's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplementary 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 supplementary information as identified in the table of contents, is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2023, on our consideration of Detroit Service Learning Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of 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 Service Learning Academy's internal control over financial reporting and compliance.

Wilkerson & Associate PC

Dearborn, Michigan
October 19, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

This section of Detroit Service Learning Academy District's (DSLA) annual financial report presents discussion and analysis of the Academy's financial performance during the year ended June 30, 2023. It should be read in conjunction with DSLA's basic financial statements, which follows this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements include:

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

Basic Financial Statements

District (Academy)-Wide Financial Statements | Fund Financial Statements

Notes to the Basic Financial Statements
(Required Supplemental Information)

Budgetary Information for General Fund

Other Supplemental Information

These statements are organized so the reader can understand DSLA financially as a whole. The District-wide financial statements provide information about the activities of the whole Academy, presenting both an aggregate view of DSLA's finances and a long-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 as well as what remains for future spending. The fund financial statements look at the Academy's operations in more detail than the District-wide financial statements. These statements provide information about the Academy's most significant funds – the General Fund and Debt Service Fund – with all other funds presented in one column as non-major funds.

District (Academy) Wide Financial Statements

One of the most important questions asked about the Academy is, "As a whole, what is the Academy's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the Academy's financial statements, report information on the Academy as a whole and its activities in a way that helps you answer this question. The Statement of Net Position includes all of the District's assets and liabilities. The Statement of Activities reports all of the Academy's current year revenues and expenses by type of activity. These statements are prepared to include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private

sector companies. All of the current year revenues and expenses are taken into account regardless of when cash is received or paid.

The two District-wide statements report the Academy's net assets and how they have changed. The Net Position, the difference between the District's assets and liabilities, is one way to measure the District's financial position.

- Increases and decreases in the Academy's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall financial position of DSLA, you will need to consider additional non-financial factors.

The Statement of Net Position and the Statement of Activities report the governmental activities for the Academy, which encompass all of DSLA's services including instruction, support services, food services, and community services. Unrestricted state aid (foundation allowance revenue) and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Academy's funds, focusing on its most significant or "major" funds, not the District as a whole. It provides information as to the amount of financial resources that can be spent in the near future to finance programs. It also provides information about the District's most significant funds – the General Fund (the principal operating fund), the Debt Service Fund, and its non-major funds, which are grouped together and presented as Other Governmental Funds. Some funds are required to be established by state law and by bond covenants. However, the Academy establishes other funds to help it control and manage money for particular purposes (ex. Food Services Fund or Community Service Fund). The School District's only non-major fund is Food Service.

The Governmental fund financial reporting is presented on a modified accrual basis, which measures cash and all other financial assets that can readily be converted to cash. Liabilities are recognized to the extent that they can be paid using current financial resources. The governmental fund statements provide a detailed short-term view of the operations of the Academy and the services it provides. Governmental fund information helps you determine whether there are more or less financial resources that can be spent in the near future to finance the Academy's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation.

Detroit Service Learning Academy as a Whole

As discussed above, the Statement of Net Position provides information of the Academy as a whole. Table 1 provides a summary of the School District's net assets as of June 30, 2023:

Table 1 – Summary of Detroit Service Learning Academy's Net Position

	Governmental Activities
Assets	
Current and other assets	11,595,810
Capital assets - net of accumulated depreciation	16,317,569
Total assets	27,913,379
Liabilities	
Current Liabilities	2,122,079
Long-Term Liabilities	14,246,364
Total liabilities	16,368,443
Net Position	
Invested in capital assets, net of accumulated depreciation	2,071,205
Restricted – Debt Service	1,061,005
Unrestricted	8,412,725
Total Net Position	$ 11,544,935

The above analysis focuses on the net position. The Academy's Net Position at year-end was $11,544,935.

Net Invested Capital Assets totaling $2,071,205 compares the original cost, less depreciation, to the long-term debt used to finance the acquisition of those assets. Restricted Net Position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Academy's ability to use the net position amount for day-to-day operations.

The remaining amount in Net Position of $8,412,725 is Unrestricted. This represents the accumulated results of all prior period operations. The Unrestricted Net Position balance enables the Academy to meet working capital and cash flow requirements, as well as 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.

The results of this year's operations for the Academy as a whole are reported in the Statement of Activities (see Table 2).

Table 2 – Summary of the Statement of Activities

Revenues	2023	2022
Program revenue		
Charges for services	$ -	$ -
Federal grants and entitlements	5,137,287	7,802,225
General revenues	14,953,809	13,298,228
Prior period adjustment	-	(375,000)
Other funds	1,634,027	636,839
Total Revenues	21,725,124	21,362,292
Function/Program Expenses		
Instruction	6,789,752	6,050,696
Support Services	9,506,371	8,534,766
Food Services	1,058,390	746,603
Community Services	117,144	80,871
Interest on long-term debt	591,486	653,807
Depreciation (unallocated)	1,579,457	1,551,469
Total Expenses	19,642,599	17,618,212
Change in Net Position	$ 2,082,525	$ 4,119,080

As reported in the Statement of Activities, the cost of all governmental activities for this year was $19,642,599. Certain activities were partially funded by other governments and organizations that subsidize certain programs with grants and other revenues. Those activities funded with grants total $5,137,287. The Academy paid for the remaining "public benefit" portion of the governmental activities with $14,953,809 in state foundation allowance, and other revenues of $1,634,027. The activities resulted with a change in net position of $2,082,525.

