# CITY OF DECATUR
# BOARD OF EDUCATION

**ANNUAL FINANCIAL REPORT**
**FOR THE**
**FISCAL YEAR ENDED JUNE 30, 2023**

# CITY OF DECATUR BOARD OF EDUCATION
## ANNUAL FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

## TABLE OF CONTENTS


| I. FINANCIAL SECTION | Page |
|---|---|
| Independent Auditor's Report | 1-4 |
| Management's Discussion and Analysis | 5-10 |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Position | 11 |
| Statement of Activities | 12 |
| Fund Financial Statements: | |
| Balance Sheet – Governmental Funds | 13 |
| Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position | 14 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds | 15 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 16 |
| General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual | 17 |
| Notes to Financial Statements | 18-53 |
| Required Supplementary Information: | |
| Schedule of Proportionate Share of the Net Pension Liability – TRS | 54 |
| Schedule of Contributions – TRS | 55 |
| Notes to Required Supplementary Information – TRS | 56 |
| Schedule of Proportionate Share of the Net Pension Liability – PSERS | 57 |
| Notes to Required Supplementary Information – PSERS | 58 |
| Schedule of Proportionate Share of the Net OPEB Liability – School OPEB Fund | 59 |
| Schedule of Contributions – School OPEB Fund | 60 |
| Notes to Required Supplementary Information – School OPEB Fund | 61 |
| Combining and Nonmajor Fund Statements and Schedules: | |
| Combining Balance Sheet – Nonmajor Governmental Funds | 62 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds | 63 |
| Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds | 64 and 65 |

# CITY OF DECATUR BOARD OF EDUCATION
## ANNUAL FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

## TABLE OF CONTENTS

### II. CONTINUING DISCLOSURE SECTION (UNAUDITED)


| | |
|---|---|
| **General Information – CUSIPS** | **66** |
| **School Buildings** | **67** |
| **Active Personnel** | **68** |
| **Sales & Use Tax Receipts** | **69** |
| **Legal Debt Margin Information – City of Decatur, Georgia** | **70** |
| **Tax Digest History** | **71** |
| **Property Tax Rates – Direct and Overlapping Governments** | **72** |
| **Property Tax Levies and Collections** | **73** |
| **Tax Revenue Sources – City of Decatur, Georgia** | **74** |
| **Principal Property Taxpayers** | **75** |
| **Annual Final Budget (Cash Basis) – City of Decatur, Georgia** | **76** |


### III. SINGLE AUDIT SECTION


| | |
|---|---|
| **Independent Auditor's 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*** | **77 and 78** |
| **Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance** | **79-81** |
| **Schedule of Expenditures of Federal Awards** | **82 and 83** |
| **Schedule of Findings and Questioned Costs** | **84-86** |
| **Status of Prior Fiscal Year Findings and Questioned Costs** | **87** |
| **Corrective Action Plan** | **88** |

# I. FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

# INDEPENDENT AUDITOR'S REPORT

**To the Superintendent and Members of**
**the City of Decatur Board of Education**
**Decatur, Georgia**

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **City of Decatur Board of Education** (the "District") as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District'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 the District as of June 30, 2023, and the respective changes in financial position, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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 Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Proportionate Share of the Net Pension Liability - TRS, the Schedule of Contributions - TRS, the Schedule of Proportionate Share of the Net Pension Liability - PSERS, the Schedule of Proportionate Share of the Net OPEB Liability – School OPEB Fund, and the Schedule of Contributions – School OPEB Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the accompanying schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121 and the schedule of expenditures of federal awards, as required by Title 2, U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedule of expenditure of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the continuing disclosure section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2024 on our consideration of the District'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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 the District's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
January 23, 2024

The discussion and analysis of the City of Decatur Board of Education's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the complete financial statements, with footnotes, to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2023 are as follows:

- Government-wide net position decreased from approximately $59.4 million in fiscal 2022 to approximately $55.1 million in fiscal 2023, a decrease of approximately $4.3 million.
- Government-wide revenues increased from $98.5 million in fiscal year 2022 to approximately $106 million in fiscal year 2023, an increase of $7.5 million.
- Government-wide expenses increased from $93.2 million in fiscal year 2022 to approximately $110.2 million in fiscal year 2023, an increase of approximately $17 million.
- Fund level revenues increased from $99.1 million in fiscal 2022 to $105 million in fiscal 2023, an increase of approximately $5.9 million.
- Fund level expenditures decreased from $101.1 million in fiscal 2022 to $100.4 million in fiscal 2023, a decrease of approximately $675 thousand.
- Among the major funds, the General Fund has approximately $91.7 million in revenues and $87.5 million in expenditures and $246 thousand in transfers out for fiscal 2023. Fund balance for the General Fund increased by $3,972,329 to $15,952,693.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements comprise three components: 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information related to the District's pension plan and other supplementary information in addition to the basic financial statements themselves.

**Government–wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the District's assets, liabilities, deferred outflows of resources, and deferred inflows of resources with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In contrast, fund balance reports only those assets, deferred inflows of resources, and liabilities that primarily have an impact on short-term financing decisions. Fund balance (specifically, unassigned fund balance) is a measure of available financial resources. Net position reports all assets, all liabilities, and certain deferred outflow and inflows of resources regardless of their relevance to near-term financing decisions. Net position should be understood as a measure of net worth rather than a measure of available financial resources.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental Funds*

Most of the District's activities (instruction, administration, maintenance, and student transportation) are reported in governmental funds, which focus on how money flows in and out of those funds and balances left at fiscal year-end are available for spending in future periods. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic 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 educational programs. The governmental fund activities may be financed with property taxes, Quality Basic Education (QBE) State formula aid, and federal funds.

## FINANCIAL ANALYSIS OF THE SCHOOL SYSTEM AS A WHOLE

Provided below is a Statement of Net Position for 2023 and 2022 as well as a Statement of Activity for 2023 and 2022. These statements reflect a net position for fiscal 2023 of approximately $55.1 million, which represents a decrease over fiscal year 2022 in the amount of approximately $4.3 million.

**Statement of Net Position (Accrual basis of accounting)**

| | Governmental Activities 2023 | Governmental Activities 2022 | Dollar Change Increase (Decrease) | Percent Change Increase (Decrease) |
|---|---|---|---|---|
| Assets | | | | |
| Current and other assets | $ 61,382,979 | $ 53,303,698 | $ 8,079,281 | 15.16 % |
| Capital assets, net | 163,546,506 | 166,688,333 | (3,141,827) | (1.88) |
| Total Assets | 224,929,485 | 219,992,031 | 4,937,454 | 2.24 |
| Deferred outflow of resources | | | | |
| Pension related items | 60,664,347 | 32,850,012 | 27,814,335 | 84.67 % |
| OPEB related items | 13,918,441 | 14,742,735 | (824,294) | (5.59) |
| Deferred loss on debt refunding | 170,119 | 185,584 | (15,465) | 0.00 |
| | 74,752,907 | 47,778,331 | 26,974,576 | 56.46 |
| Liabilities | | | | |
| Current and other liabilities | 13,831,295 | 12,749,744 | 1,081,551 | 8.48 |
| Long-Term liabilities | 27,575,623 | 29,057,205 | (1,481,582) | (5.10) |
| Net Pension Liability | 115,227,953 | 31,742,046 | 83,485,907 | 263.01 |
| Net OPEB Liability | 40,319,023 | 43,859,435 | (3,540,412) | 0.00 |
| Total Liabilities | 196,953,894 | 117,408,430 | 79,545,464 | 67.75 |
| Deferred inflow of resources | | | | % |
| Pension related items | 1,168,019 | 46,430,073 | (45,262,054) | (97.48) |
| OPEB related items | 24,001,175 | 23,674,528 | 326,647 | 1.38 |
| Unearned revenue - property taxes | 22,468,581 | 20,906,978 | 1,561,603 | 7.47 |
| | 47,637,775 | 91,011,579 | (43,373,804) | (47.66) |
| Net position | | | | |
| Net investment in capital assets | 134,666,058 | 138,376,114 | (3,710,056) | (2.68) |
| Restricted | 9,597,432 | 8,912,984 | 684,448 | 7.68 |
| Unrestricted (deficit) | (89,172,767) | (87,938,745) | (1,234,022) | 1.40 |
| **Total Net Position** | **$ 55,090,723** | **$ 59,350,353** | **$ (4,259,630)** | (7.18) **%** |

**Statement of Activities (Accrual basis of accounting)**

| | Governmental Activities 2023 | Governmental Activities 2022 | Dollar Change Increase (Decrease) | Percent Change Increase (Decrease) |
|---|---|---|---|---|
| Program Revenues | | | | |
| Charges for Services | $ 4,390,347 | $ 2,769,390 | $ 1,620,957 | 58.53 % |
| Operating Grants and Contributions | 39,974,963 | 39,489,546 | 485,417 | 1.23 |
| Capital Grants and Contributions | 294,613 | - | 294,613 | 100.00 |
| | 44,659,923 | 42,258,936 | 2,400,987 | 5.68 |
| General Revenues | | | | |
| Property Taxes | 51,917,803 | 45,425,189 | 6,492,614 | 14.29 |
| Special Local Option Sales Taxes | 6,986,411 | 6,742,954 | 243,457 | 3.61 |
| Interest on Investments | 568,055 | 33,087 | 534,968 | 1,616.85 |
| Other | 1,843,288 | 4,017,167 | (2,173,879) | (54.11) |
| | 61,315,557 | 56,218,397 | 5,097,160 | 9.07 |
| Total Revenues | 105,975,480 | 98,477,333 | 7,498,147 | 7.61 |
| Program Expenses | | | | |
| Instruction | 70,337,134 | 60,574,931 | 9,762,203 | 16.12 |
| Support Services | | | | |
| Pupil Services | 6,150,699 | 4,961,865 | 1,188,834 | 23.96 |
| Improvement of Instructional Services | 2,944,017 | 2,492,300 | 451,717 | 18.12 |
| Educational and Media Services | 1,425,626 | 1,378,347 | 47,279 | 3.43 |
| Grant Administration | 160,251 | 160,699 | (448) | (0.28) |
| General Administration | 1,909,415 | 1,324,245 | 585,170 | 44.19 |
| School Administration | 8,278,931 | 6,310,786 | 1,968,145 | 31.19 |
| Business Administration | 839,863 | 681,859 | 158,004 | 23.17 |
| Maintenance and Operation | 8,338,174 | 7,258,634 | 1,079,540 | 14.87 |
| Student Transportation | 2,180,103 | 1,652,006 | 528,097 | 31.97 |
| Central Support Services | 2,666,887 | 2,240,149 | 426,738 | 19.05 |
| Other Support Services | 58,334 | 61,077 | (2,743) | (4.49) |
| Food Services | 3,929,840 | 3,098,480 | 831,360 | 26.83 |
| Community Services Operations | - | (374) | 374 | (100.00) |
| Interest on long-term debt | 1,015,836 | 989,771 | 26,065 | 2.63 |
| Total Expenses | 110,235,110 | 93,184,775 | 17,050,335 | 18.30 |
| Change in Net Position | (4,259,630) | 5,292,558 | (9,552,188) | 100.00 |
| Net Position - Beginning of Year | 59,350,353 | 54,057,795 | 5,292,558 | 9.79 |
| Net Position - End of Year | $ 55,090,723 | $ 59,350,353 | $ (4,259,630) | (7.18) % |

## Governmental Activities

The Statement of Activities reports the total and net cost of major District activities: instruction, pupil and improvement of instructional services, school and administrative services, maintenance and operations, transportation, and others.

Net cost of services is the total cost less fees generated by the activities and intergovernmental revenue provided for specific programs. The net cost shows the financial burden on the District's taxpayers by each activity. The total cost of governmental services in fiscal year 2023 was approximately $110.2 million. Users of the District's programs financed approximately $4.4 million of the costs. Federal and state grants, subsidized programs and contributions financed $40 million of the cost. Property taxes and sales taxes financed approximately $51.9 million and $7 million, respectively, of the District's costs for fiscal year 2023. Expenses exceeded revenues by $4.3 million.

***Government-wide Revenues***

For fiscal year 2023, the District's total revenues increased 7.61% or approximately $7.5 million. Charges for services increased approximately $1.62 million, or 58.5%, primarily from increases in school food operations which had been restricted by the pandemic in prior fiscal years. Property tax revenues increased approximately $6.5 million, or 14.29%, primarily from increases in assessed property values. Interest on investments increased approximately $535 million as bank interest rates on excess funds have risen. Other revenues decreased approximately $2.2 million, or 54% as a result of reclassification of certain other revenues as operating grants and contributions.

***Government-wide Expenses***

The District total expenses increased approximately $17 million from approximately $93.2 million in 2022 to $110.2 million in 2023, or 18.3%. Instruction expenses increased approximately $9.8 million or 16.1% from a combination of factors. Pension liability increases and increases in General Fund salaries and benefits increased by approximately $10.1 million and $3.1 million, respectively. These expenses were offset by decreases in federal funding of salaries and benefits of approximately $2.2 million and decreases in OPEB valuations of $1.7 million. Pupil services increased approximately $1.2 million or 24% primarily from increases in salaries and benefits as well as increases in pension liabilities. Improvement of instruction expenses increased approximately $452 thousand or 18.1% primarily from increases in General Fund expenses and increases in pension liabilities. General administration expenses, school administration expenses, and business administration expenses increased approximately $585 thousand (44.19%), $1,968 million (31.2%) and $158 thousand (23.17%), respectively, primarily from increases in General Fund expenditures and increases in pension liabilities. Maintenance and operation expenses increased approximately $1.08 million or 14.87% primarily from increases in outsourced custodial services and other increases in maintenance costs. Student transportation and central support expenses increased approximately $528 thousand (32%) and $427 thousand (19%), respectively, primarily from increases in pension liabilities. Food service expenses increased approximately $831 thousand or 27% primarily from increases in pension liabilities and inflationary increases.

**COMPARISON OF FUND LEVEL FINANCIAL STATEMENTS**

The District ended fiscal year 2023 with a strong fund balance in its governmental funds. The combined fund balance of all governmental funds including the District-wide Capital Projects Fund is approximately $25.5 million, an increase of $4.6 million. The ending fund balance represents approximately 25.4% of total expenditures. Of the governmental fund balance, approximately $8 million is restricted for capital projects and $1.46 million is restricted for school food operations.

On the next page is a comparison of combined fund level financial statements on a modified accrual basis. Total revenues have increased approximately $5.94 million, or 6%. State funds have increased modestly by approximately $2.04 million or 4.98%, as state allotments to education have increased. Federal funds decreased $3.9 million or 51% primarily as the prior year benefited from pandemic related federal funding. Local and other funds have increased approximately $7.8 million primarily from increases in property taxes as assessed property values increase as well as increases in charges for services as these revenues rebound from the impact of the pandemic in prior years.

Total expenditures decreased slightly from approximately $101.1 million in fiscal 2022 to $100.4 million in fiscal 2023. Instruction expenditures increased slightly by approximately $838 thousand or 1.46%. Support services increased approximately $2.8 million primarily from increases in salaries and benefits and increases in repair and maintenances costs including increases in outsourced custodial services. Food service expenditures increased approximately $265 thousand or 8.2% as prior year expenditures were significantly impacted by the pandemic. Capital outlay expenditures decreased approximately $3.75 million or 46.2% primarily from technology upgrades for students and staff completed in the prior year. Debt service expenditures decreased approximately $810 thousand or 25% based on reductions in outstanding debt.

