DeKalb Brilliance Academy
Audited Financial Statements
June 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
DeKalb Brilliance Academy
Decatur, Georgia

Opinion

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

In our opinion, the accompanying 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 School as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We 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 (GAS), 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 School, 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.

Responsibility 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 School'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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 our audit in accordance with GAAS and GAS we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement on 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 statement.
- 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 School'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 School'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 we identified during the audit.

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

Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated August 31, 2023 on our consideration of School'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 School'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 School's internal control over financial reporting and compliance.

Other information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Bambo Sonaike CPA, LLC

August 31, 2023

Introduction
As management of DeKalb Brilliance Academy (the "School"), we offer readers of the School's financial statement this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2023 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the School's financial activities, (c) identify changes in the School's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transaction, events, and conditions, it should be considered in conjunction with the Basic Financial Statements.

Financial highlights

- At the end of the current fiscal year, the unassigned fund balance for the general fund was $564,520.
- The School's assets exceeded its liabilities at the close of the most recent fiscal year by $826,185 (net position).

Overview of the financial statements
This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's 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 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 School's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the School's asset and liabilities, with the difference between the two 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 School is improving or deteriorating.

The statement of activities presents information showing how the School'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 funding and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the School that are principally supported by district, state, and federal funding (governmental activities). Basic instructions, school administration, and food services are examples of the School's governmental activities.

The government-wide financial statements include only the School itself.

Comparison of the condensed statement of net position and the statement of activities are provided below.

	Governmental Activities		
	2023	2022	Variance
ASSETS			
Current and other assets	$ 649,540	$ 414,575	$ 234,965
Capital assets(net)	295,401	49,488	245,913
Total assets	944,941	464,063	480,878
DEFERRED OUTFLOW OF RESOURCES	240,775	-	240,775
Total assets and deferred outflow of resources	1,185,716	464,063	721,653
LIABILITIES			
Current and other liabilities	207,594	53,306	154,288
Long term liabilities	151,937	-	151,937
Total liabilities	359,531	53,306	306,226
DEFERRED INFLOW OF RESOURCES	-	-	-
Total liabilities and deferred inflow of resources	359,531	53,306	306,226
NET POSITION			
Investment in capital assets (net)	(2,515)	-	(2,515)
Retricted for capital project	-	-	-
Restricted for debt service	-	-	-
Unrestricted (deficit)	828,700	410,757	417,943
Total net position (deficit)	$ 826,185	$ 410,757	$ 415,428

	Governmental Activities		
	2023	2022	Variance
REVENUES			
State passed through State Charter School Commission	$ 2,149,225	$ -	$ 2,149,225
Operating grants and contributions	1,763,144	-	1,763,144
Other revenues	87,058	-	87,058
Total revenues	3,999,427	-	3,999,427
EXPENSES			
Basic instruction	1,614,078	-	1,614,078
Pupil services	221,105	-	221,105
Support services - business	361,863	-	361,863
Media services	86,825	-	86,825
Instructional staff training	77,746	-	77,746
School administration	214,058	-	214,058
Food services	228,701	-	228,701
Support services - central	39,575	-	39,575
Operation of school	617,504	-	617,504
General administration	4,860	-	4,860
Student transportation services	107,485	-	107,485
Interest expense	10,199	-	10,199
Total expenses	3,583,999	-	3,583,999
Change in net position	$ 415,428	$ -	$ 415,428

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 of objectives. The School, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the operations of the School are presented in governmental funds only.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the governmental-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar

information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both of the governmental fund financial statements provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains individual government funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund, which is considered to be the School's only major fund. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

Notes to the financial statements
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

As noted earlier, net position may serve over time as a useful indicator of the School's financial position. In the case of the School, assets exceeded liabilities by $826,185 for the year ended June 30, 2023.

A portion of the School's net position reflects its investment in capital assets (e.g., furniture, fixtures and equipment, and leasehold improvements), less any related debt used to acquire those assets that are still outstanding. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the School's investment in its capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Financial analysis of the Government's Funds
The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a School's net resources available for spending at the end of the fiscal year. The general fund is the main operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the general fund was $564,520.

General Fund Budgetary Highlights
The School's actual revenues exceeded budgeted revenues by $929,778 mainly due the School's supplemental revenue being higher than budgeted. Actual expenditures were above budgeted expenditures by $882,246 due mainly to the School's overall cost of operating the school. See details of the actual versus budget comparison below.