Unrestricted state aid constitutes the vast majority of the Academy's operating revenue sources. The Board of Directors, management team, administration and collaborative efforts with the staff and community, annually evaluate the needs of the Academy, and balance those needs with state-prescribed available unrestricted resources.

Table 3 – Capital Assets and Debt Administration

Capital Assets

As of June 30, 2023, the Academy has $29,370,264 invested in a broad range of capital assets, including land, building and building improvements, and furniture and equipment.

	June 30 2023	2022
Land	$ 932,620	$ 932,620
Building and Building Improvements	21,205,970	20,522,510
Furniture & Equipment	7,231,8674	5,788,885
Total Capital Assets	29,370,264	27,244,015
Less Accumulated Depreciation	(13,052,694)	(11,473,237)
Net Capital Assets	$ 16,317,570	$ 15,770,778

This year's fixed asset additions of $2,126,249 include various technology & equipment purchases and building improvements & repairs, mostly of which were covered through federal grants, and capitalized leases for copier machine equipment. More detailed information about the capital assets is available in the Notes to the Basic Financial Statements.

Debt

At June 30, 2023, the Academy has long-term debt outstanding of $14,246,364. This includes long-term financing of two buildings and building improvements. More detailed information about long-term liabilities is provided in the Notes to the Basic Financial Statements.

The District Funds

As we noted earlier, the Academy uses funds to help control and manage monies for particular purposes. The District completed the 2022-2023 school year with a combined fund balance of $7,848,057 which is an increase of $926,080 from the prior period. This increase is due in part to the CARES Act additional federal funding (ESSER grants; GEER grants) related to COVID-19 relief, constructive staffing and program adjustments, and reassignments of general fund expenditures to grant categories.

General Fund Budget Variances

Certain General Fund revenue and expenditure functions were under budget by 10 percent. These budget variances were related to state and federal deferred revenues (unearned $600k and unavailable $1M) and the associated grant expenditures budgeted, per grant guidelines. The Board Finance Committee will implement budget meetings to review any variances and make any necessary adjustments prior to year-end and adoption of the final budget amendment.

Economic Factors Affecting Next Year's Budgets

Our appointed officials, management team, administration, and staff consider many factors when setting the District's 2023-2024 fiscal year budget. One of the most important factors affecting the budget is the student count. Due to the lasting effects of COVID-19 and learning loss, districts across the state are concerned about declines in student enrollment and the effect on funding. In an effort to maintain funding stability for districts, the State has approved a minimum fund balance of $9,608 for school districts. For fiscal year 23/24, the funding formula will be the usual blend calculation (90 percent of October 2023 count & 10 percent of February 2024).

At the current sites, the District anticipates student enrollment to slightly increase for the 23/24 budget. The Academy will continue to focus on retaining students and increasing enrollment. The process of enrolling students early for the next school year is a high priority to the Academy. This is an instrumental tool in providing an actual versus estimated student count.

Approximately 90 percent of total general fund revenue is from the state foundation allowance. As a result, the Academy's funds are heavily dependent on the State's ability to fund local school operations. The State periodically holds a revenue-estimating conference to determine revenues. If the State estimated funds are not sufficient to fund the appropriation, the legislature must revise the appropriation, or prorating of state aid will occur. The current Foundation Allowance is $9,150 per pupil. This year, the impact on the Academy of the State's projected revenue is estimated to be an increase of $458 per pupil, giving a minimum foundation of $9,608.

BASIC FINANCIAL STATEMENTS

DETROIT SERVICE LEARNING ACADEMY
STATEMENT OF NET POSITION
JUNE 30, 2023

		Governmental Activities
Assets		
	Cash and Cash Equivalents	$ 5,988,344
	Accounts Receivable	275
	Prepaid Expenses	257,414
	Due From Other Governmental Units	4,135,041
	Restricted Assets	1,214,735
	Capital Assets, Net of Accumulated Depreciation	16,317,569
	Total Assets	27,913,379
Liabilities		
	Accounts Payable	379,654
	Accrued Payroll and Benefits	753,708
	Accrued Expenses	988,718
	Note Payable	-
	Long-term Liabilities:	
	Due within one year	-
	Due in more than one year	14,246,364
	Total Liabilities	16,368,443
Net Position		
	Invested in Capital Assets, Net of Related Debt	2,071,206
	Restricted-Debt Service	1,061,005
	Unrestricted	8,412,725
	Total Net Position	$ 11,544,935

DETROIT SERVICE LEARNING ACADEMY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Governmental Activities: Net (Expenses) Revenues and changes in Net Assets
Governmental Activities				
Instruction	$ 6,789,752	$ -	3,046,363	$ (3,743,389)
Support Services	9,506,371	-	786,788	(8,719,583)
Food Services	1,058,390	-	1,260,864	202,474
Community Services	117,144	-	43,273	(73,871)
Interest	591,486	-	-	(591,486)
Depreciation (unallocated)	1,579,457	-	-	(1,579,457)
Total Governmental Activities	19,642,599	-	5,137,287	(14,505,312)
General Revenues				
State Aid - Formula Grants				14,953,809
Other Revenue				1,634,027
Total General Revenues				16,587,837
Change in Net Position				2,082,525
Prior Period Adjustment:				-
Net Position - July 1, 2022				9,462,411
Net Position - June 30, 2023				$ 11,544,935

DETROIT SERVICE LEARNING ACADEMY
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023