**Statement of Revenues, Expenditures, and Changes in Fund Balance - All Governmental Funds**
**(Modified accrual basis)**
**2023 vs 2022**

| | 2023 | 2022 | Dollar Change Increase (Decrease) | Percent Change Increase (Decrease) |
|---|---|---|---|---|
| Revenues | | | | |
| State Funds | $ 43,056,012 | $ 41,013,156 | $ 2,042,856 | 4.98 % |
| Federal Funds | 3,714,242 | 7,593,209 | (3,878,967) | (51.08) |
| Local and Other Funds | 58,255,191 | 50,474,669 | 7,780,522 | 15.41 |
| Total Revenues | 105,025,445 | 99,081,034 | 5,944,411 | 6.00 |
| Expenditures | | | | |
| Instruction | 58,148,531 | 57,310,749 | 837,782 | 1.46 |
| Support Services | 31,991,552 | 29,210,725 | 2,780,827 | 9.52 |
| Food Services | 3,501,528 | 3,236,752 | 264,776 | 8.18 |
| Capital Outlay | 4,363,234 | 8,111,318 | (3,748,084) | (46.21) |
| Debt Service | 2,435,587 | 3,245,496 | (809,909) | (24.95) |
| Total Expenditures | 100,440,432 | 101,115,040 | (674,608) | (0.67) |
| Excess (deficiency) of revenues over (under) expenditures | $ 4,585,013 | $ (2,034,006) | 6,619,019 | (325.42) % |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 277,926 | 496,821 | (218,895) | (44.06) |
| Transfers Out | (277,926) | (496,821) | 218,895 | (44.06) |
| Total Other Financing Sources (Uses) | - | - | - | (88) |
| Net Change in Fund Balance | 4,585,013 | (2,034,006) | 6,619,019 | (325.42) |
| Fund Balance, Beginning of Year | 20,893,348 | 22,927,354 | (2,034,006) | (8.87) |
| Fund Balance, End of the Year | $ 25,478,361 | $ 20,893,348 | $ 4,585,013 | 21.94 % |

## General Fund

The total fund balance of the General Fund is approximately $16 million, which represents an increase of $4 million over the previous fiscal year's ending fund balance. Revenues increased approximately $8.2 million, from $83.5 million in fiscal 2022 to $91.7 million in fiscal 2023. Local and other revenues increased approximately $6.1 million, primarily from increases in property taxes which have increased as assessed property values increase. State revenues increased approximately $1.9 million as state allocations have increased.

General Fund expenditures increased approximately $5.7 million or 6.98%, from $81.8 million to $87.5 million primarily from increases in salaries and benefits and increases in maintenance and operations of plant.

## District-wide Capital Projects Funds

The District uses capital projects funds to account for school construction and improvement projects. Since 1997, sales tax proceeds have become the primary funding source as a result of the approval by DeKalb County voters in March 1997 of a five-year special purpose local option sales tax (SPLOST). Collections of the tax began on July 1, 1997 and it has been renewed by the voters five subsequent times. The current SPLOST that began July 2022 is expected to generate approximately $40 million for the school district. The District-wide Capital Projects Fund had expenditures of approximately $6.5 million for the fiscal year ended

June 30, 2023, primarily for technology upgrades and school maintenance projects. The fund balance for this fund increased approximately $589 thousand to $8 million.

**General Fund Budgetary Highlights**

In developing the fiscal year 2023 budget, the Administration of the District understood and planned for the following: appropriate student/teacher ratios, adequate fund balance reserves, and expenditure controls. As a result, the budget included an increase in salary and benefits. Planning for these and other unforeseen challenges are necessary in this time of inflationary challenges. A complete analysis of the budgeted and actual results can be found on page 17 of this report.

The City of Decatur Board of Education originally budgeted for a use of fund balance of $1.4 million but actually generated a surplus of almost $4 million. Revenues were $5.3 million better than budgeted as a result of higher than expected revenues from property taxes, state revenue allocations and student activity revenue. Expenditures were generally in line with budgeted amounts.

**Capital Assets and Debt Administration**

***Capital Assets***

Net capital assets decreased from $166.7 million in fiscal year 2022 to approximately $163.5 million in fiscal 2023. The decrease is primarily from depreciation rates in excess of current year purchases of new assets. For more information on capital assets, see footnote 6.

***Long-Term Debt and Obligations***

At the end of June 30, 2023, the District has long-term liabilities in the form of certificates of participation, City of Decatur intergovernmental payable, capital leases, net pension liability, net OPEB liability, and compensated absences. For more information on long-term debt, see footnote 7.

**Factors Bearing on the District's Future**

We are pleased that City Schools of Decatur continues to enjoy a strong financial position. We have seen a positive tax digest growth over the last few years and remain hopeful that it will continue. Educational funding from the State of Georgia is expected to remain at a conservatively low level, but we have had an increase in funding due to increased allocations from the state.

The District remains confident in our ability to maximize resources so that we may provide the best possible educational experience for all our students.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Decatur Board of Education's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Decatur Board of Education, Chief Financial Officer, 125 Electric Avenue, Decatur, Georgia 30030.

# BASIC FINANCIAL STATEMENTS

# CITY OF DECATUR BOARD OF EDUCATION

## STATEMENT OF NET POSITION
## JUNE 30, 2023

| | Governmental Activities |
|---|---|
| **ASSETS** | |
| ***Current Assets:*** | |
| Cash and cash equivalents | $ 49,694,238 |
| Receivables: | |
| Intergovernmental | 7,118,789 |
| Property taxes | 4,534,675 |
| Accounts | 20,767 |
| Inventory | 14,510 |
| ***Total Current Assets*** | 61,382,979 |
| ***Noncurrent Assets:*** | |
| Capital assets, nondepreciable | 16,429,948 |
| Capital assets, depreciable, net of accumulated depreciation and amortization | 147,116,558 |
| ***Total Noncurrent Assets*** | 163,546,506 |
| **Total Assets** | 224,929,485 |
| **DEFERRED OUTFLOWS OF RESOURCES** | |
| Deferred outflows of resources related to pensions | 60,664,347 |
| Deferred outflows of resources related to OPEB | 13,918,441 |
| Deferred loss on debt refunding | 170,119 |
| **Total Deferred Outflows of Resources** | 74,752,907 |
| **Total Assets and Deferred Outflows of Resources** | $ 299,682,392 |
| **LIABILITIES** | |
| ***Current Liabilities:*** | |
| Accounts payable | $ 5,502,220 |
| Salaries payable | 6,410,802 |
| Contracts and retainage payables | 71,764 |
| Accrued interest payable | 314,655 |
| Financed purchases | 517,502 |
| Certificates of participation | 885,000 |
| Lease liability | 32,846 |
| Compensated absences payable | 96,506 |
| ***Total Current Liabilities*** | 13,831,295 |
| ***Long-Term Liabilities (net of current portion):*** | |
| Financed purchases | 3,888,620 |
| Certificates of participation | 21,468,703 |
| Lease liability | 2,186,132 |
| Net pension liability | 115,227,953 |
| Net OPEB liability | 40,319,023 |
| Compensated absences payable | 32,168 |
| ***Total Long-Term Liabilities*** | 183,122,599 |
| **Total Liabilities** | 196,953,894 |
| **DEFERRED INFLOWS OF RESOURCES** | |
| Deferred inflows of resources related to pensions | 1,168,019 |
| Deferred inflows of resources related to OPEB | 24,001,175 |
| Unearned revenue - property taxes | 22,468,581 |
| **Total Deferred Inflows of Resources** | 47,637,775 |
| **NET POSITION** | |
| Net investment in capital assets | 134,666,058 |
| Restricted for: | |
| Capital projects | 8,120,632 |
| School food operations | 1,476,800 |
| Unrestricted | (89,172,767) |
| **Total Net Position** | 55,090,723 |
| **Total Liabilities, Deferred Inflows of Resources, and Net Position** | $ 299,682,392 |

**The accompanying notes are an integral part of these financial statements.**

# CITY OF DECATUR BOARD OF EDUCATION

## STATEMENT OF ACTIVITIES
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Governmental Activities |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| Instruction | $ 70,337,134 | $ 2,690,396 | $ 31,018,508 | $ - | $ (36,628,230) |
| Support services: | | | | | |
| Pupil services | 6,150,699 | - | 469,563 | - | (5,681,136) |
| Improvement of instructional services | 2,944,017 | - | 380,768 | - | (2,563,249) |
| Educational media services | 1,425,626 | - | 913,965 | - | (511,661) |
| Grant administration | 160,251 | - | 1,543,736 | 39,648 | 1,423,133 |
| General administration | 1,909,415 | - | 2,608,861 | 218,079 | 917,525 |
| School administration | 8,278,931 | | 5,978 | 245 | (8,272,708) |
| Business administration | 839,863 | - | - | - | (839,863) |
| Maintenance and operation of plant | 8,338,174 | | 1,770,129 | 16,299 | (6,551,746) |
| Student transportation services | 2,180,103 | - | 61,513 | 14,945 | (2,103,645) |
| Central support services | 2,666,887 | - | 21,443 | 370 | (2,645,074) |
| Other support services | 58,334 | - | - | - | (58,334) |
| Food services operation | 3,929,840 | 1,699,951 | 1,180,499 | 5,027 | (1,044,363) |
| Interest on long-term debt and issuance costs | 1,015,836 | - | - | - | (1,015,836) |
| Total governmental activities | $ 110,235,110 | $ 4,390,347 | $ 39,974,963 | $ 294,613 | (65,575,187) |
| General revenues: | | | | | |
| Property taxes | | | | | 51,917,803 |
| Sales taxes | | | | | 6,986,411 |
| Unrestricted investment earnings | | | | | 568,055 |
| Other | | | | | 1,843,288 |
| Total general revenues | | | | | 61,315,557 |
| Change in net position | | | | | (4,259,630) |
| Net position, beginning of fiscal year | | | | | 59,350,353 |
| Net position, end of fiscal year | | | | | $ 55,090,723 |

**The accompanying notes are an integral part of these financial statements.**

# CITY OF DECATUR BOARD OF EDUCATION

## BALANCE SHEET
## GOVERNMENTAL FUNDS
## JUNE 30, 2023

| ASSETS | General Fund | District-Wide Capital Projects Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| Cash and cash equivalents | $ 40,591,693 | $ 7,845,072 | $ 1,257,473 | $ 49,694,238 |
| Receivables: | | | | |
| Intergovernmental | 4,966,664 | 584,068 | 1,568,057 | 7,118,789 |
| Property taxes, net of allowance | 4,534,675 | - | - | 4,534,675 |
| Accounts | 20,767 | - | - | 20,767 |
| Due from other funds | 1,214,103 | - | 296,538 | 1,510,641 |
| Inventory | - | - | 14,510 | 14,510 |
| Total assets | $ 51,327,902 | $ 8,429,140 | $ 3,136,578 | $ 62,893,620 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES** | | | | |
| **LIABILITIES** | | | | |
| Accounts payable | $ 5,177,952 | $ 250,342 | $ 73,926 | $ 5,502,220 |
| Salaries payable | 6,277,425 | - | 133,377 | 6,410,802 |
| Contracts and retainage payables | - | 71,764 | - | 71,764 |
| Due to other funds | - | 58,166 | 1,452,475 | 1,510,641 |
| Total liabilities | 11,455,377 | 380,272 | 1,659,778 | 13,495,427 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Unavailable revenue - property taxes | 1,451,251 | - | - | 1,451,251 |
| Unearned revenue - property taxes | 22,468,581 | - | - | 22,468,581 |
| Total deferred inflows of resources | 23,919,832 | - | - | 23,919,832 |
| **FUND BALANCES** | | | | |
| Fund balances: | | | | |
| Nonspendable: | | | | |
| Inventory | - | - | 14,510 | 14,510 |
| Restricted: | | | | |
| Capital projects | - | 8,048,868 | - | 8,048,868 |
| School food operations | - | - | 1,462,290 | 1,462,290 |
| Unassigned | 15,952,693 | - | - | 15,952,693 |
| Total fund balances | 15,952,693 | 8,048,868 | 1,476,800 | 25,478,361 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 51,327,902 | $ 8,429,140 | $ 3,136,578 | $ 62,893,620 |

**The accompanying notes are an integral part of these financial statements.**

# CITY OF DECATUR BOARD OF EDUCATION

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION JUNE 30, 2023

| | | |
|---|---|---|
| **Total Governmental Fund Balances** | | $ 25,478,361 |
| **Amounts reported for governmental activities in the Government-wide Statement of Net Position are different because:** | | |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds, but are reported on the government-wide statement of net position. | | |
| Cost | $ 200,111,422 | |
| Less accumulated depreciation and amortization | (36,564,916) | 163,546,506 |
| Receivables not collected within 60 days of fiscal year-end are not considered available and are deferred inflows of resources on the governmental funds' balance sheet but are recognized as revenue on the government-wide statement of net position. | | |
| Property taxes | | 1,451,251 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. | | |
| Accrued interest payable | $ (314,655) | |
| Financed purchases | (4,406,122) | |
| Certificates of participation (including unamortized premium) | (22,353,703) | |
| Lease liability | (2,218,978) | |
| Deferred loss on refunding debt | 170,119 | |
| Compensated absences payable | (128,674) | (29,252,013) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | |
| Net pension liability | $ (115,227,953) | |
| Deferred outflows of resources related to pensions | 60,664,347 | |
| Deferred inflows of resources related to pensions | (1,168,019) | |
| Net OPEB liability | (40,319,023) | |
| Deferred outflows of resources related to OPEB | 13,918,441 | |
| Deferred inflows of resources related to OPEB | (24,001,175) | (106,133,382) |
| **Net Position of Governmental Activities** | | $ 55,090,723 |