Capital Asset
The School's investment in capital assets for its governmental type activities as of June 30, 2023, amounts to $2,515 deficit. This investment in capital assets includes furniture, fixtures and equipment. Additional information on the School's capital assets can be found in note below.

Long term debt
The School's total long term debt for its governmental type activities as of June 30, 2023 amounts to $0. Additional information on the School's long term debt can be found in note below.

Contacting the School's financial management
This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School.

DeKalb Brilliance Academy
Statement of Net Position
As of June 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents (note 2)	$ 560,134
Prepaids and other assets (note 5)	23,405
Accounts receivable (note 4)	66,001
Capital assets(net) (note 3)	295,401
Total assets	944,941
DEFERRED OUTFLOW OF RESOURCES	
Related to defined benefit pension plans (note 9)	240,775
Total deferred outflow of resources	240,775
LIABILITIES	
Accounts payable & accrued expenses (note 6)	61,615
Lease liability due within one year (note 8)	145,979
Lease liability (note 8)	151,937
Net pension liability (note 9)	-
Total liabilities	359,531
DEFERRED INFLOW OF RESOURCES	
Related to defined benefit pension plans (note 9)	-
Total deferred inflow of resources	-
NET POSITION	
Investment in capital assets, net of related debt	(2,515)
Retricted for capital project	-
Restricted for debt service	-
Unrestricted (deficit)	828,700
Total net position (deficit)	$ 826,185

The accompanying notes are an integral part to these financial statements.

DeKalb Brilliance Academy
Statement of Activities
For the period ended June 30, 2023

Governmental Activities	Expenses	Program revenues: Charges for Services	Program revenues: Operating Grants and Contributions	Program revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets
Basic instruction	$ 1,614,078	$ -	$ 773,853	$ -	$ (840,225)
Pupil services	221,105	-	20,421	-	(200,684)
Support services - business	361,863	-	-	-	(361,863)
Media services	86,825	-	18,655	-	(68,170)
Instructional staff training	77,746	-	3,783	-	(73,963)
School administration	214,058	-	67,260	-	(146,798)
Food services	228,701	-	-	-	(228,701)
Support services - central	39,575	-	7,211	-	(32,364)
Operation of school	617,504	-	38,845	-	(578,659)
General administration	4,860	-	-	-	(4,860)
Student transportation services	107,485	-	-	-	(107,485)
Interest expense	10,199	-	-	-	(10,199)
Total governmental activities	$ 3,583,999	$ -	$ 930,028	$ -	$ (2,653,971)

General revenues:	
State passed through State Charter School Commission	1,219,197
Operating grants and contributions	1,763,144
Other revenues	87,058
Total general revenues	3,069,399
Change in net position	415,428
Net position (deficit) - beginning of year	410,757
Net position (deficit) - end of the year	$ 826,185

The accompanying notes are an integral part to these financial statements.

DeKalb Brilliance Academy
Balance Sheet - Governmental Funds
As of June 30, 2023

	General Fund	Capital Project Fund	Debt Service Fund	Total
ASSETS				
Cash and cash equivalents (note 2)	$ 560,134	$ -	$ -	$ 560,134
Prepaids and other assets (note 5)	23,405	-	-	23,405
Accounts receivable (note 4)	66,001	-	-	66,001
Total assets	649,540	-	-	649,540
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable & accrued expenses (note 6)	61,615	-	-	61,615
Total liabilities	61,615	-	-	61,615
FUND BALANCES				
Non-spendable	23,405	-	-	23,405
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	564,520	-	-	564,520
Total fund balances	587,925	-	-	587,925
Total liabilities and fund balances	$ 649,540	$ -	$ -	$ 649,540

The accompanying notes are an integral part to these financial statements.

DeKalb Brilliance Academy
Reconciliation of Balance Sheet – Governmental Funds to Statement of Net Position
As of June 30, 2023

Total Fund balances - Governmental funds	$	587,925
The amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:		
Right to use asset - building		383,717
Furniture, fixtures and equipment		49,488
Accumulated depreciation and amortization		(137,804)
Total capital assets		295,401
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Lease liability		(297,916)
Total long-term liabilities		(297,916)
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds		
Net pension liability		-
Deferred outflows of resources		240,775
Deferred inflows of resources		-
Net flow of resources		240,775
Total Net position (deficit) - Governmental activities	$	826,185

The accompanying notes are an integral part to these financial statements.