ASSETS	General Fund	Debt Service Fund	Non-Major Fund Food Service Special Revenue Fund	Total Governmental Funds
Cash and Cash Equivalents	$ 5,270,830	$ 46,487	$ 671,027	5,988,344
Accounts Receivable	275	-	-	275
Prepaid Expenses	257,414	-	-	257,414
Due From Other Governmental Units	4,084,006	-	51,035	4,135,041
Restricted Assets	-	1,214,735	-	1,214,735
Total Assets	$ 9,612,525	$ 1,261,222	$ 722,062	11,595,809
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	352,701	-	26,952	379,654
Accrued Payroll and Benefits	751,343	-	2,365	753,708
Accrued Expenditures	603,139	200,217	185,362	988,718
Deferred Revenue	1,625,673	-	-	1,625,673
Note Payable	-	-	-	-
Total Liabilities	3,332,856	200,217	214,679	3,747,753
Fund Balances				
Restricted:				
Debt Service	-	1,061,005	-	1,061,005
Food Service	-	-	507,383	507,383
Unassigned	6,279,669	-	-	6,279,669
Total Fund Balances	6,279,669	1,061,005	507,383	7,848,057
Total Liabilities and Fund Balances	$ 9,612,525	$ 1,261,222	$ 722,062	11,595,809

DETROIT SERVICE LEARNING ACADEMY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total Fund Balances - Governmental Funds		$ 7,848,057
Amounts Reported for Governmental Activities in the Statement of Net Assets are different because:		
Capital Assets used in Governmental Activities are not Financial Resources and therefore, not Reported as Assets in Governmental Funds		
Cost of Capital Assets	29,370,263	
Accumulated Depreciation	(13,052,694)	16,317,569
Grants and other receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds.		1,625,673
Long-term libilities are not due and payable in the current period and are not reported in the govermental funds- Bond payable including premium and deferred charges		(14,246,364)
Total Net Position - Governmental Activities		$ 11,544,935

DETROIT SERVICE LEARNING ACADEMY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Debt Service Fund	Non-Major Fund Food Service Special Revenue Fund	Total Governmental Funds
Revenue				
Federal Sources	$ 3,814,209	$ -	$ 1,260,864	$ 5,075,073
State Sources	14,873,478	-	19,193	14,892,671
Local Sources	1,637,621	-	8,293	1,645,913
Total Revenue	20,325,308	-	1,288,349 -	21,613,657
Expenditures				
Instruction:				
Basic Instructions	5,055,903	-	-	5,055,903
Added Needs	2,458,826	-	-	2,458,826
Supporting Services:				
Pupil Support Services	793,154	-	-	793,154
Instructional Staff Services	945,527	-	-	945,527
General Administration Services	3,507,954	-	-	3,507,954
School Administration Services	954,732	-	-	954,732
Business Services	394,722	-	-	394,722
Operations and Maintenance	2,810,752	-	-	2,810,752
Pupil Transportation Services	473,612	-	-	473,612
Central Services	775,423	-	-	775,423
Food Services	-	-	1,229,235	1,229,235
Other	80,921	-	-	80,921
Community Services	112,617	-	-	112,617
Welfare Activities	4,526	-	-	4,526
Debt Service:				-
Principal	-	498,636	-	498,636
Interest	-	591,486	-	591,486
Total Expenditures	18,368,670	1,090,122	1,229,235 -	20,688,027
Excess (Deficiency) of Revenue over Expenditures	1,956,638	(1,090,122)	59,114	925,630
Other Financing Sources (Uses)				
Operating Transfers - In	-	1,117,628	-	1,117,628
Operating Transfers - Out	(1,117,628)	-	-	(1,117,628)
Total Other Financing Sources(Uses)	(1,117,628)	1,117,628	-	-
Net Change in Fund Balances	839,010	27,506	59,114	925,630
Fund Balances - July 1, 2022	5,440,659	1,033,499	448,269	6,922,427
Fund Balances - June 30, 2023	$ 6,279,669	$ 1,061,005	$ 507,383	$ 7,848,057

DETROIT SERVICE LEARNING ACADEMY
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds		$	925,630
Amounts Reported for Governmental Activities in the Statement of Activities are different because:			
Governmental Funds report Capital Outlay as Expenditure in the Statement of Activities, these Costs are Allocated over their Estimated Useful Lives as Depreciation			
Depreciation Expense	(1,579,457)		
Capitalized Capital Outlay Expense	2,126,249		546,792
Grants and other receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds.			1,625,673
			(1,514,207)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)			498,636
Change in Net Position - Governmental Activities		$	2,082,525

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Detroit Service Learning Academy District (the "Academy") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Academy:

Reporting Entity

The accompanying basic financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. The Academy is a public school academy as part of the Michigan Public School System under Public Act No. 362 of 1993. Lake Superior State University is the authorizing body for the Academy and has contracted with the Academy to charter a public school academy through June 30, 2026. The Academy's board of directors is approved by the authorizing body and is authorized to manage the Academy and the property and affairs of the Academy. The Academy paid Lake Superior State University board of trustees three percent of the total state funds received as administrative fees. The total administrative fee for the year ended June 30, 2023 to the Lake Superior State University board of trustees was approximately $446,924.

The Academy has followed the guidelines of Governmental Accounting Standards Board Statement No. 14 and has determined that no entities should be consolidated into its basic financial statements as component units. Therefore, the reporting entity consists of the Academy's financial statements only.