**The accompanying notes are an integral part of these financial statements.**

# CITY OF DECATUR BOARD OF EDUCATION
# STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
# GOVERNMENTAL FUNDS
# FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | General Fund | District-Wide Capital Projects Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Property taxes | $ 51,072,102 | $ - | $ - | $ 51,072,102 |
| Intergovernmental revenue - state | 35,138,703 | 6,986,411 | 930,898 | 43,056,012 |
| Intergovernmental revenue - federal | 100,000 | - | 3,614,242 | 3,714,242 |
| Charges for services | 2,690,394 | - | 1,699,953 | 4,390,347 |
| Investment income | 448,541 | 119,514 | - | 568,055 |
| Other revenue | 2,102,037 | - | - | 2,102,037 |
| On behalf payments | 122,650 | - | - | 122,650 |
| Total revenues | 91,674,427 | 7,105,925 | 6,245,093 | 105,025,445 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Instruction | 55,094,220 | - | 3,054,311 | 58,148,531 |
| Support services: | | | | |
| Pupil services | 5,338,488 | - | 353,858 | 5,692,346 |
| Improvement of instructional services | 2,711,914 | - | 57,397 | 2,769,311 |
| Educational media services | 1,265,830 | - | - | 1,265,830 |
| Grant administration | - | - | 151,304 | 151,304 |
| General administration | 1,592,023 | - | - | 1,592,023 |
| School administration | 7,584,839 | - | - | 7,584,839 |
| Business administration | 775,962 | - | - | 775,962 |
| Maintenance and operation of plant | 8,019,067 | - | - | 8,019,067 |
| Student transportation services | 1,634,683 | - | 38,891 | 1,673,574 |
| Central support services | 2,414,543 | - | - | 2,414,543 |
| Other support services | 52,753 | - | - | 52,753 |
| Food services operation | 689,328 | - | 2,812,200 | 3,501,528 |
| Capital outlay | - | 4,363,234 | - | 4,363,234 |
| Debt service: | | | | |
| Principal retirement | 166,102 | 1,256,719 | - | 1,422,821 |
| Interest and fiscal charges | 116,500 | 896,266 | - | 1,012,766 |
| Total expenditures | 87,456,252 | 6,516,219 | 6,467,961 | 100,440,432 |
| Excess (deficiency) of revenues over expenditures | 4,218,175 | 589,706 | (222,868) | 4,585,013 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | - | - | 277,926 | 277,926 |
| Transfers out | (245,846) | - | (32,080) | (277,926) |
| Total other financing sources (uses) | (245,846) | - | 245,846 | - |
| Net change in fund balances | 3,972,329 | 589,706 | 22,978 | 4,585,013 |
| **FUND BALANCE, beginning of fiscal year** | 11,980,364 | 7,459,162 | 1,453,822 | 20,893,348 |
| **FUND BALANCE, end of fiscal year** | $ 15,952,693 | $ 8,048,868 | $ 1,476,800 | $ 25,478,361 |

**The accompanying notes are an integral part of these financial statements.**

# CITY OF DECATUR BOARD OF EDUCATION

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | | |
|---|---|---|
| **Net change in fund balances - total governmental funds** | | $ 4,585,013 |
| **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, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period. | | |
| Capital outlay | $ 2,199,854 | |
| Depreciation and amortization expense | (5,293,241) | (3,093,387) |
| The net effect of the disposal of capital assets is to decrease net position. | | (48,440) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. | | 845,701 |
| The issuance of long-term debt, (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | | |
| Principal retirement: | | |
| Financed purchases | $ 526,238 | |
| Certificates of participation | 865,000 | |
| Lease liability | 31,583 | |
| Amortization of premiums | 44,385 | |
| Amortization of deferred loss on refunding debt | (15,465) | |
| Accrued interest | 12,395 | 1,464,136 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | |
| Net change in deferred outflows and inflows of resources related to pensions and net pension liability | | (10,409,518) |
| Net change in deferred outflows and inflows of resources related to OPEB and net OPEB liability | | 2,389,471 |
| Change in compensated absences | | 7,394 |
| Change in net position - governmental activities | | $ (4,259,630) |

# CITY OF DECATUR BOARD OF EDUCATION

## GENERAL FUND
## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Property taxes | $ 49,117,250 | $ 50,164,629 | $ 51,072,102 | $ 907,473 |
| Intergovernmental revenue - state | 32,398,707 | 32,439,488 | 35,138,703 | 2,699,215 |
| Intergovernmental revenue - federal | - | - | 100,000 | 100,000 |
| Charges for services | 3,347,422 | 3,498,422 | 2,690,394 | (808,028) |
| Investment income | - | - | 448,541 | 448,541 |
| Other revenue | 300,000 | 300,000 | 2,102,037 | 1,802,037 |
| On behalf payments | - | - | 122,650 | 122,650 |
| Total revenues | 85,163,379 | 86,402,539 | 91,674,427 | 5,271,888 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Instruction | 54,525,777 | 54,361,600 | 55,094,220 | (732,620) |
| Support services: | | | | |
| Pupil services | 5,209,046 | 5,552,576 | 5,338,488 | 214,088 |
| Improvement of instructional services | 2,350,292 | 2,830,678 | 2,711,914 | 118,764 |
| Educational media services | 1,461,042 | 1,437,057 | 1,265,830 | 171,227 |
| General administration | 1,524,754 | 1,482,378 | 1,592,023 | (109,645) |
| School administration | 7,077,682 | 7,399,972 | 7,584,839 | (184,867) |
| Business administration | 836,272 | 905,755 | 775,962 | 129,793 |
| Maintenance and operation of plant | 7,168,192 | 7,836,348 | 8,019,067 | (182,719) |
| Student transportation services | 1,679,915 | 1,966,919 | 1,634,683 | 332,236 |
| Central support services | 2,310,865 | 2,492,476 | 2,414,543 | 77,933 |
| Other support services | 109,161 | 72,161 | 52,753 | 19,408 |
| Food services operation | 939,332 | 887,440 | 689,328 | 198,112 |
| Debt service - principal retirement | 148,667 | 169,224 | 166,102 | 3,122 |
| Debt service - interest and fiscal charges | 131,014 | 131,014 | 116,500 | 14,514 |
| Total expenditures | 85,472,011 | 87,525,598 | 87,456,252 | 69,346 |
| Excess (deficiency) of revenues over expenditures | (308,632) | (1,123,059) | 4,218,175 | 5,341,234 |
| **OTHER FINANCING USES** | | | | |
| Transfers out | (279,681) | (279,681) | (245,846) | 33,835 |
| Total other financing uses | (279,681) | (279,681) | (245,846) | 33,835 |
| Net change in fund balances | (588,313) | (1,402,740) | 3,972,329 | 5,375,069 |
| **FUND BALANCE, beginning of fiscal year** | 11,980,364 | 11,980,364 | 11,980,364 | - |
| **FUND BALANCE, end of fiscal year** | $ 11,392,051 | $ 10,577,624 | $ 15,952,693 | $ 5,375,069 |

**The accompanying notes are an integral part of these financial statements.**

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Decatur Board of Education (the "District") have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

### A. Reporting Entity

The District was established under the laws of the State of Georgia and operates under the guidance of a five-member school board elected by the voters and a Superintendent appointed by the School Board. The District is organized as a separate legal entity and provides public education throughout the City of Decatur, Georgia, excluding DeKalb County, Georgia.

### B. Government-wide and Fund Financial Statements

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 District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. For the fiscal year ended June 30, 2023, the District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental 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.

### C. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal 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.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. Property taxes are recognized as revenue in the period for which they were levied if they are collected within sixty (60) days of year end. All other revenues are considered to be available when they are collectible within one hundred eighty (180) days of year end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

The State of Georgia reimburses the District for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally teachers are contracted for the school year (July 1 – June 30) and paid over a twelve month contract period, generally September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the District over the same twelve month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent fiscal year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each fiscal year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment. Based on guidance in Government Accounting Standards Board (GASB) Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the District recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

In the governmental fund financial statements, property taxes, sales taxes, intergovernmental revenue, and interest are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year if they meet the appropriate recognition criteria. In accordance with GASB Statement No. 33, "Accounting and Financing Reporting for Non-exchange Transactions", the corresponding assets (receivables) in non-exchange transactions are recognized in the fiscal year in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all the eligibility requirements have been met, or when resources are received, depending on the revenue source. This is when the District gives or receives value without directly receiving or giving equal value in exchange including property taxes, local option sales taxes, intergovernmental grants and donations. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

The ***District-Wide Capital Projects Fund*** accounts for the proceeds of a one percent Special Purpose Local Option Sales Tax, intergovernmental revenue (bond proceeds) from other governments and certificates of participation. Funds are used for: building renovations; land and building acquisitions; and, construction of new educational facilities.

The nonmajor governmental funds include the following funds:

The **S*chool Food Services Fund*** accounts for the monies and commodities received from Federal and State governments and the School Food Service's cafeteria sales for the purpose of maintaining the District's breakfast, lunch, and snack programs.

The ***Lottery Programs Fund*** accounts for the Pre-K program administered by the District in which the revenues are legally restricted by external parties.

The ***Federal Programs Fund*** accounts for various Federal grant monies received by the District in which the revenues are legally restricted by external parties.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Budgets

Formal budgetary accounting is employed as a management control device for the General Fund, Special Revenue Funds, and District-wide Capital Projects Fund of the District. The governmental funds' budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted for the General Fund and Special Revenue Funds each fiscal year through passage of an annual budget ordinance and amended as required. The District adopts project length budgets for the District-wide Capital Projects Fund. During the fiscal year ended June 30, 2023, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

All unencumbered budget appropriations lapse at the end of each fiscal year.

### E. Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The local government investment pool, "Georgia Fund 1", created by OCGA 36-83-8, is a stable asset value investment pool, which follows Fitch's criteria for AAAf/S1 rated money market funds and is regulated by the Georgia Office of State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair market value as of fiscal year-end and the District's investment in the Georgia Fund 1 is reported at fair value. The District considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

Increases or decreases in the fair value during the year are recognized as a component of interest income.

### F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds."

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. On-Behalf Payments

The State of Georgia makes certain retirement plan payments on behalf of the District for its employees. The District records these payments as both a revenue and expenditure in the General Fund. The total of the on-behalf payments for the fiscal year ended June 30, 2023 was $122,650.

### H. Inventory and Prepaid Items

Inventories of the School Food Services Fund are stated at cost using the first-in, first-out method. Donated food commodities are recorded at fair value. The District utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenditures when used rather than when purchased.

Payments made to vendors for services that will benefit periods beyond June 30, 2023 are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditures/expense in the fiscal year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable, as this amount is not available for general appropriation.

### I. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. 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.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, vehicles, and equipment are depreciated or amortized using the straight-line method over the following estimated useful lives:

| Asset | Years |
|---|---|
| Equipment and vehicles | 5-20 |
| Land improvements | 15 |
| Buildings and building improvements | 50 |
| Right-to-use asset - buildings | 20-50 |

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### J. Long-Term Obligations

In the government-wide financial statements long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, the face amount of debt issued and any related premium, is reported as other financing sources. Issuance costs, whether or not withheld from actual proceeds, are reported as debt service expenditures. The long-term obligations of the District at June 30, 2023 were compensated absences, financed purchases, net pension liability, net OPEB liability, and certificates of participation which are discussed later in these footnotes as other obligations.

### K. Leases

The District is a lessee for a noncancelable building lease. The District recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of a lease, the District initially measured the lease liability at the present value of payments expected to be paid during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the useful life of the asset or the lease term.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### L. Deferred Inflows/Outflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has several types of items that qualify for reporting in this category aside from those items related to pensions and OPEB.

The governmental funds report unavailable revenues from property taxes and other revenues as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Additionally, the governmental funds balance sheet and the government wide statement of net position will report unearned property tax revenues as a deferred inflow of resources as the amount represents property taxes which have been received or are receivable as of the balance sheet date but which are meant to fund expenditures for the upcoming fiscal year and thus will be recognized as revenue in the period for which they have been levied.

The School District's deferred charge on refunding debt qualifies for reporting in this category. A deferred charge on refunding debt results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

Finally, the District also has deferred outflows and inflows of resources related to the recording of changes in its net pension liability and its net other postemployment benefits (OPEB) liability. Certain changes in the net pension liability and the net OPEB liability are recognized as pension and OPEB expenses over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the District's actuary which adjust the net pension liability and the net OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of Plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension and OPEB expenses over the expected remaining service lives of Plan members. Changes in actuarial assumptions which adjust the net pension liability and the net OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension and OPEB expenses over the expected remaining service lives of Plan members. The difference between projected investment return on pension and OPEB investments and actual return on those investments is also deferred and amortized against pension and OPEB expenses over a five year period.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### M. Compensated Absences

Compensated absences represent obligations of the District relating to an employee's rights to receive compensation for future absences based upon service already rendered. This obligation relates only to vesting accumulating leave in which payment is probable and can be reasonably estimated. Accumulated unpaid sick leave costs are not vested and are not accrued, but are recognized as expenditures or expenses, when paid. Accumulated unpaid vacation costs are accrued when incurred in the government-wide financial statements.

Regular full-time twelve month custodial and maintenance staff earn vacation leave with pay from ten to fifteen days per fiscal year based on years of continuous service with a maximum accumulation of twenty days. Upon separation from the District, employees may be paid for unused vacation leave up to a maximum of twenty days at the current rate of pay.

### N. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

**Fund Balance** – Generally, fund balance represents the difference between the assets, liabilities, and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

*Nonspendable* – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

*Restricted* – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

*Committed* – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education through the adoption of a resolution. Likewise, fund balances that have been committed cannot be used for any other purposes unless the Board of Education removes the commitment of these funds through formal action of the adoption of a resolution.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### N. Fund Equity (Continued)

*Assigned* – Fund balances are reported as assigned when amounts are constrained by the District's intent to be used for the specific purposes, but are neither restricted nor committed. Through resolution, the Board of Education has authorized the Superintendent to assign fund balances.

*Unassigned* – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The District reports positive unassigned fund balance only in the General Fund. The Board will strive to maintain an unassigned fund balance of between 4% -15% based upon annual budgeted expenditures. The balance may be drawn down in the event of an unexpected decrease in the property tax digest or a reduction to state funding.

**Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the District's policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

**Net Position** – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by retainage (contracts) payables and by the outstanding balances of any borrowing used (i.e., the amount that the District has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted. The District applies restricted resources first when an expense is incurred for purposes for which both are available.

### O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting fiscal year. Actual results could differ from those estimates.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### P. Pensions

**TRS and PSERS -** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Retirement System (TRS) and the Public School Employees Retirement System (PSERS) and additions to/deductions from TRS's and PSERS's fiduciary net position have been determined on the same basis as they are reported by TRS and PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### Q. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Georgia School Employees Postemployment Benefit Fund (School OPEB Fund) and additions to/deductions from the School OPEB Fund's fiduciary net position have been determined on the same basis as they are reported by the School OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## NOTE 2. LEGAL COMPLIANCE – BUDGETS

**Budgetary Data.** The budget is a complete financial plan for the District's fiscal year and is based upon careful estimates of expenditures together with probable funding sources. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds is prepared by fund, function, and object. The legal level of budgetary control was established by the Board at the aggregate level. The budget for the General Fund was prepared in accordance with U.S. generally accepted accounting principles.

The budgetary process begins with District administration presenting an initial budget for the Board's review. The Board provides the administration with revenue, expenditure, and fund balance guidelines, and receives public comments. Administration makes revisions as necessary and prepares a tentative budget for the Board's approval. After approval of this tentative budget by the Board, such a budget is advertised at least once in a newspaper of general circulation in the locality. At the next regularly scheduled meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final school budget. This final budget is then submitted, in accordance with provisions of the Quality Basic Education Act, OCGA 20-2-167 (c), to the Georgia Department of Education. The Board may increase or decrease the budget at any time during the fiscal year. All unexpended budget authority lapses at fiscal year-end.

## NOTE 2. LEGAL COMPLIANCE – BUDGETS (Continued)

**Budgetary Data (Continued).** The Superintendent is authorized by the Board to approve adjustments of no more than five percent of the amount budgeted for expenditures in any budget function for any fund. The Superintendent shall report any such adjustments to the Board of Education. If expenditure of funds in any budget function for any fund is anticipated to be more than five percent of the budgeted amount, the Superintendent shall request board approval for the budget amendment. Any position or expenditure not previously approved in the annual budget and that exceeds $25,000 shall require Board approval unless the Superintendent deems the position or purchase an emergency. In such case, the expenditure shall be reported to the Board at its regularly scheduled meeting. Under no circumstance is the Superintendent or other staff person authorized to spend funds that exceed the total budget without approval by the Board of Education.