DeKalb Brilliance Academy
Statement of Revenue, Expenditures, and Changes in Fund Balances
For the period ended June 30, 2023

REVENUES	General Fund	Capital Projects Fund	Debt Service Fund	Total
State passed through State Charter School Commission	$ 2,149,225	$ -	$ -	$ 2,149,225
Operating grants and contributions	1,763,144	-	-	1,763,144
Other revenues	87,058	-	-	87,058
Total revenues	3,999,427	-	-	3,999,427
EXPENDITURES				
Basic instruction	1,854,853	-	-	1,854,853
Pupil services	221,105	-	-	221,105
Support services - business	361,863	-	-	361,863
Media services	86,825	-	-	86,825
Instructional staff training	77,746	-	-	77,746
School administration	214,058	-	-	214,058
Food services	228,701	-	-	228,701
Support services - central	39,575	-	-	39,575
Operation of school	479,700	-	-	479,700
General administration	4,860	-	-	4,860
Student transportation services	107,485	-	-	107,485
Debt service				
Interest expense	10,199	-	-	10,199
Capital outlay	49,488	-	-	49,488
Total expenditures	3,736,458	-	-	3,736,458
Excess (deficiency) of revenue over (under) expenditures	262,969	-	-	262,969
OTHER FINANCING SOURCES (USES)				
Payment of lease liability	(85,801)	-	-	(85,801)
Total other financing sources (uses)	(85,801)	-	-	(85,801)
Net change in fund balance	177,168	-	-	177,168
Fund balances at beginning of the year	410,757	-	-	410,757
Fund balances at end of the year	$ 587,925	$ -	$ -	$ 587,925

The accompanying notes are an integral part to these financial statements.

DeKalb Brilliance Academy
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances
For the period ended June 30, 2023

Total net change in fund balances- Government funds	$	177,168
The amounts reported for governmental activities in the statement of activities are different because:		
Capital assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets are allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		49,488
Depreciation and amortization expense		(137,804)
Total		(88,316)
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. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Payment of lease liability		85,801
Total of long - term debt		85,801
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in pension related accounts		240,775
Total change in net position- Governmental activities	$	415,428

The accompanying notes are an integral part to these financial statements.

1. Organization

DeKalb Brilliance Academy (a Georgia 501 (c) (3) Corporation) (the School), provides educational services to students in grades K-8. The School is authorized to enroll a minimum of 163 students and not to exceed 588 students. The governing body of the School is the Board of Directors, which is currently comprised of twelve members. Information presented in these financial statements only reflects the financial position and activities of the School.

The general operating authority of the School is contained in O.C.G.A. (Official Code of Georgia Annotated) 20-2-2060 and 20-2-2084 (Charter Schools Act), Georgia Statutes. The School operates under a 5-year charter sponsored by State Charter Schools Commission (the "Commission"). The current charter is effective until June 30, 2027. At the end of the charter's term, the Charter may be renewed by agreement of the School and the Commission following the procedures set forth in the Charter Schools Act and accompanying Commissions' rules.

During the term of charter, the Commission may terminate the charter following the procedures set forth in the Charter School Act and rule of the State Board of Education.

2. Significant accounting policies

The accompanying financial statements of the School have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the School's accounting policies are described below.

Basis of presentation

The School's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements, and notes to the basic financial statements of the DeKalb Brilliance Academy

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall School, except for fiduciary activities. As part of the consolidation process, all interfold activities are eliminated from these statements. Both statements report only governmental activities as the School does not engage in any business type activities.

The Statement of Net Position presents the School's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories as follows:

- Net investment in capital assets consists of the School District's total investment in capital assets, net of accumulated depreciation, and reduced by outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

- Restricted net position consists of resources for which the School District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or imposed by law through constitutional provisions or enabling legislation.

- Unrestricted net position consists of resources not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School related to the administration and support of the School's programs, such as office and maintenance personnel and accounting) are not allocated to programs.

- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements
The fund financial statements provide information about the School's funds. Eliminations have been made to minimize the double counting of internal activities. Separate financial statements) are presented for governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School reports the following major governmental funds:

- General Fund is the School's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.