Academy-wide and Fund Financial Statements

The Academy-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Academy. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the Academy-wide activities are considered governmental activities.

Note 1 - Summary of Significant Accounting Policies (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes charges to customers, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular function. Intergovernmental payments and other items not properly included among program revenues are reported instead as general revenue.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Academy-wide Financial Statements - The Academy-wide financial statements are reported using the economic resources measurement focus and the 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. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of inter-fund activity has been eliminated from the Academy-wide financial statements.

Amounts reported as program revenue include charges to customers, operating grants, fund raising and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all unrestricted state aid.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter

to pay liabilities of the current period. For this purpose, the Academy considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The Academy reports the following major governmental funds:

General Fund - The General Fund is the Academy's primary operating fund. It accounts for all financial resources of the Academy, except those required to be accounted for in another fund.

Debt Service Fund – This fund records the accumulated resources and principal and interest payments that are due on the long term municipal term bonds.

Additionally, the Academy reports the following fund types:

Food Service Fund - The Food Service Fund is a Special Revenue Fund that is used to record all activity related the Academy's food service program including breakfast and lunch. Any operating deficit generated by this fund is the responsibility of the General Fund.

Other Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes.

Assets, Liabilities, and Net Assets or Equity

Cash - Cash includes cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Receivables and Payables - In general, outstanding balances between funds are reported

as "due to/from other funds."

All receivables, primarily intergovernmental receivables, are shown net of an allowance for uncollectible amounts. The Academy considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Inter-fund Balances – Inter-fund balances represent routine and temporary cash flow assistance from the General Fund.

Prepaid Costs - Certain payments to vendors reflect costs applicable to future fiscal years and

Note 1 - Summary of Significant Accounting Policies (Continued)

are recorded as prepaid items in both Academy-wide and fund financial statements.

Capital Assets - Capital assets, which include land, construction in progress, leasehold improvements and furniture and fixtures, are reported in the applicable governmental column in the Academy-wide financial statements. Capital assets are defined by the Academy as assets with an initial individual cost of more than $1,000 and an estimated useful life in excess of at least three (3) year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized. The Academy does not have infrastructure-type assets.

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

Leasehold improvements	5-20 years
Computer software	5 years
Furniture and equipment	5-7 years
Buildings	40 years
Building Improvements	15-39 years

Long-term Obligations - In the Academy-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position.

In the fund financial statements, the face amount of debt issued is reported as other financing sources. The Academy's long-term debt consists of land, building and building improvement obligations.

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

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

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

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

Assigned – amounts intended to be used for specific purposes as determined by the Board of

Note 1 - Summary of Significant Accounting Policies (Continued)

Education. The Board of Education may grant the Superintendent authority to assign funds. Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

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

Designations of fund balance represent tentative management plans that are subject to change.

Comparative Data - Comparative data is not included in the Academy's financial statements.

Note 2 – Stewardship, Compliance, and Accountability

Budgetary Information - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end.

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; however, the governing body adopted a budget at a more detailed level than what is included in these statements. State law requires the Academy to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits academies to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner. The Academy adjusted budgeted amounts during the year in response to actual and projected activity.

Encumbrance accounting is employed in governmental funds. Amounts encumbered for purchase orders, contracts, etc. are tracked during the year utilizing an additional accounting program. Budget appropriations are considered to be spent once the goods are delivered or the services ordered.

Note 2 – Stewardship, Compliance, and Accountability (Continued)

Excess of Expenditures over Appropriations in Budgeted Funds - During the year, the Academy incurred expenditures in the General Fund, which were in excess of the amounts budgeted as shown below:

	Budget	Actual	Variance
No Variances to report.	$ -	-	-

Note 3 – Deposits

State statutes authorize the Academy to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan; the Academy is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The Academy's deposits are in accordance with statutory authority. The Academy has designated one bank for the deposit of its funds. The Academy's deposits consist solely of checking and/or savings accounts at a local bank. The Academy's cash is subject to custodial credit risk, which is 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 Academy's deposits may not be returned to it. The Academy evaluates its depositories and only those with an acceptable risk level are used for the Academy’s deposits. The Academy believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, its impractical to insure all deposits.

At year end, the Academy’s deposits and investments were reported in the basic financial statements as cash and cash equivalents of $5,988,344.

The deposits of the Academy were reflected on the accounts of the financial institution at $6,169,709 of which $752,730 is covered by federal depository insurance; $5,417,339 was exposed to custodial risk because it was uninsured and uncollateralized.

Note 3 – Deposits (Continued)

Custodial Credit Risk of Investments- The Academy'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 pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the Academy will do business using the criteria established in the investment policy.

Interest Rate Risk- The Academy's investment policy restricts investment maturities to five years in the future. The Academy's policy minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market.

The restricted assets $ 1,061,005 at June 30, 2023 were held at US Bank, and had maturities of 60 days.

