



ANNUAL FINANCIAL REPORT • FISCAL YEAR 2024

# DeKalb County Board of Education Stone Mountain, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor



**DOAA**

Georgia Department  
of Audits & Accounts

# DeKalb County Board of Education

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**Section I**

**Financial**



## INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia  
Members of the General Assembly of the State of Georgia  
Members of the State Board of Education  
and  
Dr. Devon Horton, Superintendent and Members of the  
DeKalb County Board of Education

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the DeKalb County Board of Education (School District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School 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 and each major fund of the School District as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 School 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 School 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 School 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 School 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 and required supplementary information 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 appropriate 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 School District's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The *Schedule of Expenditures of Federal Awards* is presented for purposes of additional analysis 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*, and is also not a required part of the basic financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2025 on our consideration of the School 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 School 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 School District's internal control over financial reporting and compliance.

A copy of this report has been filed as a permanent record and made available to the press of the State, as provided for by Official Code of Georgia Annotated section 50-6-24.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is written in a cursive style with a horizontal line at the end.

Greg S. Griffin  
State Auditor

June 5, 2025

DEKALB COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

## INTRODUCTION

The discussion and analysis of the DeKalb County Board of Education's financial performance provides an overall review of the Board's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the Board's financial performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the Board's financial performance.

The reporting model is a combination of both government-wide financial statements and fund financial statements. The basic financial statements contain three components:

1. Government-wide financial statements include the Statement of Net Position and the Statement of Activities which provide a long-term view of the Board's finances and presents on the full accrual basis of accounting.
2. Fund financial statements including the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances that provides increased detail on the Board's short-term performance by major fund and presents on the modified accrual basis of accounting.
3. Notes to the financial statements.

## FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2024 are as follows:

On the full accrual, government-wide financial statements:

- ❑ In total, net position increased \$207.49 million over the prior year net position. Net position reflects the difference between all assets and deferred outflows of resources of the Board (including capital assets, net of depreciation) and all liabilities and deferred inflows of resources. This increase is primarily attributable to revenues in excess of program expenditures, capital assets growth, a reduction in long term liabilities and favorable changes to the net pension liability.
- ❑ Long-term liabilities decreased by \$23.48 million from the prior year. This decrease is due to payments made by the Board during the current year to reduce the overall debt and liability burden.
- ❑ The Board had \$1.77 billion in expenses relating to governmental activities, of which only \$849.49 million of these expenses were offset by program specific charges for services, grants and contributions. However, general revenues (primarily property and sales taxes) of \$1.13 billion were adequate to provide for these program deficits.
- ❑ General revenues, as stated on the Statement of Activities accounted for \$1.13 billion or about 57.04% of all revenues, while program specific revenues in the form of charges for services, grants and contributions accounted for the remainder.

DEKALB COUNTY BOARD OF EDUCATION  
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On the modified accrual, fund financial statements:

- ❑ Among major funds, the general fund had \$1.78 billion in revenues and \$1.71 billion in expenditures. The general fund's increase in fund balance was \$75.05 million, which is a decrease from the prior year change of \$129.55 million.
- ❑ The capital projects fund had \$182.12 million in revenues and \$104.45 million in expenditures. The capital projects fund's increase in fund balance was \$77.72 million, which is a decrease from the prior year change of \$102.41 million.

### Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the DeKalb County Board of Education as a financial whole, or as an entire operating entity.

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole Board, presenting both an aggregate view of the Board's finances and a longer-term view of those finances. *Fund financial statements* provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Board's most significant funds. In the case of the DeKalb County Board of Education, the general fund is by far the most significant fund.

### Reporting the Board as a Whole

#### *Statement of Net Position and the Statement of Activities*

While this document includes a number of funds used by the Board to provide programs and activities, a view of the Board as a whole requires looking at all financial transactions to ask the question, "How did we do financially during 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Board's net position and changes in net position. This change in net position is important because it tells the reader that, for the Board as a whole, the financial position of the Board has improved or diminished. The causes of this change may be a result of many factors, some financial, some not. Nonfinancial factors include the Board's property tax digest base, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the Board has one distinct type of activity:

- ❑ Governmental Activities – All of the Board's programs and services are reported here including instruction, pupil services, improvement of instructional services, educational media services, general administration, school administration, business administration, maintenance and operation of plant, student transportation services, central support services, enterprise operations, food services and interest on debt.