For fiscal year ended June 30, 2023, the following departments had excesses of actual expenditures over appropriations:

| | | |
|---|---|---|
| General Fund departments: | | |
| Instruction | $ | 732,620 |
| Support services: | | |
| General administration | | 109,645 |
| School administration | | 184,867 |
| Maintenance and operation of plant | | 182,719 |

These over-expenditures were funded by greater than anticipated revenues and by available fund balance.

## NOTE 3. DEPOSITS AND INVESTMENTS

**Credit risk.** State statutes authorize the District to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

At June 30, 2023, information on the credit risk and interest rate risk related to the District's investments (which are classified as cash equivalents) is disclosed as follows:

| Investment | Maturities | Credit rating | Fair Value |
|---|---|---|---|
| Georgia Fund 1 | 28 day weighted average | AAAf/S1 | $ 17,301,483 |

## NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

**Interest rate risk.** Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of the bonds in a portfolio will decline if market interest rates rise. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Fair Value Measurements.** The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the District does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

**Custodial Credit Risk - Deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2023, the financial institution holding some of the District's deposits is a participant in the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. As of June 30, 2023, the District's cash accounts were insured and/or collateralized as defined by GASB Standards.

## NOTE 4. RECEIVABLES

Receivables at June 30, 2023 for the District's individual major funds and nonmajor governmental funds in the aggregate, are as follows:

| | General | District-wide Capital Projects | Nonmajor Governmental Funds | Total |
|---|---|---|---|---|
| Receivables: | | | | |
| Intergovernmental | $ 4,966,664 | $ 584,068 | $ 1,568,057 | $ 7,118,789 |
| Property taxes | 4,617,358 | - | - | 4,617,358 |
| Accounts | 20,767 | - | - | 20,767 |
| Gross receivables | 9,604,789 | 584,068 | 1,568,057 | 11,756,914 |
| Less: Allowance for uncollectibles | (82,683) | - | - | (82,683) |
| Net receivables | $ 9,522,106 | $ 584,068 | $ 1,568,057 | $ 11,674,231 |

## NOTE 5. PROPERTY TAXES

The City of Decatur, Georgia bills and collects property taxes for the District. Property taxes are levied on property values assessed as of January 1. The tax levy is divided into two billings. The first billing is mailed April 1, and the second billing is mailed no later than October 20. The billings are considered due upon receipt by the taxpayer; however, the billings are considered delinquent on June 1 and December 20. After these dates, penalties and interest may be assessed by the City.

As discussed in Note 1, the District records deferred inflows of resources related to the property tax levies. At June 30, 2023, the District reports a deferred inflow of resources - unearned revenue of $22,468,581 for the 2023 tax year digest collections which are budgeted to fund fiscal year 2023 operations as reported in both the balance sheet for governmental funds as well as the government-wide statement of net position. Furthermore, in the General Fund, the District reports a deferred inflow of resources - unavailable property taxes of $1,451,251 which consists of the amounts due on the 2022 tax year digest (and prior fiscal year taxes) not collected within 60 days of June 30, 2023.

## NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023 is as follows:

| Governmental activities | Beginning Balances | Additions | Deletions | Transfers | Ending Balances |
|---|---|---|---|---|---|
| Capital assets, not being depreciated | | | | | |
| Land | $ 16,365,498 | $ - | $ - | $ - | $ 16,365,498 |
| Construction in progress | - | 64,450 | - | - | 64,450 |
| Total | 16,365,498 | 64,450 | - | - | 16,429,948 |
| Capital asset, being depreciated | | | | | |
| Land improvements | 496,257 | 60,280 | - | - | 556,537 |
| Buildings and building improvements | 164,230,712 | 1,064,512 | - | - | 165,295,224 |
| Equipment and vehicles | 14,675,827 | 1,010,612 | (137,896) | - | 15,548,543 |
| Total | 179,402,796 | 2,135,404 | (137,896) | - | 181,400,304 |
| Less accumulated depreciation for: | | | | | |
| Land improvements | (213,092) | (32,186) | - | - | (245,278) |
| Buildings and building improvements | (25,070,597) | (3,536,413) | - | - | (28,607,010) |
| Equipment and vehicles | (5,986,195) | (1,633,395) | 89,456 | - | (7,530,134) |
| Total | (31,269,884) | (5,201,994) | 89,456 | - | (36,382,422) |
| Total capital assets being depreciated, net | 148,132,912 | (3,066,590) | (48,440) | - | 145,017,882 |
| Governmental activities capital assets, net excluding right-to-use assets | 164,498,410 | (3,002,140) | (48,440) | - | 161,447,830 |
| Right-to-use asset, being amortized | | | | | |
| Buildings | 2,281,170 | - | - | - | 2,281,170 |
| Total | 2,281,170 | - | - | - | 2,281,170 |
| Less accumulated amortization for: | | | | | |
| Buildings and building improvements | (91,247) | (91,247) | - | - | (182,494) |
| Total | (91,247) | (91,247) | - | - | (182,494) |
| Total governmental activities capital assets, net as reported in the statement of net position | $ 166,688,333 | $ (3,093,387) | $ (48,440) | $ - | $ 163,546,506 |

## NOTE 6. CAPITAL ASSETS (Continued)

Depreciation and amortization expense was charged to functions/programs of the District as follows:

| | |
|---|---|
| Governmental activities: | |
| Improvement of instructional services | $ 4,602,897 |
| General administration | 165,288 |
| School administration | 52,105 |
| Maintenance and operation of plant | 172,390 |
| Student transportation | 205,745 |
| Food services operation | 94,816 |
| Total depreciation and amortization expense - governmental activities | $ 5,293,241 |

## NOTE 7. LONG-TERM DEBT AND OBLIGATIONS

Long-term debt and obligations activity for the fiscal year ended June 30, 2023 is as follows:

| | Beginning Balances | Additions | Reductions | Ending Balances | Due Within One Year | Due in More Than One Year |
|---|---|---|---|---|---|---|
| **Governmental activities:** | | | | | | |
| Certificates of participation: | | | | | | |
| Series 2014 | $ 15,515,000 | $ - | $ (430,000) | $ 15,085,000 | $ 450,000 | $ 14,635,000 |
| Series 2020 | 7,295,000 | - | (435,000) | 6,860,000 | 435,000 | 6,425,000 |
| Unamortized premiums | 453,088 | - | (44,385) | 408,703 | - | 408,703 |
| Certificates of participation, net: | 23,263,088 | - | (909,385) | 22,353,703 | 885,000 | 21,468,703 |
| Financed purchases from direct borrowings | 4,932,360 | - | (526,238) | 4,406,122 | 517,502 | 3,888,620 |
| Lease liability | 2,250,561 | - | (31,583) | 2,218,978 | 32,846 | 2,186,132 |
| Net pension liability | 31,742,046 | 100,361,222 | (16,875,315) | 115,227,953 | - | 115,227,953 |
| Net OPEB liability | 43,859,435 | 6,104,322 | (9,644,734) | 40,319,023 | - | 40,319,023 |
| Compensated absences | 136,068 | 108,288 | (115,682) | 128,674 | 96,506 | 32,168 |
| Governmental activities long-term liabilities | $ 106,183,558 | $ 106,573,832 | $ (28,102,937) | $ 184,654,453 | $ 1,531,854 | $ 183,122,599 |

For governmental activities, the net pension liability, the net OPEB liability, compensated absences, and some financed purchases are generally liquidated by the General Fund. The certificates of participation and other financed purchases are liquidated by the District-wide Capital Projects Fund.

## NOTE 7. LONG-TERM DEBT AND OBLIGATIONS (Continued)

**Certificates of Participation.** In April 2014, the District entered into an agreement with the Georgia Municipal Association, Inc. ("GMA"). The funding of the agreement was provided by the issuance of $18,120,000 Certificates of Participation Series 2014 by GMA. The proceeds from the Certificates were used to finance the acquisition and construction of school buildings and facilities for the District and the costs incurred in connection with the execution and delivery of the certificates. The agreement with GMA provides that the District owns their portion of the assets and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal is due in annual installments of $335,000 to $1,060,000 beginning in November 2014 and ending May 2044. Interest is payable at rates of 2.00% to 5.25%.

| Fiscal Year Ending, June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2024 | $ 450,000 | $ 658,687 | $ 1,108,687 |
| 2025 | 465,000 | 640,688 | 1,105,688 |
| 2026 | 480,000 | 626,738 | 1,106,738 |
| 2027 | 505,000 | 601,538 | 1,106,538 |
| 2028 | 530,000 | 575,025 | 1,105,025 |
| 2029-2033 | 3,070,000 | 2,469,275 | 5,539,275 |
| 2034-2038 | 3,825,000 | 1,709,513 | 5,534,513 |
| 2039-2043 | 4,700,000 | 839,781 | 5,539,781 |
| 2044 | 1,060,000 | 45,050 | 1,105,050 |
| Total | 15,085,000 | $ 8,166,295 | $ 23,251,295 |
| Plus: Unamortized Premium | 317,067 | | |
| Total | $ 15,402,067 | | |

## NOTE 7. LONG-TERM DEBT AND OBLIGATIONS (Continued)

**Certificates of Participation (Continued).** In January 2010, the District entered into an agreement with the Georgia School Boards Association, Inc. (the "Association"). The funding of the agreement was provided by the issuance of $10,295,000 Taxable Certificates of Participation, Build America Bonds, Direct Payment, Series 2010 by the Association. The agreement with the Association provides that the District owns their portion of the assets and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. In November 2020, the original Certificates of Participation were fully refunded. The refunding resulted in a decrease of total debt service payments of approximately $1,649,420 for an economic gain of $1,435,228. The difference between the cash flows required to service the old debt (refunded debt) and cash flows required to service the new debt (refunding debt) and complete the refunding was determined during fiscal year June 30, 2021 to be $151,101. The deferred accounting loss on refunding will be amoritized over the remaining years to sevice the debt using the effective interest method. The principal on the new Series 2020 Certificates of Participation is due in annual installments of $355,000 to $780,000 beginning in May 2021 to May 2037. Interest is payable at 1.79%.

| Fiscal Year Ending, June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2024 | $ 435,000 | $ 122,794 | $ 557,794 |
| 2025 | 445,000 | 115,008 | 560,008 |
| 2026 | 455,000 | 107,042 | 562,042 |
| 2027 | 460,000 | 98,898 | 558,898 |
| 2028 | 470,000 | 90,664 | 560,664 |
| 2029-2033 | 2,470,000 | 324,080 | 2,794,080 |
| 2034-2038 | 2,125,000 | 95,854 | 2,220,854 |
| Total | 6,860,000 | $ 954,340 | $ 7,814,340 |
| Plus: Unamortized Premium | 91,636 | | |
| Total | $ 6,951,636 | | |

In accordance with the Disclosure Certificate, the District is required to provide continuing disclosures to outside parties. In the event of a failure of the District to comply with any provision of the Disclosure Certificate, the participating underwriter or any beneficial owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the District to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed a default or an event of default under the Resolution and the sole remedy under the Disclosure Certificate in the event of any failure of any party to comply with the Disclosure Certificate shall be an action to compel performance.

## NOTE 7. LONG-TERM DEBT AND OBLIGATIONS (Continued)

**Lease Liability.** The District has entered into an agreement for the purpose of purchasing a public works building. Under the terms of the agreement, the District will assure that the payments of principal and interest on the agreement are made in a timely manner through January 2046. The total annual payments range from $121,605 to $170,247. Th initial lease liability was recorded in the amount of $2,281,170. As of June 30, 2023, the value of the lease liability was $2,218,978. The lease has an interest rate of 4%.

Future principal and interest payments to be made on this lease, to maturity, are as follows:

| Fiscal Year Ending, June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2024 | $ 32,846 | $ 88,759 | $ 121,605 |
| 2025 | 34,160 | 87,445 | 121,605 |
| 2026 | 35,526 | 86,079 | 121,605 |
| 2027 | 61,268 | 84,658 | 145,926 |
| 2028 | 63,719 | 82,207 | 145,926 |
| 2029-2033 | 358,927 | 370,703 | 729,630 |
| 2034-2038 | 486,304 | 291,968 | 778,272 |
| 2039-2043 | 673,779 | 177,456 | 851,235 |
| 2044-2046 | 472,449 | 38,291 | 510,740 |
| Total | $ 2,218,978 | $ 1,307,566 | $ 3,526,544 |

## NOTE 7. LONG-TERM DEBT AND OBLIGATIONS (Continued)

**Financed purchases from direct borrowings.** The District has entered into a financed purchase agreement for buses and under the terms of the agreement the District will assure that the payments of principal and interest are made in a timely manner from August 2021 through July 2028. The total annual payment is $138,453. The outstanding balance of the financed purchase as of June 30, 2023 is $749,403.

The District has entered into an installment sales agreement with the City of Decatur. The agreement executed between the District and the City called for the City to construct a central administration facility for the District who, in turn, will be responsible for paying the City amounts equal to the debt service requirements on the Urban Redevelopment Agency Revenue Bonds, Series 2013B. The total annual payments (principal and interest) to be paid to the City of Decatur will range from $394,231 to $401,975. During fiscal year ended June 30, 2021, the URA issued $3,615,000 Series 2020B bonds, the proceeds of which were used to partially refund the Series 2013B bonds. The non-refunded portion of the bonds matures January 1, 2023. As of June 30, 2022 the outstanding principal amount on the Series 2013B bonds was $245,000. The City defeased $3,420,000 of the Series 2013B bonds by placing the proceeds of the refunding issuance in an irrevocable trust to provide for all future debt service payments on the old bonds. The advanced refunding resulted in a decrease of total debt service payments of approximately $804,863 and an economic gain of $649,978. The difference between the cash flows required to service the old debt (refunded debt) and cash flows required to service the new debt (refunding debt) and complete the refunding was determined during fiscal year June 30, 2021 to be $65,413. The deferred accounting loss on refunding will be amortized over the remaining years to service the agreement with the City of Decatur using the effective interest method. The outstanding balance on the Series 2020B bonds at June 30, 2022 was $3,535,000.

The District entered into an agreement for computer equipment with Apple and under the terms of the agreement, the District will assure that the payments of principal and interest are made in a timely manner through July 2023. The total annual payments are $121,719. The outstanding balance of this financed purchase as of June 30, 2023 is $121,719.

## NOTE 7. LONG-TERM DEBT AND OBLIGATIONS (Continued)

The future minimum payment obligations as of June 30, 2023 are as follows:

| Fiscal Year Ending, June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2024 | $ 517,502 | $ 109,684 | $ 627,186 |
| 2025 | 404,285 | 97,782 | 502,067 |
| 2026 | 417,894 | 85,624 | 503,518 |
| 2027 | 426,612 | 73,056 | 499,668 |
| 2028 | 445,442 | 60,226 | 505,668 |
| 2029-2033 | 1,834,387 | 133,360 | 1,967,747 |
| 2034-2038 | 360,000 | 6,480 | 366,480 |
| Total | $ 4,406,122 | $ 566,212 | $ 4,972,334 |

## NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances as of the fiscal year ended June 30, 2023 are as follows:

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| General fund | Nonmajor governmental funds | $ 1,214,103 |
| Nonmajor governmental funds | Capital projects fund | 58,166 |
| Nonmajor governmental funds | Nonmajor governmental funds | 238,372 |
| | | $ 1,510,641 |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers as of the fiscal year ended June 30, 2023 are as follows:

| Transfers In | Transfers Out | Amount |
|---|---|---|
| Nonmajor governmental funds | General Fund | $ 245,846 |
| Nonmajor governmental funds | Nonmajor governmental funds | 32,080 |
| | | $ 277,926 |

## NOTE 9. RETIREMENT PLANS

**Teachers Retirement System of Georgia (TRS)**

***Plan Description.*** The TRS is a cost-sharing multiple-employer defined benefit plan created in 1943 by an act of the Georgia General Assembly to provide retirement benefits for qualifying employees in educational service. A Board of Trustees comprised of active and retired members and ex-officio State employees is ultimately responsible for the administration of TRS. The Teachers Retirement System of Georgia issues a separate stand alone financial audit report and a copy can be obtained at www.trsga.com/publications.