Basis of accounting
The basis of accounting determines when transactions are reported on the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, with the exception of the School's proportionate share of the Net Pension Liability. These collective amounts have been allocated by the pension plan based on actual contributions made to the plan during the measurement period to actuarially determine the proportionate share to each participating employer. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The School uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

The School funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, both restricted and unrestricted resources are available to finance the program. It is the School's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

Net position
The School's net position in the Government-wide Financial Statements is classified as follows:

Net investment in capital assets
This represents the School's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted net position
This represents resources for which the School is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted net position
Unrestricted net position represents resources derived from grants and contributions not restricted to specific programs, charges for services, and miscellaneous revenues. These resources are used for transactions relating to the educational and general operations of the School, and may be used at the discretion of the Board to meet current expenses for those purposes.

Fund balances
The School's fund balances are classified as follows:

Non-spendable
These are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted
These are amounts with limitations imposed on their use by external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Committed

These are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School's highest level of decision-making authority.

Assigned
These are amounts that are constrained by the School's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned
These are amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This is the residual classification for the general fund.

Cash and cash equivalent
Cash and cash equivalents consist of cash on hand, demand deposits, investments in the State of Georgia local government investment pool and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Official Code of Georgia Annotated (O.C.G.A.) §45-8-14 authorizes the School to deposit its funds in one or more solvent banks, insured federal savings and loan associations or insured chartered building and loan associations.

Custodial credit risk
Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the School 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) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

Receivables
Receivables consist of amounts due from grant reimbursements on Federal, State or other grants for expenditures made but not reimbursed. Receivables are recorded when either the asset or revenue recognition criteria has been met. Receivables recorded on the basic financial statements do not include any amounts which would necessitate the need for an allowance for uncollectible receivables.

Collateralization of Deposits
Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be a deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (OCGA 45-8-13.1), the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110 percent of the daily pool balance. Acceptable security for deposits consists of any one of or any combination of the following:

1. Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia

2. Insurance on accounts provided by the Federal Deposit Insurance Corporation
3. Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia
4. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia
5. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose
6. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia
7. Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

Stewardship, Compliance, and Accountability
The School adopts an annual budget for its General Fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167. After the School has tentatively adopted the budget, such budget is advertised at least one time in a local newspaper of general circulation. At the next regular meeting of the Board after advertisement, the budget is revised as necessary and adopted as the final budget. The detail of the fiscal year budget is outlined in the supplemental section of the financial statement.

Capital assets
Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase. Capital assets are defined by the School as assets with an initial individual cost of more than $5,000 and an estimated useful life of more than 1 year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value on the date donated. Disposals are deleted at depreciated recorded cost.

The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets are not capitalized. Depreciation is computed using the straight-line method. During the fiscal year under review, no events or changes in circumstances affecting a capital asset that may indicate impairment were known to the School.

The estimated useful lives of capital assets reported in the government-wide statements are as follows:

Asset Class	Estimated Useful Life (years)
Furniture, fixtures and equipment	3 - 10
Building and improvements	40

Leases
The determination of whether an arrangement is a lease is made at the lease's inception. Under GASB Statement No. 87, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control

is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Right to use lease assets and the related lease liabilities are recorded on the statement of financial position.

The School recognizes right to use lessee asset and related lease liability at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The right to use lease asset is measured at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

The School reduces the lease liability as payments are made and recognize interest on the lease liability. The School amortizes the right to use lease asset over the shorter of the lease term or the useful life of the underlying asset.

Subscription Based Information Technology Arrangements
The determination of whether an arrangement is a Subscription Based Information Technology Arrangements is made at the arrangement inception. Under GASB 96, a arrangement is (or contains) a Subscription Based Information Technology Arrangements if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the arrangement are changed. Right to use Subscription Based Information Technology assets and the related liabilities are recorded on the statement of financial position.

The School recognizes right to use Subscription Based Information Technology asset and related liability at the commencement of the arrangement term, unless the arrangement is a short-term arrangement or it transfers ownership of the underlying asset. The Subscription Based Information Technology liability is measured at the present value of payments expected to be made during the arrangement term (less any related incentives). The right to use Subscription Based Information Technology asset is measured at the amount of the initial measurement of the related liability, plus any payments made to the vendor at or before the commencement of the arrangement term and certain direct costs.

The School reduces the Subscription Based Information Technology liability as payments are made and recognize interest on the liability. The School amortizes the right to use Subscription Based Information Technology asset over the shorter of the arrangement term or the useful life of the underlying asset.

Long-term obligations
In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental funds report the face amount of debt issued as other financing sources and payments of debt principal as other financing uses.