DEKALB COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

## Reporting the Board's Most Significant Funds

### *Fund Financial Statements*

Fund financial reports provide detailed information about the Board's major funds. The Board uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Board's most significant funds. The Board's major governmental funds are the general fund, capital projects funds, and the debt service fund.

**Governmental Funds:** Most of the Board's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Board's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

DEKALB COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**The Board as a Whole**

The perspective of the Statement of Net Position is of the Board as a whole. Table 1 provides a summary of the Board's net position for fiscal year 2024 compared to fiscal year 2023.

**Table 1  
Net Position**

|   | Governmental Activities |                       |
|---|-------------------------|-----------------------|
|   | Fiscal Year<br>2024     | Fiscal Year<br>2023   |
| <b>Assets</b>                               |                         |                       |
| Current and Other Assets                    | \$ 1,424,624,462        | \$ 1,176,880,942      |
| Capital Assets, Net                         | 1,712,181,457           | 1,638,481,063         |
| <b>Total Assets</b>                         | <b>3,136,805,919</b>    | <b>2,815,362,005</b>  |
| <b>Deferred Outflows of Resources</b>       |                         |                       |
| Related to Defined Benefit Pension Plans    | 453,639,352             | 763,377,160           |
| Related to OPEB Plan                        | 155,253,177             | 145,546,334           |
| <b>Total Deferred Outflows of Resources</b> | <b>608,892,529</b>      | <b>908,923,494</b>    |
| <b>Liabilities</b>                          |                         |                       |
| Current Liabilities                         | 308,862,627             | 226,970,060           |
| Net Pension Liability                       | 1,366,335,574           | 1,597,950,960         |
| Net OPEB Liability                          | 612,766,195             | 586,396,320           |
| Other Long-Term Liabilities                 | 35,830,744              | 59,314,924            |
| <b>Total Liabilities</b>                    | <b>2,323,795,140</b>    | <b>2,470,632,264</b>  |
| <b>Deferred Inflows of Resources</b>        |                         |                       |
| Related to Defined Benefit Pension Plans    | 85,459,268              | 57,515,995            |
| Related to OPEB Plan                        | 323,738,283             | 390,926,358           |
| <b>Total Deferred Inflows of Resources</b>  | <b>409,197,551</b>      | <b>448,442,353</b>    |
| <b>Net Position</b>                         |                         |                       |
| Net Investment in Capital Assets            | 1,652,342,359           | 1,618,216,635         |
| Restricted                                  | 623,116,566             | 523,851,087           |
| Unrestricted                                | (1,262,753,168)         | (1,336,856,840)       |
| <b>Total Net Position</b>                   | <b>\$ 1,012,705,757</b> | <b>\$ 805,210,882</b> |

DEKALB COUNTY BOARD OF EDUCATION  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Table 2 shows the Changes in Net Position for fiscal year ending 2024 compared to 2023.