On October 25, 1996, the Board created the Supplemental Retirement Benefits Plan of the Georgia Teachers Retirement System (SRBP-TRS). SRPB-TRS was established as a qualified excess benefit plan in accordance with Section 415 of the Internal Revenue Code (IRC) as a portion of TRS. The purpose of SRBP-TRS is to provide retirement benefits to employees covered by TRS whose benefits are otherwise limited by IRC Section 415. Beginning July 1, 1997, all members and retired former members in TRS are eligible to participate in the SRPB-TRS whenever their benefits under TRS exceed the IRC Section 415 imposed limitation on benefits.

***Benefits Provided.*** TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

***Contributions.*** Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A Section 47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the fiscal year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2023. The District's contractually required contribution rate for fiscal year ended June 30, 2023 was 19.98% of the annual District payroll. The District's contributions to TRS were $9,681,128 for the fiscal year ended June 30, 2023.

## NOTE 9. RETIREMENT PLANS (Continued)

**Teachers Retirement System of Georgia (TRS) – (Continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.*** At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the District by the State of Georgia for certain public school support personnel. The amount recognized by the District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the District were as follows:

| | | |
|---|---|---|
| District's proportionate share of the net pension liability | $ | 115,227,953 |
| State of Georgia's proportionate share of the net pension liability associated with the District | | 113,652 |
| Total | $ | 115,341,605 |

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability in the amount of $115,227,953. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2022. At June 30, 2022, the employer proportion was 0.354854%, which was an decrease of 0.004043% from its proportion measured as of June 30, 2021.

## NOTE 9. RETIREMENT PLANS (Continued)

**Teachers Retirement System of Georgia (TRS) – (Continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued):*** For the fiscal year ended June 30, 2023, the District recognized pension expense of $20,078,206 and revenue of $38,568 for support provided by the State of Georgia for certain support personnel. At June 30, 2023, the 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 |
|---|---|---|
| Net difference between projected and actual earnings on pension plan investments | $ 22,639,015 | $ - |
| Experience differences | 4,783,141 | 599,788 |
| Assumption changes | 17,345,484 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 6,215,579 | 568,231 |
| District contributions subsequent to the measurement date | 9,681,128 | - |
| Total | $ 60,664,347 | $ 1,168,019 |

The District's contributions subsequent to the measurement date of $9,681,128 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal year ending June 30: | |
|---|---|
| 2024 | $ 14,704,882 |
| 2025 | 11,072,614 |
| 2026 | 7,644,411 |
| 2027 | 16,393,293 |
| Total | $ 49,815,200 |

## NOTE 9. RETIREMENT PLANS (Continued)

**Teachers Retirement System of Georgia (TRS) – (Continued)**

***Actuarial Assumptions.*** The total pension liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 2.50% |
| Salary increases | 3.00 – 8.75%, including inflation |
| Investment rate of return | 6.90%, net of pension plan investment expense, including inflation |
| Postretirement Benefit Increases | 1.50% semi-annually |

Postretirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Postretirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the long-term assumed rate of return on assets (discount rate) which was changed from 7.50% to 7.25% effective with the June 30, 2018 valuation, and then from 7.25% to 6.90% effective with the June 30, 2021 valuation. In addition, the assumed annual rate of inflation was changed from 3.00% to 2.50% effective with the June 30, 2021 valuation.

## NOTE 9. RETIREMENT PLANS (Continued)

**Teachers Retirement System of Georgia (TRS) – (Continued)**

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of 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* |
|---|---|---|
| Fixed income | 30.00% | 0.2% |
| U.S. large equities | 46.30 | 9.40 |
| U.S. small equities | 1.20 | 13.40 |
| International developed market equities | 12.30 | 9.40 |
| International emerging market equities | 5.20 | 11.40 |
| Alternatives | 5.00 | 10.50 |
| Total | 100.00% | |

* Rates shown are net of the 2.50% assumed rate of inflation

***Discount Rate.*** The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## NOTE 9. RETIREMENT PLANS (Continued)

**Teachers Retirement System of Georgia (TRS) – (Continued)**

***Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.*** The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

| | 1% Decrease (5.90%) | Current discount rate (6.90%) | 1% Increase (7.90%) |
|---|---|---|---|
| District's proportionate share of the net pension liability | $ 173,840,821 | $ 115,227,953 | $ 67,362,794 |

***Pension Plan Fiduciary Net Position.*** Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publicly available at http://www.trsga.com.

**Public School Employees Retirement System (PSERS)**

***Plan Description.*** PSERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia. The PSERS Board of Trustees, plus two additional trustees, administers PSERS. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. PSERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs.

***Benefits Provided.*** A member may retire and elect to receive normal monthly retirement benefits after completion of ten years of creditable service and attainment of age 65. A member may choose to receive reduced benefits after age 60 and upon completion of ten years of service.

Upon retirement, the member will receive a monthly benefit of $15.75, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

## NOTE 9. RETIREMENT PLANS (Continued)

**Public School Employees Retirement System (PSERS) (Continued)**

***Contributions.*** The general assembly makes an annual appropriation to cover the employer contribution to PSERS on behalf of local school employees (bus drivers, cafeteria workers, and maintenance staff). The annual employer contribution required by statute is actuarially determined and paid directly to PSERS by the State Treasurer in accordance with O.C.G.A. §47-4-29(a) and 60(b). Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Individuals who became members prior to July 1, 2012 contribute $4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute $10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees.

***Pension Liabilities and Pension Expense.*** At June 30, 2023, the District did not have a liability for a proportionate share of the net pension liability because of the related State of Georgia support. The amount of the state's proportionate share of the net pension liability associated with the District is as follows:

| | |
|---|---|
| State of Georgia's proportionate share of the Net Pension Liability associated with the District | $ 827,833 |

The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 was determined using standard roll-forward techniques. The state's proportion of the net pension liability associated with the District was based on actuarially determined contributions paid by the state during the fiscal year ended June 30, 2022.

For the fiscal year ended June 30, 2022, the District recognized pension expense of $208,034 and revenue of $208,034 for support provided by the State of Georgia.

***Actuarial Assumptions.*** The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 2.50% |
| Salary increase | N/A |
| Investment rate of return | 7.00%, net of pension plan investment expense, including inflation |
| Postretirement benefit increases | 1.50% semi-annually |

## NOTE 9. RETIREMENT PLANS (Continued)

**Public School Employees Retirement System (PSERS) (Continued)**

***Actuarial Assumptions. (continued)*** Mortality rates are as follows:

- The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.
- The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for postretirement mortality assumptions as follows:

| Participant Type | Membership Table | Set Forward (+)/ Setback (-) | Adjustment to Rates |
|---|---|---|---|
| Service Retirees | General Healthy Below-Median Annuitant | Male: +2; Female: +2 | Male: 101%; Female: 103% |
| Disability Retirees | General Disabled | Male: -3; Female: 0 | Male: 103%; Female: 106% |
| Beneficiaries | General Below-Median Contingent Survivors | Male: +2; Female: +2 | Male: 104%; Female 99% |

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019, with the exception of the assumed investment rate of return.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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 asset 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* |
|---|---|---|
| Fixed income | 30.00% | 0.20% |
| U.S.large stocks | 46.30 | 9.40 |
| U.S. small stocks | 1.20 | 13.40 |
| International developed market stocks | 12.30 | 9.40 |
| International emerging market stocks | 5.20 | 11.40 |
| Alternatives | 5.00 | 10.50 |
| Total | 100.00% | |

* Rates shown are net of inflation

## NOTE 9. RETIREMENT PLANS (Continued)

**Public School Employees Retirement System (PSERS) (Continued)**

***Discount rate***: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss for claims associated with torts; theft of, damage to and destruction of assets; errors and omissions; natural disaster; workers' compensation, and unemployment compensation. The District participates in the Georgia School Boards Association Risk and Insurance Management System (the "System"), a public entity risk pool organized on July 1, 1994, to develop and administer a plan to reduce risk of loss on account of general liability, motor vehicle liability, or property damage, including safety engineering and other loss prevention and control techniques, and to administer one or more groups of self-insurance funds, including the processing and defense of claims brought against members of the System. The District pays an annual premium to the System for its general insurance coverage. Additional coverage is provided through agreements by the System with other companies according to their specialty for property, boiler and machinery (including coverage for flood and earthquake), general liability (including coverage for sexual harassment, molestation, and abuse) and automobile risks. Payment of excess insurance for the System varies by line of coverage.

The District is self-insured with regard to unemployment compensation claims. The District accounts for its claims within the General Fund with an expenditure and a liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The District unemployment claims during fiscal years ended June 30, 2023 and 2022 both totaled $0.

The following describes the changes in the claims liability over the last two (2) fiscal years:

| Fiscal Year | Beginning of Fiscal Year Claims Liability | Current Year Claims and Changes in Estimates | Claims Paid | End of Fiscal Year Claims Liability |
|---|---|---|---|---|
| 2023 | $ - | $ - | $ - | $ - |
| 2022 | - | - | - | - |

## NOTE 10. RISK MANAGEMENT (Continued)

The District participates in the Georgia School Boards Association Workers' Compensation Fund (the "Fund"), a public entity risk pool organized on July 1, 1992 to develop, implement, and administer a program of workers' compensation self-insurance for its member organizations. The District pays an annual premium to the Fund for its general insurance coverage. Additional insurance coverage is provided through an agreement by the Fund with Safety National to provide coverage for potential losses sustained by the Fund in excess of $100,000 loss per occurrence, up to the statutory limit.

The District has purchased surety bonds to provide additional insurance coverage as follows:

| Position covered | Amount |
|---|---|
| Superintendent | $ 100,000 |
| All other employees | 100,000 |

## NOTE 11. COMMITMENTS AND CONTINGENCIES

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audits and adjustments by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2023 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the financial statements for such contingencies.

## NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

### Georgia School Employees Postemployment Benefit Fund

***Plan Description*.** The District participates in the State of Georgia School Employees Postemployment Benefit Fund (the "School OPEB Fund") which is an other postemployment benefit (OPEB) plan administered by the State of Georgia Department of Community Health (DCH). Certified teachers and non-certified employees of the District as defined in §20-2-875 of the Official Code of Georgia Annotated (O.C.G.A.) are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund of the State of Georgia and administered by a Board of Community Health (DCH Board). Title 20 of the O.C.G.A. assigns the authority to establish and amend the benefit terms of the group health plan to the DCH Board. The School OPEB Fund is included in the State of Georgia Annual Comprehensive Financial Report which is publicly available and can be obtained at https://sao.georgia.gov/statewide-reporting/acfr.

## NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

### Georgia School Employees Postemployment Benefit Fund (Continued)

***Benefits.*** The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies, and non-certified public school employees. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees' Retirement System (ERS), Georgia Judicial Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public School Employees Retirement System (PSERS). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The School OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted.

***Contributions.*** As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the District were $1,501,347 for the fiscal year ended June 30, 2023. Active employees are not required to contribute to the School OPEB Fund.

### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the District reported a liability of $40,319,023 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2021. An expected net OPEB liability as of June 30, 2022 was determined using standard roll-forward techniques. The District's proportion of the net OPEB liability was actuarially determined based on employer contributions to the State OPEB Fund during the fiscal year ended June 30, 2022. At June 30 2022, the District's proportion was 0.407132%, which was an increase of 0.002182% from its proportion measured as of June 30, 2021.

## NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2022, the District recognized OPEB expense of $888,124. At June 30, 2023, the 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 |
|---|---|---|
| Net difference between projected and actual earnings on OPEB plan investments | $ 245,935 | $ - |
| Experience differences | 1,609,358 | 15,846,597 |
| Assumption changes | 6,140,670 | 8,154,578 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 4,421,131 | - |
| District contributions subsequent to the measurement date | 1,501,347 | - |
| Total | $ 13,918,441 | $ 24,001,175 |

District contributions subsequent to the measurement date of $1,501,347 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| **Fiscal year ending June 30:** | |
|---|---|
| 2024 | $ (3,075,097) |
| 2025 | (2,349,147) |
| 2026 | (1,777,857) |
| 2027 | (2,727,987) |
| 2028 | (1,484,735) |
| Thereafter | (169,258) |
| Total | $ (11,584,081) |

## NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

***Actuarial assumptions.*** The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

| | |
|---|---|
| Inflation | 2.50% |
| Salary increases | TRS - 3.00 – 8.75%, including inflation<br>PSERS – N/A |
| Long-term expected rate of return | 7.00%, compounded annually, net of investment expense, and including inflation |
| Healthcare cost trend rate | |
| Pre-Medicare Eligible | 6.50% |
| Medicare Eligible | 5.00% |
| Ultimate trend rate | |
| Pre-Medicare Eligible | 4.50% |
| Medicare Eligible | 4.50% |
| Year of Ultimate trend rate | |
| Pre-Medicare Eligible | 2029 |
| Medicare Eligible | 2023 |

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB as follows:

- For TRS members: Postretirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Postretirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

## NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

***Actuarial assumptions. (continued)***

- For PSERS members: Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projections scale applied generationally. Postretirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Postretirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projections scaled applied generationally. Postretirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjust 106% for males and 158% for females) with the MP-2019 Project scale applied generationally.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the pension systems, which covered the period ending July 1, 2013 – June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the Board and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

## NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

***Actuarial assumptions. (continued)*** The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of investment expense and the assumed rate of 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 |
|---|---|---|
| Fixed Income | 30.00% | 2.00% |
| Equities | 70.00% | 9.40% |
| Total | 100.00% | |

**Discount rate:** The discount rate was 3.57%, an increase from the prior year's rate of 2.20%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.57% was used as the discount rate. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.54% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2145.

### Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.57%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.57%) or 1-percentage-point higher (4.57%) than the current rate:

| | 1% Decrease (2.57%) | Current discount rate (3.57%) | 1% Increase (4.57%) |
|---|---|---|---|
| District's proportionate share of the net OPEB liability | $ 45,605,656 | $ 40,319,023 | $ 35,838,369 |

## NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

### Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate (Continued)

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

| | 1% Decrease | Current discount rate | 1% Increase |
|---|---|---|---|
| District's proportionate share of the net OPEB liability | $ 34,739,658 | $ 40,319,023 | $ 47,176,039 |

## NOTE 13. ON-BEHALF PAYMENTS

The District has recognized revenues and costs in the amount of $122,650 for retirement contributions paid on the District's behalf by the following State Agencies:

Georgia Department of Education paid to the Teachers Retirement District for Teachers Retirement (TRS) in the amount of $9,666.