Revenue sources and recognition
Revenues for current operations are received primarily from the State of Georgia through the State Commission pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 20-2-2060, Georgia Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 20-2-2060, Georgia Statutes, the District reports the number of FTE students and related data to the Georgia Department of Education (GDOE) for funding. Funding for the School is adjusted during the year to reflect revised calculations by the GDOE under the Georgia Education Finance Program and actual weighted FTE students reported by the School during designated FTE student survey periods.

The School receives federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have eligibility requirements whereby the issuance of grant funds is withheld until qualifying expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred.

Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Deferred outflows/inflows of resources
In addition to assets, the statement of net position and/or the balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. Under the full accrual method of accounting, the School has reported the contributions to the cost sharing benefit pension plans subsequent to the measurement date and prior to the fiscal year end as deferred outflows of resources. The School has also reported the actuarial changes in the School's proportionate share of the governmental non-employer cost sharing benefit pension plan, as discussed in note below.

In addition to liabilities, the statement of net position and/or the balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. Under the full accrual method of accounting, the School has reported the actuarial changes in the School's proportionate share of the governmental non-employer cost sharing benefit pension plan, as discussed in notes below. This item is reported only in the Statement of Net Position.

Pensions
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 of Georgia (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. 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.

Use of estimates
The preparation of the 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial states and the reported amounts of revenues and expenses during the reporting period The School considers critical accounting policies to be those that require more significant judgements and estimates in the preparation of its financial statements. Management bases its estimates on historical experience and various other assumptions that it believes are reasonable under the particular facts and circumstances. Actual results could differ from those estimates.

Income tax
The School is exempt from federal income taxes under Section 501(C) (3) of the Internal Revenue Code. The School is also exempt from Georgia income taxes and, therefore, has made no provision for federal or Georgia income taxes. In addition, the Internal Revenue Services has determined that the Organization is not a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code.

New accounting pronouncements
During fiscal year 2023, the School adopted Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription Based Information Technology Arrangements. The primary objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for Subscription Based Information Technology Arrangements by governments. This Statement increases the usefulness of government’s financial statements by requiring recognition of certain Subscription Based Information Technology assets and liabilities that previously were classified as operating activities and recognized as inflows of resources or outflows of resources based on the payment provisions of the arrangement. It establishes a single model for Subscription Based Information Technology Arrangements accounting based on the foundational principle that Subscription Based Information Technology Arrangements are financings of the right to use an underlying asset. The adoption of this statement did not have an impact on the School’s financial statements.

Budgetary Data
The budget is a complete financial plan for the School’s fiscal year, and is based upon careful estimates of expenditures together with probable funding sources. The budget is legally adopted each year for the general, special revenue, debt service, and capital projects funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds, except the various school activity (principal) accounts, is prepared and adopted by fund, function and object. The legal level of budgetary control was established by the Board at the aggregate fund level. The budget for the general fund was prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary process begins with the School's administration presenting an initial budget for the Board's review. The administration makes revisions as necessary based on the Board's guidelines, and a tentative budget is approved. After approval of this tentative budget by the Board, such budget is advertised at least once in a newspaper of general circulation in the locality, as well as the School's website. 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 budget. The approved budget is then submitted, in accordance with provisions of O.C.G.A. §20-2-167(c), to the Georgia Department of Education. The Board may increase or decrease the budget at any time during the year. All unexpended budget authority lapses at fiscal year-end.

See the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual in the Supplementary Information Section for a detail of any over/under expenditures during the fiscal year under review.

3. Capital assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Balance at July 1, 2022	Additions	Dispositions	Reclass	Balance at June 30, 2023
Capital assets - amortized:					
Right to use asset - building	$ -	$ 383,717	$ -	$ -	$ 383,717
Total assets non-depreciated	-	383,717	-	-	383,717
Capital assets depreciated:					
Furniture, fixtures and equipment	-	49,488	-	-	49,488
Total assets depreciated	-	49,488	-	-	49,488
Less accumulated depreciation:					
Furniture, fixtures and equipment	-	(9,898)	-	-	(9,898)
Right to use asset - building	-	(127,906)	-	-	(127,906)
Total accumulated depreciation	-	(137,804)	-	-	(137,804)
Total governmental activities Capital assets, net	$ -				$ 295,401

Depreciation expense in the amount of $137,804 was recorded in the statements of activities under operation of school.