Cash and Cash Equivalents at June 30, 2023 consisted of the following:

Cash (checking and savings accounts)	$ 5,988,344
Restricted assests (investments held by trustee)	1,214,735
	$ 7,203,079

Note 4 -Capital Assets

Capital asset activity of the Academy's governmental activities was as follows:

Governmental Activities	Balance July 1, 2022	Additions	Disposals	Balance June 30, 2023
Capital Assets not being depreciated:				
Land	932,620	-	-	932,620
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	932,620	-	-	932,620
Capital Assets being depreciated:		-		
Buildings	16,101,181	-	-	16,101,181
Building Improvements	4,421,329	683,460	-	5,104,789
Furniture & Equipment	628,481	197,028	-	825,508
Computer Equipment	4,405,188	741,127	-	5,146,315
R2U- Furniture & Equipment	283,152	504,634	-	787,786
R2U- School Buses	472,065	-	-	472,065
Total capital assets being depreciated	26,311,395	2,126,249	-	28,437,644
Accumulated Depreciation:				
Building	6,645,349	402,530	-	7,047,879
Building Improvements	1,612,454	183,762	-	1,796,216
Furniture & Equipment	441,514	57,207	-	498,720
Computer Equipment	2,307,378	645,217	-	2,952,595
R2U- Furniture & Equipment	153,374	154,894	-	308,268
R2U- School Buses	313,168	135,848	-	449,016
Total Accumulated Depreciation	11,473,237	1,579,457	-	13,052,694
Net capital assets being depreciated	14,838,158	546,792	-	15,384,950
Net capital assets	15,770,778	546,792	-	16,317,570

Note 4 -Capital Assets (Continued)

	NET ASSETS July 1, 2022	Additions	Disposals	NET ASSETS June 30, 2023
Land	932,620	-	-	932,620
Construction In Progress	-	-	-	-
Building	9,455,831	(402,530)	-	9,053,302
Building Improvements	2,808,875	499,698	-	3,308,573
Furniture & Equipment	186,967	139,821	-	326,788
Computer Equipment	2,097,810	95,909	-	2,193,720
R2U- Furniture & Equipment	129,778	349,741	-	479,519
R2U- School Buses	158,897	(135,848)	-	23,049
Net Capital Assets	15,770,778	546,792	-	16,317,570

Depreciation expense was not charged to specific activities as the Academy considers its assets to impact multiple activities and allocation is not practical.

Note 5 - Due from Other Governments

State source receivable	$ 2,817,697
Federal source receivable	1,219,052
Local source receivable	98,292
Total due from other governments	$ 4,135,041

Note 6 -Long-Term Debt

The Academy issues bonds, notes, and other contractual commitments to provide for the acquisition of major capital facilities and the acquisition of certain equipment. General obligations bonds are direct obligations and pledge the full faith and credit of the Academy. The 2021 municipal term bond is due in annual installments of approximately $1,087,000 through 2041 with an interest rate of 4%.

The activity on long-term debt during the year ended June 30, 2023 was as follows:

July 1, 2022	Additions	Principal Payments	June 30, 2023	Due Within A Year
$ 14,745,000	-	498,636	14,246,364	-

The future principal and interest payments on long-term debt as of June 30, 2023 are as follows:

Years Ending June 30	Principal	Interest	Total
2024	518,636	568,809	1,087,445
2025	538,636	548,027	1,086,664
2026	559,545	526,445	1,085,991
2027	583,636	503,991	1,087,627
2028	604,545	480,636	1,085,181
2029-2032	2,680,000	1,669,845	4,349,845
2033-2037	4,014,091	1,435,727	5,449,818
2038-2041	3,668,773	524,655	4,193,427
	$ 13,167,863	$ 6,258,136	$ 19,425,999

	$ 1,078,500	Reserve Requirement
Total	$ 14,246,363	

Note 7 –Risk Management

The Academy is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), as well as medical benefits provided to employees. To minimize risk, the Academy has purchased commercial insurance. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage since inception.

Note 8 –MSPERS Liability

The Academy contracted with Elite School Management, Inc. to provide all staffing personnel during the year under audit. Consequently, all staffing cost is treated as purchased services in these financial statements.
The Academy has no obligation to fund the Michigan Public School Employees Retirement System for the year ended June 30, 2023.

Note 9– Building Operating Lease

During the 2022-2023 school year, the Academy paid $346,472 in rent related to an operating lease with Harper Global Enterprises. This lease agreement is for the Oak Park Service Learning Academy site. The Academy is responsible for insurance, utilities, repairs & maintenance and property taxes. The lease originated on June 27, 2019 and an addendum dated June 2021 extended the lease for one year from July 1, 2021 through June 30, 2022. A second Addendum was signed in June 2022 to extend the lease for one year from July 1, 2022 through June 30, 2023. A third Addendum dated June 27, 2023 was signed to extend the lease through June 30, 2026.

Note 10– Capital Leases

The District is currently leasing seven school buses and nine copier machines. See Capital Lease Schedule below:

	Lease Payment Maturity Schedule							
Lessor	**2019-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**Total**
De Lage Landen Financial Services/ imageONE (DSLA & RSLA)- copiers	153,374	70,788	58,990	-			-	**283,152**
CH&H (RSLA) buses (4)	226,394	77,621	-	-			-	**304,015**
CH&H (DSLA) bus	19,503	21,276	21,276	1,773			-	**63,828**
CH&H (OPSLA) bus	54,392	19,779	-	-			-	**74,171**
CH&H (GSRP) bus	12,879	17,172	-	-			-	**30,051**
Xerox Copiers (10)	-	84,106	100,927	100,927	100,927	100,927	16,821	**504,634**

Note 11– GASB 96 Subscription-based Information technology Arrangements (SBITA)

The District did not own any SBITA that met the criteria to be capitalized under GASB 96 as a right-to-use asset.