State Treasurer of the State of Georgia paid to the Public School Employees Retirement System for the Public School Employees Retirement (PSERS) employer's cost in the amount of $112,984.

# CITY OF DECATUR BOARD OF EDUCATION

## REQUIRED SUPPLEMENTARY INFORMATION
## SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
## TEACHERS RETIREMENT SYSTEM (TRS)

| | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| District's proportion of the net pension liability | 0.354854% | 0.358897% | 0.320517% | 0.301821% |
| District's proportionate share of the net pension liability | $ 115,227,953 | $ 31,742,046 | $ 77,641,762 | $ 64,899,676 |
| State of Georgia's proportionate share of the net pension liability associated with the District | 113,652 | 30,955 | 90,113 | 119,125 |
| Total | $ 115,341,605 | $ 31,773,001 | $ 77,731,875 | $ 65,018,801 |
| District's covered payroll | $ 48,026,924 | $ 46,693,811 | $ 41,323,699 | $ 36,834,517 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 240% | 68% | 188% | 176% |
| Plan fiduciary net position as a percentage of the total pension liability | 72.85% | 92.03% | 77.01% | 78.56% |

| | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| District's proportion of the net pension liability | 0.288664% | 0.272721% | 0.272846% | 0.258471% |
| District's proportionate share of the net pension liability | $ 53,582,222 | $ 50,686,038 | $ 56,291,172 | $ 39,349,643 |
| State of Georgia's proportionate share of the net pension liability associated with the District | 103,391 | 343,271 | 512,571 | 372,531 |
| Total | $ 53,685,613 | $ 51,029,309 | $ 56,803,743 | $ 39,722,174 |
| District's covered payroll | $ 34,381,820 | $ 31,314,744 | $ 29,920,514 | $ 27,291,506 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 156% | 162% | 188% | 144% |
| Plan fiduciary net position as a percentage of the total pension liability | 80.27% | 79.33% | 76.06% | 81.44% |

***Note:*** *Schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.*

# CITY OF DECATUR BOARD OF EDUCATION

## REQUIRED SUPPLEMENTARY INFORMATION
## SCHEDULE OF CONTRIBUTIONS
## TEACHERS RETIREMENT SYSTEM (TRS)

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Contractually required contribution | $ 9,681,128 | $ 9,514,134 | $ 8,899,840 | $ 8,735,830 | $ 7,698,414 |
| Contributions in relation to the contractually required contribution | 9,681,128 | 9,514,134 | 8,899,840 | 8,735,830 | 7,698,414 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - |
| District's covered payroll | $ 48,454,096 | $ 48,026,924 | $ 46,693,811 | $ 41,323,699 | $ 36,834,517 |
| Contributions as a percentage of covered payroll | 19.98% | 19.81% | 19.06% | 21.14% | 20.90% |

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|
| Contractually required contribution | $ 5,779,584 | $ 4,468,614 | $ 4,270,788 | $ 3,587,737 | $ 2,995,534 |
| Contributions in relation to the contractually required contribution | 5,779,584 | 4,468,614 | 4,270,788 | 3,587,737 | 2,995,534 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - |
| District's covered payroll | $ 34,381,820 | $ 31,314,744 | $ 29,920,514 | $ 27,291,506 | $ 24,393,599 |
| Contributions as a percentage of covered payroll | 16.81% | 14.27% | 14.27% | 13.15% | 12.28% |

# CITY OF DECATUR BOARD OF EDUCATION

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
## TEACHERS RETIREMENT SYSTEM (TRS)

***Changes of assumptions*:** On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males).

On May 15, 2019, the Board adopted recommended changes from the smoothed valuation interest rate methodology that has been in effect since June 30, 2009, to a constant interest rate method. In conjunction with the methodology, the long-term assumed rate of return in assets (discount rate) has been changed from 7.50% to 7.25%, and the assumed annual rate of inflation has been reduced from 2.75% to 2.50%.

In 2019 and later, the expectation of retired life mortality was changed to the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table from the RP-2000 Mortality Tables. In 2019, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

On May 11, 2022, the Board adopted recommended changes to the long-term assumed rate of return and payroll growth assumption utilized by the System. The long-term assumed rate of return was changed from 7.25% to 6.90%, and the payroll growth assumption was changed from 3.00% to 2.50%.

# CITY OF DECATUR BOARD OF EDUCATION

## REQUIRED SUPPLEMENTARY INFORMATION
## SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
## PUBLIC SCHOOLS EMPLOYEES RETIREMENT SYSTEM (PSERS)

| | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| District's proportion of the net pension liability | 0.0% | 0.0% | 0.0% | 0.0% |
| District's proportionate share of the net pension liability | $ - | $ - | $ - | $ - |
| State of Georgia's proportionate share of the net pension liability associated with the District | 827,833 | 88,944 | 619,821 | 510,603 |
| Total | $ 827,833 | $ 88,944 | $ 619,821 | $ 510,603 |
| District's covered payroll | $ 2,250,965 | $ 2,421,528 | $ 2,443,834 | $ 2,167,471 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | N/A | N/A | N/A | N/A |
| Plan fiduciary net position as a percentage of the total pension liability | 81.21% | 98.00% | 84.45% | 85.02% |

| | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| District's proportion of the net pension liability | 0.0% | 0.0% | 0.0% | 0.0% |
| District's proportionate share of the net pension liability | $ - | $ - | $ - | $ - |
| State of Georgia's proportionate share of the net pension liability associated with the District | 461,154 | 400,260 | 513,656 | 322,493 |
| Total | $ 461,154 | $ 400,260 | $ 513,656 | $ 322,493 |
| District's covered payroll | $ 1,489,358 | $ 1,256,200 | $ 964,773 | $ 804,376 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | N/A | N/A | N/A | N/A |
| Plan fiduciary net position as a percentage of the total pension liability | 85.26% | 85.69% | 81.00% | 87.00% |

***Note:*** *Schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.*

# CITY OF DECATUR BOARD OF EDUCATION

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
## PUBLIC SCHOOLS EMPLOYEES RETIREMENT SYSTE (PSERS)

***Changes of assumptions*:** On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement and withdrawal. The expectation of retired life mortality was changed to the RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females).

A new funding policy was initially adopted by the Board on March 15, 2018, and most recently amended on December 17, 2020. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumption utilized by the System based on the experience study prepared for the five-year period ended June 30, 2019. Primary among the changes were the updates to rates or mortality, retirement, disability, and withdrawal. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total Pension Liability.

# CITY OF DECATUR BOARD OF EDUCATION

## REQUIRED SUPPLEMENTARY INFORMATION
## SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
## SCHOOL OPEB FUND

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| District's proportion of the net OPEB liability | 0.040713% | 0.404950% | 0.389074% | 0.370149% | 0.362884% |
| District's proportionate share of the net OPEB liability | $ 40,319,023 | $ 43,859,435 | $ 57,145,909 | $ 45,425,224 | $ 46,121,443 |
| Total | $ 40,319,023 | $ 43,859,435 | $ 57,145,909 | $ 45,425,224 | $ 46,121,443 |
| District's covered payroll | $ 42,123,632 | $ 39,613,519 | $ 35,192,289 | $ 29,232,020 | $ 27,151,297 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 96% | 111% | 162% | 155% | 170% |
| Plan fiduciary net position as a percentage of the total pension liability | 6.17% | 6.14% | 3.99% | 4.63% | 2.93% |

| | 2018 |
|---|---|
| District's proportion of the net OPEB liability | 0.347341% |
| District's proportionate share of the net OPEB liability | $ 48,801,270 |
| Total | $ 48,801,270 |
| District's covered payroll | $ 30,930,509 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 158% |
| Plan fiduciary net position as a percentage of the total pension liability | 1.61% |

***Note:*** *Schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.*

# CITY OF DECATUR BOARD OF EDUCATION

## REQUIRED SUPPLEMENTARY INFORMATION
## SCHEDULE OF CONTRIBUTIONS
## SCHOOL OPEB FUND

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Contractually required contribution | $ 1,501,347 | $ 1,072,491 | $ 1,503,345 | $ 1,315,758 | $ 1,993,506 |
| Contributions in relation to the contractually required contribution | 1,501,347 | 1,072,491 | 1,503,345 | 1,315,758 | 1,993,506 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - |
| District's covered payroll | $ 40,872,885 | $ 42,123,632 | $ 39,613,519 | $ 35,192,289 | $ 29,232,020 |
| Contributions as a percentage of covered payroll | 3.67% | 2.55% | 3.80% | 3.74% | 6.82% |

| | 2018 |
|---|---|
| Contractually required contribution | $ 1,880,794 |
| Contributions in relation to the contractually required contribution | 1,880,794 |
| Contribution deficiency (excess) | $ - |
| District's covered payroll | $ 27,151,297 |
| Contributions as a percentage of covered payroll | 6.93% |

***Note:*** *Schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.*

# CITY OF DECATUR BOARD OF EDUCATION

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
## SCHOOL OPEB FUND

***Changes of benefit terms*:** There have been no changes in benefit terms.

***Changes in assumptions:*** June 30, 2020 valuation: Decremental assumptions were changed to reflect the Employees Retirement Systems experience study. Approximately 0.10% of employees are members of the Employees Retirement System.

June 30, 2019 valuation: Decremental assumptions were changed to reflect the Teachers Retirement Systems experience study.

June 30, 2018 valuation: The inflation assumption was lowered from 2.75% to 2.50%.

June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised.

June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect to Retirement Systems' experience studies.

June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

The discount rate was updated from 3.07% as of June 30, 2016 to 3.58% as of June 30, 2017, to 3.87% as of June 30, 2018, back to 3.58% of June 30, 2019, and to 2.22% as of June 30, 2020.

**CITY OF DECATUR BOARD OF EDUCATION**
**NONMAJOR GOVERNMENTAL FUNDS**

## SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt services or capital projects.

**SCHOOL FOOD SERVICES** To account for the monies and commodities received from federal and state governments and the School Food Service's cafeteria sales for the purpose of maintaining the District's breakfast, lunch, and snack programs.

**LOTTERY PROGRAMS** To account for the Pre-K program administered by the District.

**FEDERAL PROGRAMS** To account for various federal grant monies received by the District.

# CITY OF DECATUR BOARD OF EDUCATION

## COMBINING BALANCE SHEET
## NONMAJOR GOVERNMENTAL FUNDS
## JUNE 30, 2023

| | Special Revenue Funds | | | |
|---|---|---|---|---|
| ASSETS | School Food Services | Lottery Programs | Federal Programs | Total Nonmajor Governmental Funds |
| Cash and cash equivalents | $ 1,257,473 | $ - | $ - | $ 1,257,473 |
| Receivables: | | | | |
| Intergovernmental | 82,899 | - | 1,485,158 | 1,568,057 |
| Due from other funds | 295,173 | 1,365 | - | 296,538 |
| Inventory | 14,510 | - | - | 14,510 |
| Total assets | $ 1,650,055 | $ 1,365 | $ 1,485,158 | $ 3,136,578 |
| **LIABILITIES AND FUND BALANCES** | | | | |
| **LIABILITIES** | | | | |
| Accounts payable | $ 15,930 | $ 475 | $ 57,521 | $ 73,926 |
| Salaries payable | 133,377 | - | - | 133,377 |
| Due to other funds | - | - | 1,452,475 | 1,452,475 |
| Total liabilities | 149,307 | 475 | 1,509,996 | 1,659,778 |
| **FUND BALANCES** | | | | |
| Fund balances: | | | | |
| Nonspendable: | | | | |
| Inventory | 14,510 | - | - | 14,510 |
| Restricted for: | | | | |
| School food operations | 1,486,238 | 890 | (24,838) | 1,462,290 |
| Total fund balances | 1,500,748 | 890 | (24,838) | 1,476,800 |
| Total liabilities and fund balances | $ 1,650,055 | $ 1,365 | $ 1,485,158 | $ 3,136,578 |

# CITY OF DECATUR BOARD OF EDUCATION
# COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
# NONMAJOR GOVERNMENTAL FUNDS
# FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | Special Revenue Funds | | | |
|---|---|---|---|---|
| | School Food Services | Lottery Programs | Federal Programs | Total Nonmajor Governmental Funds |
| **REVENUES** | | | | |
| Intergovernmental - federal | $ 1,110,563 | $ - | $ 2,503,679 | $ 3,614,242 |
| Intergovernmental - state | 48,610 | 882,288 | - | 930,898 |
| Charges for services | 1,699,953 | - | - | 1,699,953 |
| Total revenues | 2,859,126 | 882,288 | 2,503,679 | 6,245,093 |
| **EXPENDITURES** | | | | |
| Instruction | - | 1,159,324 | 1,894,987 | 3,054,311 |
| Support services: | | | | |
| Pupil services | - | - | 353,858 | 353,858 |
| Improvement of instructional services | - | - | 57,397 | 57,397 |
| Grant administration | - | - | 151,304 | 151,304 |
| Student transportation services | - | - | 38,891 | 38,891 |
| Food services operation | 2,812,200 | - | - | 2,812,200 |
| Total expenditures | 2,812,200 | 1,159,324 | 2,496,437 | 6,467,961 |
| Excess (deficiency) of revenues under expenditures | 46,926 | (277,036) | 7,242 | (222,868) |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | - | 277,926 | - | 277,926 |
| Transfers out | - | - | (32,080) | (32,080) |
| Total other financing sources (uses) | - | 277,926 | (32,080) | 245,846 |
| Net change in fund balance | 46,926 | 890 | (24,838) | 22,978 |
| **FUND BALANCE, beginning of fiscal year** | 1,453,822 | - | - | 1,453,822 |
| **FUND BALANCE (DEFICIT), end of fiscal year** | $ 1,500,748 | $ 890 | $ (24,838) | $ 1,476,800 |