4. Accounts receivable

As of June 30, 2023, accounts receivable consisted of the following:

Education Stabilization Fund	$ 65,077
Other receivables	924
Total accounts receivable	$ 66,001

5. Prepaid expenses

As of June 30, 2023, prepaid expenses consist of the following:

Instructional supplies and other expenses	$ 23,405
Total	$ 23,405

6. Accounts payable and accrued expenses

As of June 30, 2023, accounts payable and accrued expenses consisted of the following:

Other payables	$ 35,106
Teachers retirement system	26,509
Total accounts payable and accrued expenses	$ 61,615

7. Concentrations - Revenue sources

As stated in Note 2, the School receives revenues for current operations primarily from the State of Georgia through the State Charter School Commission. The following is a schedule of revenue sources and amounts:

Sources	
State sources passed through the State Charter School Commission:	
Quality basic education (QBE)	$ 2,149,225
	2,149,225
Operating grants passed through the Georgia Department of Education	
Food Program	27,733
Title I	178,245
Title II	14,768
IDEA	29,653
Charter School Program	594,302
Child Nutrition Program	27,733
Private foundations	815,000
Other grants	75,710
Total operating grants	1,763,144
Other revenue:	
Fundraising, donations and other revenue	87,058
Total revenues	$ 3,999,427

8. Lease arrangements

On December 22, 2021 the School entered into a 25-month lease agreement for the school's facility. As of June 30, 2023 in accordance with GASB Statement No. 87 – Leases, the Right-To-Use Lease asset estimated future liabilities are as follows:

As of June 30,	Principal	Interest	Payment
2023	$ 145,979	$ 2,979	$ 148,958
2024	147,439	1,519	148,958
Thereafter	-	-	-
Total	$ 293,418	$ 4,499	$ 297,916

9. Commitments and contingencies

Federal and state grants

The School participates in federal and state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. In the opinion of the School, 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 accompanying financial statements for such contingencies.

10. Retirement plan

The School participates in the Teachers Retirement System of Georgia (TRS) retirement plan administered by the State of Georgia. TRS issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. The reports may be obtained from the respective administrative offices.

Plan description: –All teachers of the District as defined in §47-3-60 of the Official Code of Georgia Annotated (O.C.G.A.) are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

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. 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. Employees were required to contribute 6.00 % of their annual pay during fiscal year 2023. The school district's contractually required contribution rate for the year ended June 30, 2023 was 19.98 % of annual school district payroll. District contributions to TRS were $240,775 for the year ended June 30, 2023.

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 of $0 for its proportionate share of the net pension liability. 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 District's proportion was 0%, which was an increase of 0% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of $0. 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
Differences between excepted and actual experience	$ -	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	-
School contributions subsequent to the measurement date	240,775	-
Total	$ 240,775	$ -

District contributions subsequent to the measurement date of $240,775 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability

in the year ended 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:

Year ended June 30,	(Outflow) / Inflow of resources
2024	$ -
2025	$ -
2026	$ -
2027	$ -
2026	$ -
Thereafter	$ -

Actuarial assumptions: The total pension liability as of June 30, 2022 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 rate	2.50%
Salary increases	3.00 - 8.75%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Post-retirement benefit increase	1.50% semi-annually

Post-retirement 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. Post-retirement 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% as 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 investment rate of return and payroll growth assumption.

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 asset allocation and 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%
Domestic large equities	46.30%	9.40%
Domestic 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 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.

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%)
School's proportion of the net pension liability	$ -	$ -	$ -

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 www.trsga.com/publications.

Payables to the pension plan: As of June 30, 2023 $26,509 in accounts payable to the pension plan was recorded in the statement of net assets.

11. Concentration of risk and uncertainty

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; and acts of God. The School has obtained commercial insurance for risk of loss associated with torts, assets, errors or omissions, job related illness or injuries to employees and acts of God.

The School elects to pay unemployment insurance taxes using the contributory method. Taxes are paid quarterly to the Georgia Department of Labor using a set rate based on historical experience.

There are several strains of the Covid-19 virus that began to spread worldwide resulting in severe impact to business operations. The School's operation has been affected however, the extent of this impact is uncertain and there can be no assurances that a significant impact on the School's finances will not take place.