**Table 2**  
**Change in Net Position**

|   | Governmental Activities |                       |
|---|-------------------------|-----------------------|
|   | Fiscal Year<br>2024     | Fiscal Year<br>2023   |
| <b>Revenues</b>   |                         |                       |
| Program Revenues:   |                         |                       |
| Charges for Services  | \$ 4,118,922            | \$ 3,018,500          |
| Operating Grants and Contributions                                | 835,765,262             | 737,567,402           |
| Capital Grants and Contributions                                  | 9,608,932               | 9,982,512             |
| <b>Total Program Revenues</b>                                     | <b>849,493,116</b>      | <b>750,568,414</b>    |
| General Revenues:   |                         |                       |
| Property Taxes - Maintenance and Operations                       | 885,143,938             | 800,025,234           |
| Sales Tax - Special Purpose Local Option Tax for Capital Projects | 150,986,248             | 154,165,749           |
| Other Sales Tax   | 12,936,930              | -                     |
| Investment Earnings   | 53,205,606              | 14,440,337            |
| Miscellaneous   | 25,500,403              | 37,330,378            |
| <b>Total General Revenues</b>                                     | <b>1,127,773,125</b>    | <b>1,005,961,698</b>  |
| <b>Total Revenues</b>   | <b>1,977,266,241</b>    | <b>1,756,530,112</b>  |
| <b>Program Expenses:</b>  |                         |                       |
| Instruction   | 1,050,730,487           | 896,889,116           |
| Support Services  |                         |                       |
| Pupil Services  | 125,599,598             | 104,353,499           |
| Improvement of Instructional Services                             | 58,682,182              | 47,695,705            |
| Educational Media Services  | 18,835,835              | 17,106,192            |
| General Administration  | 34,072,053              | 48,223,875            |
| School Administration   | 86,817,094              | 82,894,437            |
| Business Administration   | 18,581,206              | 15,055,006            |
| Maintenance and Operation of Plant                                | 175,981,899             | 140,597,783           |
| Student Transportation Services                                   | 84,482,752              | 69,032,384            |
| Central Support Services  | 42,384,267              | 33,579,134            |
| Other Support Services  | 1,818,126               | 1,324,514             |
| Operations of Non-Instructional Services                          |                         |                       |
| Enterprise Operations   | 6,443,490               | -                     |
| Food Services   | 65,322,225              | 72,542,048            |
| Interest on Long-Term Debt  | 20,152                  | 5,845,703             |
| <b>Total Expenses</b>   | <b>1,769,771,366</b>    | <b>1,535,139,396</b>  |
| <b>Change in Net Position</b>                                     | <b>207,494,875</b>      | <b>221,390,716</b>    |
| <b>Beginning Net Position</b>                                     | <b>805,210,882</b>      | <b>583,820,166</b>    |
| <b>Ending Net Position</b>  | <b>\$ 1,012,705,757</b> | <b>\$ 805,210,882</b> |

DEKALB COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**Governmental Activities**

Instruction, pupil services and improvement of instructional services comprised the majority of governmental program expenses with 69.78%. Additional needed support services such as student transportation, maintenance, and administration comprise 26.16% of program expenses, while non-instructional services comprise the remaining 4.06%. Non-instructional services provided consist primarily of school nutrition and enterprise operations.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 below shows, for governmental activities, the net cost of services for fiscal year 2024 compared to fiscal year 2023. That is, it identifies the cost of these services that are supported by tax revenue and unrestricted state entitlements.

**Table 3**  
**Governmental Activities**

|   | Net Cost of Services  |                       |
|---|-----------------------|-----------------------|
|   | Fiscal Year           | Fiscal Year           |
|   | 2024                  | 2023                  |
| Instruction                               | \$ 489,848,977        | \$ 437,105,860        |
| Support Services:                         |                       |                       |
| Pupil Services                            | 77,307,721            | 74,537,728            |
| Improvement of Instructional Services     | 19,275,366            | 18,683,454            |
| Educational Media Services                | 3,206,183             | 2,881,402             |
| General Administration                    | 12,750,691            | 10,099,560            |
| School Administration                     | 51,766,219            | 48,413,781            |
| Business Administration                   | 17,750,139            | 14,879,140            |
| Maintenance and Operation of Plant        | 130,093,664           | 97,507,782            |
| Student Transportation Services           | 68,069,811            | 54,413,049            |
| Central Support Services                  | 39,468,845            | 23,618,905            |
| Other Support Services                    | 1,330,310             | 406,573               |
| Operations of Non-Instructional Services: |                       |                       |
| Enterprise Operations                     | 6,422,889             | -                     |
| Community Service                         | (1,312)               | -                     |
| Food Services                             | 2,948,594             | (3,821,955)           |
| Interest on Long-Term Debt                | 20,153                | 5,845,703             |
| <b>Total Expenses</b>                     | <b>\$ 920,278,250</b> | <b>\$ 784,570,982</b> |

Program revenues, primarily derived from state and federal funding, make up only 42.96% of total revenue. To cover the revenue shortfall needed to fund vital services, the Board is dependent upon tax revenues to support the full range of governmental activities.

The Board's broad tax base is sufficient to cover shortfalls in these operational activities. In addition to program revenues, tax and other general revenues of \$1.13 billion were collected sufficiently to fund the shortfall across instruction and other operational activities.