# CITY OF DECATUR BOARD OF EDUCATION

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**2017 Issue**

| Line Item | PROJECT | ORIGINAL ESTIMATED COST | CURRENT ESTIMATED COSTS | AMOUNT EXPENDED IN CURRENT YEAR | AMOUNT EXPENDED IN PRIOR YEARS | TOTAL AMOUNT EXPENDED TO DATE | PROJECT STATUS |
|---|---|---|---|---|---|---|---|
| **(i)** | Acquisition of facilities leased by the City Schools of Decatur, including the College Heights Early Learning Center, the 4-5 Academy at Fifth Avenue, Clairemont Elementary School, Glennwood Elementary School, and Oakhurst Elementary School as now existing and as hereafter improved. | $ 9,655,000 | $ 9,655,000 | $ 393,875 | $ 9,245,993 | $ 9,639,868 | 99.84% |
| **(ii)** | To acquire, design, construct, renovate, modify, add to, repair, replace, demolish all or a portion of, improve and equip existing and new school buildings and sites and other existing and new buildings and facilities, including greenspace, useful or desirable in connection therewith, including, but not limited to, Clairemont Elementary School, College Heights Early Childhood Learning Center, Decatur High School, the 4-5 Academy at Fifth Avenue, Glennwood Elementary School, Oakhurst Elementary School, Renfroe Middle School, Westchester Elementary School, Winnona Park Elementary School and a Central Office. | 9,285,950 | 9,285,950 | 1,170,245 | 7,365,564 | 8,535,809 | 91.92% |
| **(iii)** | To acquire, including but not limited to, through lease-purchase, construct and equip new school buildings, early learning center buildings and other buildings or facilities useful or desirable in connection therewith, including acquiring real estate for new school buildings. | 1,250,000 | 834,941 | - | 834,941 | 834,941 | 100.00% |
| **(iv)** | To acquire and install system-wide technology and information systems, hardware, and infrastructure at all schools and other school system facilities. | 1,550,000 | 1,550,000 | 690,608 | 789,096 | 1,479,704 | 95.46% |
| **(v)** | To acquire computers or similar technology for the use of students and staff in and outside of the classroom. | 3,200,000 | 8,260,576 | 216,550 | 8,044,026 | 8,260,576 | 100.00% |
| **(vi)** | To acquire school buses, school-related vehicles and other transportation equipment. | 562,500 | 331,419 | - | 331,419 | 331,419 | 100.00% |
| **(vii)** | School improvement and maintenance projects throughout the City Schools of Decatur, including but not limited to, HVAC renovations, repairs and replacements; roofing repairs and replacements; electrical repairs, renovations and upgrades, including but not limited to cost-saving energy efficiency capital projects; boiler renovations, repairs and upgrades; and other similar capital improvements. | 2,500,000 | 160,097 | - | 160,097 | 160,097 | 100.00% |
| **(viii)** | To acquire, including, but not limited to, through lease-purchase, design, construct and equip a new Central Office for the City Schools of Decatur, including parking. | 1,996,550 | 1,996,550 | - | 1,979,439 | 1,979,439 | 99.14% |
| | | $ 30,000,000 | $ 32,074,533 | $ 2,471,278 | $ 28,750,575 | $ 31,221,853 | |

# CITY OF DECATUR BOARD OF EDUCATION

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**2022 Issue**

| Line Item | PROJECT | ORIGINAL ESTIMATED COST | CURRENT ESTIMATED COSTS | AMOUNT EXPENDED IN CURRENT YEAR | AMOUNT EXPENDED IN PRIOR YEARS | TOTAL AMOUNT EXPENDED TO DATE | PROJECT STATUS |
|---|---|---|---|---|---|---|---|
| (i) | To acquire design, construct, renovate, reconfigure, modify, add to, repair, replace, demolish all or a portion of, improve, and equip existing and new school buildings and sites and other existing and new buildings and facilities, including greenspace, useful or desirable in connection therewith; including but not limited to Clairemont Elementary, College Heights Early Childhood Learning Center, Decatur HJigh School, Fifth Avenue Upper Elementary, Glennwood Elementary, Oakhurst Elementary, Renfroe Middle School, Talley Street Upper Elementary, Westchester Elementary, Winnona Park Elementary School, the Transportation Building and the Wilson Center (Central Office): and including but not limited to the purposes of accommodating increased student enrollment, reducing class sizes, and adjusting programmatic needs. | $ 15,180,000 | $ 15,180,000 | $ 2,334,958 | $ - | $ 2,334,958 | Active |
| (ii) | To acquire, including through lease-purchase, design, construct, and/or equip new buildings and facilities of or for use by the City Schools of Decatur, including parking and land useful or desirable in connection therewith, and including but not limited to new school buildings, athletic facilities, and new facilities for the Department of Facilities and Maintenance. | 3,500,000 | 3,500,000 | - | - | | Active |
| (iii) | To make various technology improvements at all schools and facilities of the City Schools of Decatur, which includes, but is not limited to, replacing, purchasing, installing, upgrading, and supplementing instructional technology, professional learning technology, information security, process automation, data utilization systems, disaster recovery systems, communication systems, wired and wireless communications, emergency response technology, security and surveillance systems, information systems, access control systems, life safety and security systems, and hardware related to technology improvements, and also includes, but is not limited to, related modifications, changes, configurations, and upgrades at all schools and facilities of City Schools of Decatur necessary to implement such technology improvements. | 6,895,250 | 6,895,250 | 1,647,121 | - | 1,647,121 | Active |
| (iv) | To acquire computers or similar technology for the use of students and staff in and outside of the classroom. | 3,872,000 | 3,872,000 | | - | | Active |
| (v) | To acquire, repair, replace, or make lase/purchase payments for school buses, school-related vehicles, and other transportation equipment. | 466,500 | 466,500 | 44,181 | - | 44,181 | Active |
| (vi) | To acquire, design, construct, equip, maintain, and upgrade charging and other infrastructure for a fleet of electric vehicles for use by the City Schools of Decatur. | 750,000 | 750,000 | - | - | | Active |
| (Vii) | For school improvement and maintenance projects throughout the facilities and buildings of the City Schools of Decatur, including but not limited to HVAC renovations, repairs and replacements; roofing repairs and replacements; electrical repairs, renovations and upgrades, including but not limited to cost-savings energy efficiency capital projects; boiler renovations, repairs and upgrades; and other similar capital improvements. | 900,000 | 900,000 | - | - | | Active |
| (viii) | To acquire, design, construct, renovate, modify, add, replace, equip, improve, upgrade, demolish, and install capital improvements for various existing and new schools, buildings, and facilities, including roofing, plumbing, wiring, energy conservation and solar, painting, water piping replacement, and repairs, HVAC equipment and parts, electrical, air indoor quality, signs, safety audits assessments, professional services, interiors, exteriors, environmental testing and abatement, kitchen equipment, lifts, elevators, ADA compliance and renovations, infrastructure improvements, repaving, school system life safety and security, sports, equity, physical education facilities, playgrounds, classroom additions, and program-driven modifications, as needed. | 1,430,000 | 1,430,000 | - | - | | Active |
| (ix) | To conduct assessments of school system land, facilities, technology information systems, vehicles, and capital equipment following implementation and identification of additional capital needs. | 2,031,250 | 2,031,250 | - | - | | Active |
| (x) | To acquire, design, replace, purchase, upgrade, or supplement capital equipment including, but not limited to, classroom furniture, musical, band, and orchestra equipment, desks, chairs, tables, instructional equipment, equipment that supports learning, school bus equipment, school bus lifts, fuel management systems, medical, emergency and evacuation equipment, et. at all schools and facilities of City Schools of Decatur. | 4,475,000 | 4,475,000 | 18,681 | - | 18,681 | Active |
| (xi) | To acquire any property useful or desirable for the purpose listed in (i) through (xi), both real and personal. | 500,000 | 500,000 | | | | Active |
| | | $ 40,000,000 | $ 40,000,000 | $ 4,044,941 | $ - | $ 4,044,941 | |

**Reconciliation of the Schedule of Approved Local Option Sales Tax Projects expenditures to the Capital Projects Fund total expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds:**

| | |
|---|---|
| Expenditures from above paid for by SPLOST V funding | $ 2,471,279 |
| Expenditures from above paid for by SPLOST VI funding | 4,044,940 |
| Total Capital Projects Expenditures | $ 6,516,219 |

# II. CONTINUING DISCLOSURE SECTION
# (Unaudited)

The following statistical section is presented to be in compliance with continuing disclosure requirements for the following debt issues:

$18,120,000 Certificates of Participation
(City Schools of Decatur Project), Series 2014

# CITY OF DECATUR BOARD OF EDUCATION

## GENERAL INFORMATION - CUSIPS (UNAUDITED)
## JUNE 30, 2023

$18,120,000 Georgia Municipal Association, Inc. Certificates of Participation
(City Schools of Decatur Project), Series 2014

| Item | CUSIP | No | Date |
|---|---|---|---|
| 1 | 24310P | AA7 | 2016 |
| 2 | 24310P | AB5 | 2017 |
| 3 | 24310P | AC3 | 2018 |
| 4 | 24310P | AD1 | 2019 |
| 5 | 24310P | AE9 | 2020 |
| 6 | 24310P | AF6 | 2021 |
| 7 | 24310P | AG4 | 2022 |
| 8 | 24310P | AH2 | 2023 |
| 9 | 24310P | AJ8 | 2024 |
| 10 | 24310P | AK5 | 2025 |
| 11 | 24310P | AL3 | 2026 |
| 12 | 24310P | AM1 | 2027 |
| 13 | 24310P | AN9 | 2028 |
| 14 | 24310P | AP4 | 2029 |
| 15 | 24310P | AQ2 | 2030 |
| 16 | 24310P | AR0 | 2034 |
| 17 | 24310P | AS8 | 2039 |
| 18 | 24310P | AT6 | 2044 |

## CITY OF DECATUR BOARD OF EDUCATION

## SCHOOL BUILDINGS (UNAUDITED)
## JUNE 30, 2023

| School Name | Grades | Active Enrollment | Size of Site (acres) | Occupied Year [1] | Number of Instructional Units |
|---|---|---|---|---|---|
| College Heights | PreK | 167 | 5.99 | 1955 | 17 |
| Clairemont | K-3 | 187 | 4.08 | 1936 | 17 |
| Glennwood | K-3 | 186 | 4.13 | 1913 | 16 |
| Oakhurst | K-3 | 249 | 3.16 | 1916 | 24 |
| Westchester | K-3 | 169 | 7.21 | 2014 | 15 |
| Winnona Park | K-3 | 280 | 6.03 | 1923 | 18 |
| Talley | 3-5 | 674 | 6.38 | 2019 | 42 |
| Fifth Avenue | 3-5 | 597 | 3.92 | 2011 | 38 |
| Renfroe | 6-8 | 1,338 | 8.19 | 1972 | 84 |
| Decatur | 9-12 | 1,831 | 16.43 | 1965 | 94 |
| Totals | | 5,678 | 65.52 | | 365 |

[1] Occupied year represents the year during which the school was initially opened and utilized for instructional purposes but does not reflect the most recent year of subsequent additions, improvements or renovations, if any to the facility.

# CITY OF DECATUR BOARD OF EDUCATION

## ACTIVE PERSONNEL (UNAUDITED)
## LAST TEN FISCAL YEARS

| Category | **2023** | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Teachers | **459** | 513 | 474 | 509 | 476 | 452 | 434 | 410 | 407 | 387 |
| Support | **386** | 305 | 400 | 65 | 320 | 280 | 274 | 270 | 273 | 267 |
| Administrators | **54** | 58 | 42 | 404 | 54 | 47 | 47 | 39 | 39 | 40 |
| Totals | **899** | 876 | 916 | 978 | 850 | 779 | 755 | 719 | 719 | 694 |

## CITY OF DECATUR BOARD OF EDUCATION

### SALES & USE TAX RECEIPTS (UNAUDITED)
### LAST TEN FISCAL YEARS
### (amounts expressed in thousands)

| Fiscal Year ended June 30, | Sales & Use Tax Receipts |
|---|---|
| **2023** | **$ 6,986** |
| 2022 | 6,742 |
| 2021 | 5,922 |
| 2020 | 5,243 |
| 2019 | 5,270 |
| 2018 | 5,061 |
| 2017 | 3,621 |
| 2016 | 3,529 |
| 2015 | 3,534 |
| 2014 | 3,384 |

**CITY OF DECATUR BOARD OF EDUCATION**
**LEGAL DEBT MARGIN INFORMATION -**
**CITY OF DECATUR, GEORGIA (UNAUDITED)**
**JUNE 30, 2023**
**(amounts expressed in thousands)**

| | | |
|---|---|---|
| Gross Tax Digest | $ | 3,169,915 |
| Debt Limit (10% of Assessed Value) | | 316,991 |
| Amount of Debt Applicable to Debt Limit | | 96,165 |
| Less Amount set aside for repayment of general obligation debt | | (4,973) |
| Total net debt applicable to limit | | 91,192 |
| Legal Debt Margin | $ | 225,799 |

# CITY OF DECATUR BOARD OF EDUCATION

## TAX DIGEST HISTORY (UNAUDITED)
## LAST TEN YEARS
## (amounts expressed in thousands)

| Fiscal Year | Real Property | | Personal Property | Public Utility | Motor Vehicle** | Less: Tax Exempt Real Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Assessed Value as a Percentage of Actual Value |
|---|---|---|---|---|---|---|---|---|---|---|
| | Residential | Commercial* | | | | | | | | |
| 2014 | $ 1,142,897 | $ 196,979 | $ 22,087 | $ 15,153 | $ 37,865 | $ 98,419 | $ 1,316,562 | 12.620 | $ 2,652,056 | 49.64% |
| 2015 | 1,370,510 | 223,057 | 23,124 | 15,236 | 28,417 | 131,095 | 1,529,250 | 11.620 | 3,072,709 | 49.77% |
| 2016 | 1,437,406 | 255,835 | 23,628 | 15,659 | 21,299 | 100,967 | 1,652,860 | 12.790 | 3,316,368 | 49.84% |
| 2017 | 1,545,077 | 289,286 | 25,729 | 16,522 | 18,785 | 104,883 | 1,790,516 | 13.110 | 3,590,424 | 49.87% |
| 2018 | 1,658,547 | 356,400 | 26,673 | 16,258 | 10,600 | 109,102 | 1,959,375 | 13.240 | 3,924,051 | 49.93% |
| 2019 | 1,789,493 | 377,391 | 24,497 | 15,853 | 8,059 | 111,328 | 2,103,964 | 13.540 | 4,211,958 | 49.95% |
| 2020 | 1,837,812 | 469,170 | 24,686 | 16,053 | 5,984 | 118,288 | 2,235,417 | 13.540 | 4,473,827 | 49.97% |
| 2021 | 1,932,865 | 502,192 | 23,116 | 18,840 | 4,597 | 129,588 | 2,352,022 | 13.540 | 4,706,341 | 49.98% |
| 2022 | 2,070,624 | 624,479 | 24,362 | 19,369 | 4,279 | 126,525 | 2,616,588 | 12.790 | 5,235,315 | 49.98% |
| 2023 | **2,359,336** | **760,193** | **24,301** | **22,070** | **4,014** | **126,757** | **3,043,158** | 12.120 | **6,088,323** | **49.98%** |

* Includes Industrial, Historic, & Brownfield
** Assessed at 40%. All other classes are 50%.