12. Inherent limitation in evaluating the entity's ability to continue as a going concern

The potential effects of inherent limitations on the ability to detect material misstatements are greater for future events or conditions, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time. Predictions cannot be made about such future conditions or events. Accordingly, the absence of any reference to substantial doubts about the entity's ability to continue as a going concern for a reasonable period of time in the accompanying financial statements cannot be viewed as a guarantee of the entity's ability to continue as a going concern for a reasonable period of time.

13. Subsequent events

The School evaluated subsequent events through the date the financial statements were available to be issued. The School is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.

DeKalb Brilliance Academy
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability- Teachers' Retirement System of Georgia
For the period June 30, 2023

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.000000%	$ -	$ 1,205,078	0.00%	72.50%

DeKalb Brilliance Academy
Required Supplementary Information
Schedule of Contributions - Teachers' Retirement System of Georgia
For the period June 30, 2023

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2023	$ 240,775	$ 240,775	$ -	$ 1,205,078	19.98%

Teachers' Retirement System

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 from the RP-2000 tables to the 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%.

DeKalb Brilliance Academy
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
For the period ended June 30, 2023

	Budget	Actual	Variance
REVENUES			
State passed through State Charter School Commission	$ 2,001,358	$ 2,149,225	$ 147,867
Supplemental revenue	1,068,291	1,850,202	781,911
Total revenue	3,069,649	3,999,427	929,778
EXPENDITURES			
Basic instruction	1,658,103	1,854,853	196,750
Pupil services	-	221,105	221,105
Support services - business	-	361,863	361,863
Media services	-	86,825	86,825
Instructional staff training	-	77,746	77,746
School administration	652,268	214,058	(438,210)
Food services	-	228,701	228,701
Support services - central	257,567	39,575	(217,992)
Operation of school	266,660	479,700	213,040
Other expenses	19,614	-	(19,614)
General administration	-	4,860	4,860
Student transportation services	-	107,485	107,485
Debt service			
Interest expense	-	10,199	10,199
Capital outlay	-	49,488	49,488
Total expenditures	2,854,212	3,736,458	882,246
Excess (deficiency) of revenue over (under) expenditures	215,437	262,969	47,532
OTHER FINANCING SOURCES (USES)			
Payment of lease liability	-	(85,801)	(85,801)
Total other financing sources and (uses)	-	(85,801)	(85,801)
Net change in fund balances	215,437	177,168	(38,269)
Fund balances at beginning of the year	410,757	410,757	-
Fund balances at end of the year	$ 626,194	$ 587,925	$ (38,269)

DeKalb Brilliance Academy
Note to the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
For the period ended June 30, 2023

1. **Budgetary Information**

   Budgetary basis of accounting
   Annual budgets are adopted for the entire operations at the combined governmental level and may be amended by the board of directors (the "Board"). The budgets presented for the fiscal year ended June 30, 2023 have been amended according to Board procedures. Budgets are adopted in full accrual basis accounting. The legal level of budgetary control is the fund level.

DeKalb Brilliance Academy
Schedule of State Revenue
June 30, 2023

Grants		
Education, Georgia Department of		
Quality Basic Education		
Direct Instructional Cost		
Kindergarten Program	$	277,380
Kindergarten Program - Early Intervention Program		24,345
Primary Grades (1-3) Program		228,142
Primary Grades - Early Intervention (1-3) Program		47,740
Students with Disability Cat II		20,774
Students with Disability Cat IV		15,061
Gifted Student - Category VI		3,792
Indirect Cost		
Central Administration		7,211
School Administration		67,260
Facility Maintenance and Operations		38,845
Media Center Program		18,655
20 Days Additional Instruction		4,939
Staff and Professional Development		3,519
Principal Staff and Professional Development		264
Health Insurance Incr.(6 MO New Rate)		151,680
Categorical Grants		
Nursing Services		20,421
State Commission Charter Supplement		1,219,197
Total state revenue	$	2,149,225

DeKalb Brilliance Academy
Schedule of Expenditure of Federal Awards
For the period ended June 30, 2023