DEKALB COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**General Fund Budgeting Highlights**

The Board's budget is prepared according to Georgia law and utilizes a zero-based, site-specific budgeting approach. The most significant budgeted fund is the general fund. The budgeting systems are designed to provide flexibility and ensure proper monitoring of total site based budgets.

The anticipated budgeted revenues for the final general fund budget were \$2.04 billion, against anticipated budgeted expenditures of \$2.13 billion. Although actual general fund revenues underperformed budgeted estimates, due to the Board's increased emphasis on expenditure control and dedicated efforts to grow fund balance, actual expenditures were less than budgeted.

During fiscal year 2024, the Board continued to improve operational reserves as the excess of revenues over expenditures helped increase fund balance for the general fund by \$75.05 million. This reserve is vitally important to ensure continuity of services in the advent of an economic downturn, a substantial decrease in revenue, or an unexpended increase in expenditures.

**Capital Assets and Long-Term Liabilities**

**Capital Assets**

At the end of fiscal year 2024, the Board had \$1.71 billion invested in capital assets, net of accumulated depreciation and amortization, all in governmental activities. Table 4 shows fiscal year 2024 balances compared with fiscal year 2023 balances.

**Table 4**  
**Capital Assets**  
**(Net of Depreciation and Amortization)**

|                           | Governmental Activities |                     |
|---------------------------|-------------------------|---------------------|
|                           | Fiscal Year             | Fiscal Year         |
|                           | 2024                    | 2023                |
| Land                      | \$ 71,178,768.00        | \$ 71,178,768.00    |
| Construction in Progress  | 127,984,445.00          | 60,165,505.00       |
| Buildings and Improvement | 1,399,105,343.00        | 1,391,087,580.00    |
| Equipment                 | 71,329,134.00           | 73,556,840.00       |
| Land Improvements         | 39,477,622.00           | 39,059,263.00       |
| Intangible Assets         | 3,106,145.00            | 3,433,107.00        |
| Total                     | \$ 1,712,181,457.00     | \$ 1,638,481,063.00 |

**Long-Term Liabilities**

At the year of fiscal year 2024, long-term debt was \$35.83 million, a substantial decrease of \$23.48 million from the previous year, improving the Board's financial position. The Board's commitment to continued debt reductions helps ensure that future generations of students benefit from higher proportions of funding serving students as opposed to debt, stream-lined financial operations, and increased spending flexibility.

DEKALB COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Table 5 summarizes long-term liabilities outstanding and compares fiscal year 2024 balances to fiscal year 2023 balances.

**Table 5**  
**Debt at June 30**

|                       | Governmental Activities             |                     |
|-----------------------|-------------------------------------|---------------------|
|                       | Fiscal Year<br>2024                 | Fiscal Year<br>2023 |
|                       | Qualified School Construction Bonds | \$ -                |
| Claims and Judgements | 22,500,000.00                       | 45,000,000.00       |
| Compensated Absences  | 13,330,744.00                       | 8,624,924.00        |
| Total                 | \$ 35,830,744.00                    | \$ 59,314,924.00    |

**Current Issues**

On the modified accrual, fund financial statements, our combined revenue from all sources increased 9.88% between fiscal years 2024 and 2023. Local revenues from property taxes benefited from reassessments and new construction and grew at 10.04%. Federal funding was also higher because of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and subsequently the American Rescue Plan (ARP). In addition, investment revenue grew substantially. As the Federal Reserve systematically increased the effective federal funds rate to battle inflation, investment opportunities within Georgia Fund 1, a local government investment pool administered by the State of Georgia, Office of the State Treasurer, grew. The monthly returns within Georgia Fund 1 exceeded 5% for all months during the fiscal year and yielded approximately \$53.21 million dollars. This is a growth of 137.48% from the prior year.

Although state revenues, primarily derived from the Quality Basic Education formula, grew at 4.21%, the growth has not kept pace with inflation and associated cost increases experienced to meet student needs. Improvement in funding from the other sources noted above helped allow the Board to cover operational funding shortfalls. There has been a shift more towards the reliance on funding sources other than the State between fiscal years 2024 and 2023.