Note 12– Subsequent Events

Subsequent events have been evaluated through October 19, 2023, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

REQUIRED SUPPLEMENTARY INFORMATION

DETROIT SERVICE LEARNING ACADEMY
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	*Over (Under) Final Budget*
Revenue				
Federal Sources	$ 4,159,240	$ 5,301,872	3,814,209	*(1,487,663)*
State Sources	13,821,267	15,269,072	14,873,478	*(395,594)*
Local Sources	1,127,062	1,726,381	1,637,621	*(88,760)*
Total Revenue	19,107,569	22,297,325	20,325,308	*(1,972,017)*
Expenditures				
Instruction:				
Basic Instructions	5,419,443	5,649,701	5,055,903	*(593,798)*
Added Needs	2,327,949	3,090,924	2,458,826	*(632,098)*
Supporting Services:				
Pupil Support Services	1,121,226	900,126	793,154	*(106,973)*
Instructional Staff Services	902,698	947,434	945,527	*(1,907)*
General Administration Services	3,038,192	3,639,448	3,507,954	*(131,494)*
School Administration Services	930,061	1,046,152	954,732	*(91,420)*
Business Services	364,509	418,118	394,722	*(23,396)*
Operations and Maintenance	2,263,943	3,149,471	2,810,752	*(338,720)*
Pupil Transportation Services	509,774	562,972	473,612	*(89,360)*
Central Services	812,779	838,821	775,423	*(63,398)*
Other	54,894	83,333	80,921	*(2,412)*
Community Services	108,748	122,365	112,617	*(9,747)*
Welfare Activities	4,000	26,110	4,526	*(21,584)*
Food Service	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditure	17,858,217	20,474,974	18,368,670	*(2,106,305)*
Excess (Deficiency) of Revenue over Expenditures	1,249,353	1,822,350	1,956,638	*134,287*
Other Financing Sources (Uses)				
Incoming Transfers and Other Transactions	-	-	-	-
Outgoing Transfers and Other Transactions	(1,117,628)	(1,117,628)	(1,117,628)	*(0)*
Total Other Financing Sources (Uses)	(1,117,628)	(1,117,628)	(1,117,628)	*(0)*
Net Change in Fund Balance	131,725	704,722	839,010	*134,287*
Fund Balance - July 1, 2022	3,043,312	4,174,394	5,440,659	*1,266,265*
Fund Balance - June 30, 2023	$ 3,175,036	$ 4,879,116	$ 6,279,669	*$ 1,400,553*

OTHER SUPPLEMENTARY INFORMATION

DETROIT SERVICE LEARNING ACADEMY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2023

	Food Services	Total
ASSETS		
Cash and Cash Equivalents	$ 671,027	$ 671,027
Due from Governmental Units	51,035	51,035
Total Assets	$ 722,062	$ 722,062
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	$ 26,952	$ 26,952
Deferred Revenue	-	-
Accrued Wages	2,365	2,365
Accrued Expenditures	185,362	185,362
Total Liabilities	214,679	214,679
Fund Balances		
Unreserved - Undesignated - Reported in Special Revenue Funds	507,383	507,383
Total Fund Balances	507,383	507,383
Total Liabilities and Fund Balances	$ 722,062	$ 722,062

DETROIT SERVICE LEARNING ACADEMY
SPECIAL REVENUE FUNDS
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Food Services	Total
Revenue		
Federal Sources	1,269,156	1,269,156
State Sources	19,193	19,193
Local Sources	-	-
Total Revenue	1,288,349	1,288,349
Expenditures		
Supporting Services:		
Food Services	1,229,235	1,229,235
Total Expenditures	1,229,235	1,229,235
Excess (Deficiency) of Revenue over Expenditures	59,114	59,114
Other Financing Sources (Uses)		
Operating Transfers - In	-	-
Operating Transfers - Out	-	-
Total Other Financing Sources(Uses)	-	-
Net Change in Fund Balances	59,114	59,114
Fund Balances - July 1, 2022	448,269	448,269
Fund Balances - June 30, 2023	507,383	507,383

DETROIT SERVICE LEARNING ACADEMY

SUPPLEMENTAL INFORMATION

SINGLE AUDIT REPORT

JUNE 30, 2023

SECTION A

SINGLE AUDIT REPORT

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LARRY WILKERSON, C.P.A
THOMAS E. WILKERSON, C.P.A

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of
Detroit Service Learning Academy

We have audited, in accordance with the 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, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Detroit Service Learning Academy , as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Detroit Service Learning Academy's basic financial statements, and have issued our report thereon dated October 19, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Detroit Service Learning Academy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Detroit Service Learning Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of Detroit Service Learning Academy's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Board of Directors
Detroit Service Learning Academy

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Detroit Service Learning Academy's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilkerson & Associate PC

Dearborn, Michigan
October 19, 2023

Wilkerson & Associate P.C.
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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Board of Directors of
Detroit Service Learning Academy

Report on Compliance for each Major Federal program

We have audited Detroit Service Learning Academy's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Detroit Service Learning Academy's major federal programs for the year ended June 30, 2023. Detroit Service Learning Academy's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Detroit Service Learning Academy's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance

with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Detroit Service Learning Academy's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Detroit Service Learning Academy's compliance.