Federal Grantor/ Pass-through Grantor/ Program Title	Assistance Listing Number	Pass-through Entity Identifying	Federal Expenditures	Pass-through to Subrecipients
U.S. Department of Education:				
Pass-through from Georgia Department of Education:				
Title I Grant to Local Educational Agencies	84.010	S010A220010	$ 178,245	$ -
Title II Grant - Supporting Effective Instruction State Grants	84.367	S367A220001	14,768	-
Covid-19 - Charter School Program Covid Relief Grant	84.282	U282A220016	594,302	-
Education Stabilization Fund				
Covid-19 - Governor's Emergency Relief Fund - CRRSA ACT - GEER II	84.425C	S425D230012	65,077	-
Covid-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - ARP ESSER III	84.425U	S425U230012	38,366	-
Total Assistance Listing Number 84.425			103,443	-
Special Education Cluster (IDEA)				
Special Education - Grants to States (SPED Cluster)	84.027	H027A210073	29,653	-
Total Special Education Cluster (IDEA)			29,653	-
Total U.S. Department of Education			920,411	-
U.S. Department of Agriculture:				
Pass-through from Georgia Department of Early Care and Learning:				
National School Lunch Program (Child Nutrition Cluster)	10.555	N/A	27,733	-
Total U.S. Department of Agriculture			27,733	-
Total Federal Awards			$ 948,144	$ -

DeKalb Brilliance Academy
Notes to the Schedule of Expenditure of Federal Awards
For the period ended June 30, 2023

1. **Basis of Presentation**
   The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of DeKalb Brilliance Academy (the "School") under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, change in net assets, or cash flows of the Organization.

2. **Summary of Significant Accounting Policies**
   Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable are limited as to reimbursement.

3. **Indirect Cost Rate**
   The Organization has not elected to use the 10-percent de minimis cost rate allowed under the Uniform Guidance.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH THE GOVERNMENT AUDITING STANDARDS

To the Board of Directors
DeKalb Brilliance Academy
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 DeKalb Brilliance Academy ("the School"), as of and for the year ended June 30, 2023, and related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 31, 2023.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the School'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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the School'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 instance of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal controls 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.

Bambo Sonaike CPA, LLC

August 31, 2023

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

To the Board of Directors
DeKalb Brilliance Academy
Decatur, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited DeKalb Brilliance Academy's 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 DeKalb Brilliance Academy's major federal programs for the year ended June 30, 2023. DeKalb Brilliance Academy'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, DeKalb Brilliance Academy complied, in all material respects, with the 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 (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); 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 DeKalb Brilliance Academy and to meet our 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 DeKalb Brilliance Academy'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 DeKalb Brilliance Academy's federal programs.

Auditors' Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on DeKalb Brilliance Academy'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 GAAS, 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 DeKalb Brilliance Academy's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, 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 DeKalb Brilliance Academy'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 DeKalb Brilliance Academy'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 DeKalb Brilliance Academy'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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
We have audited the financial statements of DeKalb Brilliance Academy as of and for the year ended June 30, 2023, and have issued our report thereon dated August 31, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Bambo Sonaike CPA, LLC

August 31, 2023

Section I - Summary of Auditor's Result

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Un-modified opinion
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Compliance and other matters	
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Un-modified opinion
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200?	No
Identification of major federal programs:	Assistance listing Numbers
Covid-19 - Governor's Emergency Relief Fund - CRRSA ACT -GEER II	84.425C
Covid-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - ARP ESSER III	84.425U
Covid-19 - Charter School Program Covid Relief Grant	84.282
Dollar threshold used to distinguish between type A and type B programs:	$ 750,000
Auditee qualified as a low risk auditee?	No

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Awards Findings & Questioned Costs

No matters were reported.

DeKalb Brilliance Academy
Schedule of Expenditure of State Awards
For the period ended June 30, 2023

State Grantor/ Pass-through Grantor/ Program Title	Revenues	Expenditures	Amount (due to) / from Agency
U.S. Department of Education:			
Pass-through from Georgia Department of Education:			
Title I Grant to Local Educational Agencies	$ 178,245	$ 178,245	$ -
Title II Grant - Supporting Effective Instruction State Grants	14,768	14,768	-
Covid-19 - Charter School Program Covid Relief Grant	594,302	594,302	-
Education Stabilization Fund			
Covid-19 - Governor's Emergency Relief Fund - CRRSA ACT - GEER II	65,077	65,077	-
Covid-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - ARP ESSER III	38,366	38,366	-
Special Education Cluster (IDEA)			
Special Education - Grants to States (SPED Cluster)	29,653	29,653	-
Total	920,411	920,411	-
Pass-through from Georgia Department of Early Care and Learning			
National School Lunch Program (Child Nutrition Cluster)	27,733	27,733	-
Total	27,733	27,733	-
Total State Awards	$ 948,144	$ 948,144	$ -

–End of Report–