Source: DeKalb County Tax Commissioner

# CITY OF DECATUR BOARD OF EDUCATION

## PROPERTY TAX RATES
## DIRECT AND OVERLAPPING GOVERNMENTS (UNAUDITED)
## LAST TEN TAX YEARS

| | Tax Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Government** | **2023** | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Direct Rates | | | | | | | | | | |
| City of Decatur Board of Education: | | | | | | | | | | |
| Operating | **20.300** | 21.000 | 21.000 | 20.250 | 20.250 | 18.660 | 18.660 | 18.660 | 18.660 | 20.500 |
| Overlapping Rates | | | | | | | | | | |
| City of Decatur: | | | | | | | | | | |
| Maintenance & Operating | **10.090** | 10.590 | 11.080 | 10.960 | 10.960 | 10.900 | 10.680 | 10.680 | 11.080 | 11.580 |
| Bonds | **2.030** | 2.200 | 2.460 | 2.580 | 2.580 | 2.720 | 2.490 | 2.490 | 0.920 | 1.420 |
| DeKalb County | **10.108** | 9.052 | 9.505 | 10.393 | 10.335 | 10.781 | 9.955 | 11.035 | 11.920 | 9.580 |
| Hospital | **0.379** | 0.476 | 0.356 | 0.640 | 0.650 | 0.730 | 0.740 | 0.740 | 0.890 | 0.800 |
| State | **0.000** | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.050 | 0.100 |
| Total Direct & Overlapping Rates | **42.907** | 43.318 | 44.401 | 44.823 | 44.775 | 43.791 | 42.525 | 43.605 | 43.520 | 43.980 |

## CITY OF DECATUR BOARD OF EDUCATION

### PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED)
### LAST TEN TAX YEARS
### (amounts expressed in thousands)

| | | Collected within the Fiscal Year of the Levy | | | Total Collections to Date | |
|---|---|---|---|---|---|---|
| Tax Year | Taxes Levied for the Tax Year | Amount | Percentage of Levy | Collections in Subsequent Fiscal Years | Amount | Percentage of Levy |
| **2022** | **$80,165** | **$35,822** | **44.7%** | **$44,199** | **$80,021** | **99.8%** |
| 2021 | $73,251 | $32,045 | 43.7% | $40,830 | $72,875 | 99.5% |
| 2020 | $68,483 | $28,907 | 42.2% | $39,324 | $68,231 | 99.6% |
| 2019 | $65,047 | $27,005 | 41.5% | $37,845 | $64,850 | 99.7% |
| 2018 | $56,914 | $24,585 | 43.2% | $31,925 | $56,510 | 99.3% |
| 2017 | $51,969 | $22,572 | 43.4% | $29,363 | $51,935 | 99.9% |
| 2016 | $50,512 | $22,412 | 44.4% | $27,869 | $50,281 | 99.5% |
| 2015 | $44,385 | $19,783 | 44.6% | $24,405 | $44,188 | 99.6% |
| 2014 | $40,749 | $17,539 | 43.0% | $23,076 | $40,615 | 99.7% |
| 2013 | $36,499 | $17,139 | 47.0% | $19,356 | $36,495 | 100.0% |

# CITY OF DECATUR BOARD OF EDUCATION

## TAX REVENUE SOURCES - CITY OF DECATUR, GEORGIA (UNAUDITED)
## LAST NINE FISCAL YEARS
## (amounts expressed in thousands)

| | Fiscal Year Ended June 30, | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Tax Source** | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** | **2015** | **2014** | **2013** |
| General Property Tax | **$ 33,194** | $ 32,685 | $ 31,409 | $ 29,700 | $ 27,207 | $ 24,647 | $ 22,193 | $ 20,097 | $ 17,700 | $ 15,100 | $ 14,824 |
| Franchise Tax | **1,658** | 1,644 | 1,569 | 1,682 | 1,670 | 1,647 | 1,704 | 1,623 | 1,564 | 1,451 | 1,486 |
| Sales Tax | **2,236** | 1,940 | 1,125 | 1,361 | 1,336 | 7,100 | 5,504 | 5,001 | 5,675 | 4,944 | 4,580 |
| Insurance Tax | **2,013** | 1,628 | 1,577 | 1,495 | 1,407 | 1,305 | 1,223 | 1,114 | 1,046 | 997 | 963 |
| Other Taxes | **490** | 531 | 504 | 561 | 541 | 563 | 553 | 562 | 515 | 502 | 501 |
| Total | **$ 39,591** | $ 38,428 | $ 36,184 | $ 34,799 | $ 32,161 | $ 35,262 | $ 31,177 | $ 28,397 | $ 26,500 | $ 22,994 | $ 22,354 |

# CITY OF DECATUR BOARD OF EDUCATION

## PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)
## June 30, 2023

| Taxpayer | Business | Taxable Assessed Value | Rank | Percentage of Taxable Assessed Value |
|---|---|---|---|---|
| TB DECATUR LLC | Apartments | $ 41,265,673 | 1 | 1.36% |
| AMCO 120 WEST TRINITY LLC | Real Estate Developers | 40,725,000 | 2 | 1.34% |
| MARTA | Public Transportation | 36,682,950 | 3 | 1.21% |
| DECATUR PROPERTIES I LLC | Developers/Apartments | 28,398,900 | 4 | 0.93% |
| PENLER ARLO LP | Developers/Condos | 24,514,425 | 5 | 0.81% |
| AP WEST COURT LLC | Office Building | 24,514,425 | 6 | 0.81% |
| TYCON ONE INC | Developers/Apartments | 19,750,000 | 7 | 0.65% |
| DTC PARTNERS LLC | Real Estate Developers | 15,608,804 | 8 | 0.51% |
| SPRINGDALE FINANCIAL GROUP LLC | Warehouse | 15,438,423 | 9 | 0.51% |
| RS DECATUR OFFICE LLC | Office Building | 13,000,000 | 10 | 0.43% |
| | | $ 259,898,600 | | 8.54% |

Source: City of Decatur Revenue Division

# CITY OF DECATUR BOARD OF EDUCATION
# ANNUAL FINAL BUDGET (GAAP BASIS) -
# CITY OF DECATUR, GEORGIA (UNAUDITED)
# FOR THE LAST FIVE FISCAL YEARS
# (amounts expressed in thousands)

| | Fiscal Year Ending June 30, | | | | | |
|---|---|---|---|---|---|---|
| | **2023** | 2022 | 2021 | 2020 | 2019 | 2018 |
| Revenues | | | | | | |
| Taxes | **$ 26,110** | $ 25,185 | $ 24,087 | $ 22,841 | $ 21,713 | $ 20,570 |
| Licenses and permits | **869** | 867 | 1,435 | 833 | 831 | 1,443 |
| Intergovernmental | **362** | 305 | 408 | 382 | 316 | 504 |
| Fines and forfeitures | **497** | 546 | 233 | 798 | 920 | 803 |
| Charges for services | **1,624** | 1,200 | 503 | 1,268 | 1,814 | 1,790 |
| Interest income | **160** | 15 | 5 | 20 | 12 | 2 |
| Other revenues | **169** | 167 | 161 | 104 | 196 | 134 |
| Proceeds from sale of capital assets | **5** | 67 | - | 5 | 5 | 5 |
| Transfers | **1,398** | 1,253 | 758 | 926 | 763 | 699 |
| Total Revenue | **31,194** | 29,605 | 27,590 | 27,177 | 26,570 | 25,950 |
| Expenditures | | | | | | |
| General government | **12,675** | 11,488 | 10,764 | 10,416 | 9,892 | 10,138 |
| Public safety | **10,485** | 10,507 | 8,957 | 9,924 | 9,636 | 9,258 |
| Public works | **5,425** | 5,215 | 4,979 | 4,508 | 4,174 | 3,858 |
| Recreation | **3,055** | 2,415 | 2,224 | 2,659 | 2,639 | 2,242 |
| Intergovernmental | **100** | 200 | 225 | 400 | - | - |
| Capital outlay | **45** | - | - | - | - | - |
| Debt service | **435** | - | - | - | - | - |
| Transfers | **3,317** | 1,458 | 1,773 | 1,640 | 1,350 | 1,358 |
| Total Expenditures | **35,537** | 31,283 | 28,922 | 29,547 | 27,691 | 26,854 |
| Net change in fund balance | **$ (4,343)** | $ (1,678) | $ (1,332) | $ (2,370) | $ (1,121) | $ (904) |

# III. SINGLE AUDIT SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

# INDEPENDENT AUDITOR'S 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 Superintendent and Members of**
**the City of Decatur Board of Education**
**Decatur, Georgia**

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, each major fund, and the aggregate remaining fund information of the City of Decatur Board of Education (District), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 23, 2024.

## Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting ("internal control") as a basis for designing 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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.

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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District'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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**City of Decatur Board of Education's Response to the Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
January 23, 2024

MAULDIN & JENKINS
CPAs & ADVISORS

# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**To the Superintendent and Members of**
**the City of Decatur Board of Education**
**Decatur, Georgia**

## Report on Compliance for Each Major Federal Program

### *Opinion on Each Major Federal Program*

We have audited the City of Decatur Board of Education's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District 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.

### *Basis for Opinion on Each Major Federal Program*

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet out other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
January 23, 2024

# CITY OF DECATUR BOARD OF EDUCATION

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| FUNDING AGENCY PROGRAM/GRANT | ASSISTANCE LISTING NUMBER | PASS-THROUGH ENTITY ID NUMBER | EXPENDITURES |
|---|---|---|---|
| **U.S. Department of Agriculture** | | | |
| Child Nutrition Cluster | | | |
| Pass-Through From Georgia Department of Education: | | | |
| Child Nutrition Cluster | | | |
| National School Lunch Program - Cash Assistance | 10.555 | 235GA324N1100 | $ 860,367 |
| National School Lunch Program - Non-Cash Assistance - Commodities | 10.555 | 235GA324N1100 | 2,891 |
| School Breakfast Program | 10.553 | 235GA324N1100 | 70,913 |
| School Snack Program | 10.555 | 225GA324N1099 | 165,916 |
| COVID-19: Supply Chain Assistance Grant | 10.555 | 215GA100H1703 | 10,475 |
| National School Lunch Program | | | 1,110,562 |
| Total Child Nutrition Cluster | | | 1,110,562 |
| **Total U.S. Department of Agriculture** | | | 1,110,562 |
| **U.S. Department of Education** | | | |
| Special Education Cluster (IDEA) | | | |
| Pass-Through From Georgia Department of Education: | | | |
| Part B-Exceptional Student | | | |
| IDEA Special Education - Flowthrough | 84.027 | H027A220073 | 1,324,786 |
| High Cost Fund Pool | 84.027 | H027A220073 | 14,577 |
| IDEA Parent Mentor | 84.027 | H027A220073 | 17,732 |
| COVID-19 - IDEA Special Education - Ages 3-5 | 84.173X | H173X210081 | 5,549 |
| IDEA Special Education - Ages 3-5 | 84.173 | H173A210081 | 26,900 |
| Total Special Education Cluster (IDEA) | | | 1,389,544 |
| Title I Part A | | | |
| Pass-Through From Georgia Department of Education: | | | |
| Part A - Title I | | | |
| Grants to Local Educational Agencies | 84.010 | S010A220010 | 477,635 |
| Total Title I Part -A | | | 477,635 |

**(Continued)**

# CITY OF DECATUR BOARD OF EDUCATION

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| FUNDING AGENCY PROGRAM/GRANT | ASSISTANCE LISTING NUMBER | PASS-THROUGH ENTITY ID NUMBER | EXPENDITURES |
|---|---|---|---|
| Pass-Through From Georgia Department of Education: | | | |
| Title II | | | |
| Improving Teacher Quality | 84.367 | S367A21001 | $ 73,000 |
| Title III | | | |
| Limited English Proficient (LEP) | 84.365 | S365A220010 | 15,059 |
| Title IV | | | |
| Student Support and Academic Achievement | 84.424A | S42A220011 | 24,164 |
| Vocational Education-Basic Grants to States | | | |
| Perkins V Carryover | 84.048 | V048A220010 | 547 |
| Vocational Professional Development | 84.048 | V048A220010 | 16,630 |
| | | | 17,177 |
| Education for Homeless Children and Youth | 84.196 | S196A220011 | 7,855 |
| Elementary and Secondary School Emergency Relief Cluster | | | |
| Pass-Through from Georgia Department of Education: | | | |
| COVID-19: ESSER-CTAE Supervision | 84.425D | S425D210012 | 77,417 |
| COVID-19: ESSER Supplemental Relief | 84.425D | S425D210012 | 825 |
| COVID-19: ESSER III | 84.425U | S425U210012 | 275,947 |
| COVID-19: Education for Homeless Children and Youth | 84.425W | S425W220012 | 37,647 |
| Total Elementary and Secondary School Emergency Relief Cluster | | | 391,836 |
| **Total U.S. Department of Education** | | | 2,396,270 |
| Direct | | | |
| Department of the Army | | | |
| R.O.T.C. Program | 12.unknown | N/A | 115,110 |
| Direct | | | |
| Department Energy | | | |
| Renewable Energy Research and Development | 81.087 | N/A | 100,000 |
| **Total Expenditures of Federal Awards** | | | $ 3,721,942 |

**Notes to the Schedule of Expenditures of Federal Awards**

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the accrual basis of accounting. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

The District did not utilize the 10% de minimus indirect cost rate permitted by the Uniform Guidance.

The District did not provide Federal Assistance to any Subrecipient.

## CITY OF DECATUR BOARD OF EDUCATION

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### Section I – Summary of Auditor's Results

***Financial Statements***

| | |
|---|---|
| Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| Internal control over financial reporting: | |
| Material weaknesses identified? | __X__ yes _____ no |
| Significant deficiencies identified? | _____ yes __X__ none reported |
| Noncompliance material to financial statements noted? | _____ yes __X__ no |

***Federal Awards***

| | |
|---|---|
| Internal Control over major federal programs: | |
| Material weaknesses identified? | _____ yes __X__ no |
| Significant deficiencies identified? | _____ yes __X__ none reported |
| Type of auditor's report issued on compliance for major federal programs | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | _____ yes __X__ no |

Identification of major federal programs:

| Name of Federal Program or Cluster/Assistance Listing Number | |
|---|---|
| Child Nutrition Cluster/10.553 & 10.555 | |
| Dollar threshold used to distinguish between Type A and Type B programs: | $750,000 |
| Auditee qualified as low-risk auditee? | __X__ yes _____ no |

# CITY OF DECATUR BOARD OF EDUCATION

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### Section II – Financial Statement Findings and Responses

**2023-001 Revenues and Related Balances**

***Criteria:*** Internal controls should be in place to ensure that amounts reported as receivables and unavailable revenues are appropriate and properly valued in accordance with generally accepted accounting principles.

***Condition:*** Internal controls were not sufficient to detect misstatements in the reporting of the School District's intergovernmental receivable and revenue associated with certain funding arrangements.

***Context/Cause:*** During our testing of intergovernmental revenues, we noted the School District recorded an accrual twice in error. An adjustment was required in the Federal Programs Fund to decrease intergovernmental receivable and revenue by $74,837.

***Effect:*** Total misstatements related to the reporting of intergovernmental receivable and the related accounts for the fiscal year ended June 30, 2023 were approximately $74,837.

***Recommendation:*** We recommend the School District carefully review accruals at year end to determine completeness and avoid duplicate entries that will overstate receivables at year end.

***Auditee's Response:*** We concur with the finding. The Board of Education has approved a new comptroller position to work with the District's chief financial officer and accounting coordinator. This will resolve the internal control insufficiency, and should allow for the avoidance of duplicate entries.

# CITY OF DECATUR BOARD OF EDUCATION

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### Section III – Federal Award Findings and Questioned Costs

None noted.

# CITY OF DECATUR BOARD OF EDUCATION

## STATUS OF PRIOR FISCAL YEAR FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### Section IV – Status of Prior Audit Findings

No prior fiscal year audit findings

**2023-001 Revenues and Related Balances**

***Contact Person Responsible for the Corrective Action Plan:*** Dr. Lonita Broome, Chief Financial Officer

***Corrective Action Plan:*** The Board of Education has approved a new comptroller position for the District's finance team. This position will be instrumental in the enhancement of internal controls. At year end, the comptroller will reconcile all grant revenue from the Georgia Department of Education to the District's financial ledger. The comptroller and chief financial officer will review the total revenues and expenditures for the District to better ensure accuracy.

***Anticipated Completion Date:*** June 30, 2024

| James Herndon | Carmen Sulton | Tracey Anderson | Hans Utz | Jana Johnson-Davis |
|---|---|---|---|---|
| Chair | Vice Chair | Board Member | Board Member | Board Member |