Opinion on Each Major Federal Program

In our opinion, Detroit Service Learning Academy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Report on Internal Control Over Compliance

The management of Detroit Service Learning Academy is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Detroit Service Learning Academy's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Detroit Service Learning Academy's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Detroit Service Learning Academy as of and for the year ended June 30, 2023, and have issued our report thereon dated October 19, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management as was derived from and relates directly to underlying accounting and other records used to prepare the financial statements. The information

has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Wilkerson & Associate PC

Dearborn, Michigan
October 19, 2023

DETROIT SERVICE LEARNING ACADEMY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PROGRAM /TITLE/PROJECT NUMBER SUBRECIPIENT NAME	CFDA NUMBER	APPROVED GRANT AWARD AMOUNT	(MEMO ONLY) PRIOR YEAR EXPENDITURES	ACCRUED (DEFERRED) REVENUE AT JULY 1, 2022	ADJUSTMENTS AND TRANSFERS	FEDERAL FUNDS/ PAYMENTS IN-KIND RECEIVED	CURRENT YEAR EXPENDITURES	ACCRUED (DEFERRED) REVENUE AT JUNE 30, 2023
Clusters:								
Child Nutrition Cluster:								
U.S. Department of Agriculture - Passed through the								
Michigan Department of Education:								
Non-Cash Assistance (Commodities) -								
Commodities Entitlement	10.555	$ 50,084	$ -	$ -	$ -	$ 87,126	$ 87,126	$ -
Cash Assistance:								
School Breakfast Program 2021-22 Project Number 21/22 1970	10.553	-	-	-	-	-	-	-
National School Lunch & Snack Program 2021-22 Project Number 21/22 1960 & 21/22 1980	10.555	126,599	126,599	-	-	-	-	-
National School Lunch Program Supply Chain Asst 2021-22 Project Number 21/22 0910	10.555	29,025	29,025	-	-	-	-	-
Seamless Summer Option Breakfast Program 2021-22 Project Number 21/22 1971	10.553	200,389	214,023	13,635	-	13,635	-	-
Seamless Summer Option Lunch Program 2021-22 Project Number 21/22 1961	10.555	488,520	520,252	31,732	-	31,732	-	-
Summer Food Service Program 2021-22 Project Number 21/22 0900	10.559	17,011	17,011	-	-	-	-	-
Fresh Fruit & Vegetable Program 2021-22 Project Number 21/22 0950	10.582	20,179	20,179	4,690	-	4,690	-	-
Child & Adult Care Food Program 2021-22 Project Number 21/22 1920	10.558	1,595	1,595	-	-	-	-	-
School Breakfast Program 2022-23 Project Number 22/23 1970	10.553	321,594	-	-	-	307,803	321,594	13,791
National School Lunch & Snack Program 2022-23 Project Number 22/23 1960 & 22/23 1980	10.555	765,309	-	-	-	731,393	765,309	33,916
National School Lunch Program Supply Chain Asst 2022-23 Project Number 22/23 0910	10.555	47,271	-	-	-	47,271	47,271	-
Summer Food Service Program 2022-23 Project Number 22/23 0900	10.559	33,095	-	-	-	33,095	33,095	-
Fresh Fruit & Vegetable Program 2022-23 Project Number 22/23 0950	10.582	3,650	-	-	-	3,650	3,650	-
Child & Adult Care Food Program 2022-23 Project Number 22/23 1920	10.558	2,819	-	-	-	2,717	2,819	102
Total Cash Assistance		2,057,056	928,684	50,057	-	1,175,986	1,173,738	47,809
Total Child Nutrition Cluster		2,107,139	928,684	50,057	-	1,263,112	1,260,864	47,809
Special Education Cluster - U.S. Department of Education -								
Passed through the Wayne County RESA								
IDEA: Project Number 211550- 21-22	84.027a	235,650	235,650	106,479	-	106,479	-	-
IDEA: Project Number 211550- 22-23	84.027a	214,479	-	-	-	126,551	214,479	87,928
IDEA: Project Number 211550- 21-22 Carryover	84.027a	81,357	-	-	-	-	81,357	81,357
Total Special Education Cluster		531,486	235,650	106,479	-	233,030	295,836	169,285
Other Federal Awards - U.S. Department of Education -								
Passed through the Michigan Department of Education								
Title I, Part A								
Project Number 211530-2022	84.010a	1,125,462	680,978	341,244	-	402,119	60,875	-
Project Number 211530-2023	84.010a	1,207,131	-	-	-	678,778	862,120	183,343
Total Title I , Part A Cluster		2,332,593	680,978	341,244	-	1,080,896	922,995	183,343
Other Federal Awards - U.S. Department of Education:								
Passed through the Michigan Department of Education:								
Title II, Part A								
Project Number 210521-2022	84.367	150,388	89,084	71,860	-	71,860	-	-
Project Number 210521-2023	84.367	156,315	-	-	-	18,839	146,942	128,104
Total Title II, Part A		306,703	89,084	71,860	-	90,699	146,942	128,104

DETROIT SERVICE LEARNING ACADEMY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PROGRAM /TITLE/PROJECT NUMBER SUBRECIPIENT NAME	CFDA NUMBER	APPROVED GRANT AWARD AMOUNT	(MEMO ONLY) PRIOR YEAR EXPENDITURES	ACCRUED (DEFERRED) REVENUE AT JULY 1, 2022	ADJUSTMENTS AND TRANSFERS	FEDERAL FUNDS/ PAYMENTS IN-KIND RECEIVED	CURRENT YEAR EXPENDITURES	ACCRUED (DEFERRED) REVENUE AT JUNE 30, 2023
Other Federal Awards - U.S. Department of Education:								
Passed through the Michigan Department of Education:								
Title VI, Part A								
Project Number 210750- 2022	84.424a	103,441	80,378	15,722	-	15,722	-	-
Project Number 210750- 2023	84.424a	81,879	-	-	-	61,500	64,788	3,288
Total Title VI, Part A		185,320	80,378	15,722	-	77,222	64,788	3,288
Other Federal Awards - U.S. Department of Education:								
Passed through the Michigan Department of Education:								
(ESSER II) Elementary & Secondary School Emergency Relief- Supplemental								
Project Number 213712- 20-21	84.425D	2,573,841	2,462,612	414,057	-	489,051	85,744	10,750
Total ESSER II		2,573,841	2,462,612	414,057	-	489,051	85,744	10,750
Other Federal Awards - U.S. Department of Education:								
Passed through the Michigan Department of Education:								
(ESSER III) Elementary & Secondary School Emergency Relief- ARP								
Project Number 213713- 21-22	84.425U	5,784,593	2,838,724	1,408,108	(178,336)	3,081,790	2,504,734	652,716
Total ESSER III		5,784,593	2,838,724	1,408,108	(178,336)	3,260,126	2,504,734	652,716
Other Federal Awards - U.S. Department of Homeland Security:								
Passed through the Federal Emergency Management Agency (FEMA):								
Emergency Protective Measures (x887)								
Project Number 2023	97.036	6,825	-	-	-	6,825	6,825	-
Total FEMA		6,825	-	-	-	6,825	6,825	-
Other Federal Awards - U.S. Department of Education:								
Passed through the Michigan Department of Education:								
Pandemic EBT Local Level Costs								
Project Number 22-23	10.649	3,135	-	-	-	3,135	3,135	-
Total Pandemic EBT Local Level Costs		3,135	-	-	-	3,135	3,135	-
Other Federal Awards - American Rescue Plan Act of 2021:								
Passed through the Universal Service Administrative Company (USAC):								
(ECF) Emergency Connectivity Fund								
Project Number 21-22	32.009	815,968	761,409	761,409	-	761,409	-	-
Project Number 22-23	32.009	150,000	-	-	-	-	23,758	23,758
Total ECF		965,968	761,409	761,409	-	761,409	23,758	23,758
TOTAL FEDERAL AWARDS		**$ 14,797,603**	**$ 8,077,519**	**$ 3,168,935**	**$ (178,336)**	**$ 7,265,505**	**$ 5,315,621**	**$ 1,219,052**

DETROIT SERVICE LEARNING ACADEMY DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Detroit Service Learning Academy District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Detroit Service Learning Center, it is not intended to, and does not, present the financial position, changes in net position, or cash flows, if applicable, of Detroit Service Learning Academy District. Pass-through entity identify numbers are presented where available.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 - INDIRECT COST RATE

Detroit Service Learning Academy District has elected to use the 5.99 percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – RECONCILIATION FUNDS STATEMENT – FEDERAL SOURCES

General Fund	$ 3,814,209
Food Service Fund	1,260,864
Federal Deferred Revenue 2021	(761,409)
Federal Deferred Revenue 2022	1,001,959
Total Curent Year Expenditures per Schedule of Expenditures of Federal Awards	$ 5,315,623

NOTE 5 - GRANT SECTION AUDITOR REPORT

Management has utilized the Cash Management System (CMS) Grant Auditor Report and the related Disbursement and Payment Ledger reports, in preparing the schedule of

expenditures of federal awards. The amounts reported on the Grant Auditor Report agree with the schedule of expenditures of federal awards except for the following timing differences which are included in the Due From Governmental Units:

Program Title	CFDA Number	Grant Numbers	Reported on GAR	Reported on SEFA	Variance	Explanation
CACFP	10.558	211920/ 221920	2,939	2,717	(222)	$120 FY 22 revenue; $102 FY 23 A/R
NSLP- Lunch & Snack and Supply Chain	10.555	21/22 1960	844,313	810,396	(33,916)	FY 23 A/R
NSLP- Breakfast	10.553	221971	335,228	321,438	(13,790)	FY 23 A/R
SFSP	10.559	200900/ 210904	54,171	33,095	(21,076)	FY 24 revenue
Title I	84.010a	211530	207,424	741,853	534,429	FY 22 Revenue
Title IV	84.424a	210750	7,675	-	(7,675)	FY 22 Revenue
ESSER II	84.425D	213712	185,588	-	(185,588)	FY 22 Revenue

NOTE 6 - SUBRECIPIENTS

No amounts were provided to subrecipients.

DETROIT SERVICE LEARNING ACADEMY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

* Material weakness(es) identified? ____ Yes __X__ No

* Reportable condition(s) identified that are not considered to be material weaknesses? ____ Yes __X__ None reported

Noncompliance material to financial statements noted? ____ Yes __X__ No

Federal Awards

Internal control over major programs:

* Material weakness(es) identified? ____ Yes __X__ No

* Reportable condition(s) identified that are not considered to be material weaknesses? ____ Yes __X__ None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Audit Requirements of the Uniform Guidance? ____ Yes __X__ No

Identification of major program:

CFDA Number	Federal Program
84.010, 84.027& 84.367	Title I & II, Idea Flow Through

DETROIT SERVICE LEARNING ACADEMY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee? X Yes ____ No

Section 2 - Financial Statement Audit Findings

None

Section 3 - Federal Program Audit Findings

None