DeKalb County Board of Education continues to be the most diverse school system in the state of Georgia. There are more than 91,000 students, 172 spoken languages, 138 schools and centers and roughly 14,000 staff members. Although the coronavirus (COVID-19) pandemic that began to spread worldwide in December 2019 is officially over, the effects on the Board's large and diverse student body are not. The Board's intentional focus to provide adequate social and emotional support and offer supplemental educational recovery opportunities strains financial resources.

During the fiscal year the Board added health clinics at multiple sites to address the growing health needs of students, staff and the community. Additional high dosage tutoring opportunities were added to help offset and address loss or stagnant student academic progress resulting from the pandemic. The Board also made intentional investments in safety and security. There was an expansion of advanced weapons detection systems and intruder alert systems. Commitments were also honored to provide additional formal and informal security at athletic events. Enhanced security measures were also taken to facilities. Significant projects adding secure vestibules and ballistic resistant glazes on windows were completed or began during the fiscal year.

DEKALB COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

On another front, inflation continues to be a concern for the Board. Although inflation has cooled in the last year, the cost of supplies and equipment continued to climb. To compound things, health insurance, contracted professional services, labor and construction has outpaced key inflationary metrics. During the budget preparation for the current year, the Board acknowledged these trends and approved additional operational budget authority and salary increases for all staff to help maintain their current standard of living.

DeKalb County Board of Education is geographically located within an urban setting and must compete with other surrounding school systems and the private labor market. The Board is challenged with keeping teacher and support staff compensation aggressively competitive and remains laser focused on maintaining and growing staff. Though the turnover of staff slowed over the course of the fiscal year, there is still a shortage of classified employees and especially bus drivers.

As a result of these conditions and circumstances, the Board's cost to educate students are at an all-time high.

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

As the Board looks forward, federal revenues are expected to decline. The Coronavirus Aid, Relief, and Economic Security (CARES) Act, and the American Rescue Plan (ARP) grants have ended. Revenue from various title grants are also anticipated to decline. State funding by way of the Quality Basic Education formula is expected to grow slowly and remain in line with any mandated salary or health insurance increases. The local housing market and overall tax digest is not expected to grow at rates seen the past few years. This will lead to slower growth in property tax revenue.

Though overall revenue growth is anticipated to slow, the pressure to keep educator compensation high, remains. The Board must stay competitive, flexible and be able to react to changes in the local labor market and consistently meet the needs of employees.

Health insurance costs continue to skyrocket. The Georgia Department of Community Health has already planned and communicated increases to provide certified and classified health insurance through the State Health Benefit Plan. Inflation is also expected to persist in future years, leading to ever expanding cost to build and maintain facilities.

The DeKalb County Board of Education is keenly aware of these future constraints and have taken financial planning measures to help ensure the continuity and success of the organization. Intentional efforts have made to protect and grow fund balance reserves. These reserves will help address local capital improvement needs, facility repair, investments in our staff, and serve as a buffer protecting the Board against significant declines in revenue or unanticipated, significant expenses.

### **Contacting the Board's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Byron Schueneman, Chief Financial Officer, at the DeKalb County Board of Education, 1701 Mountain Industrial Boulevard, Stone Mountain, Georgia, 30083.

**DeKalb County Board of Education**

DEKALB COUNTY BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2024

EXHIBIT "A"

|   | <u>GOVERNMENTAL<br/>ACTIVITIES</u> |
|---|------------------------------------|
| <u>ASSETS</u>   |                                    |
| Cash and Cash Equivalents                                     | \$ 1,223,452,190.26                |
| Accounts Receivable, Net                                      |                                    |
| Interest  | 1,243.64                           |
| Taxes   | 38,366,928.09                      |
| State Government  | 86,825,678.31                      |
| Federal Government  | 66,731,866.74                      |
| Local   | 3,142.79                           |
| Other   | 7,654,748.00                       |
| Inventories   | 1,588,663.88                       |
| Capital Assets, Non-Depreciable                               | 199,163,212.70                     |
| Capital Assets, Depreciable (Net of Accumulated Depreciation) | 1,513,018,244.51                   |
| Total Assets  | <u>3,136,805,918.92</u>            |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>                         |                                    |
| Related to Defined Benefit Pension Plans                      | 453,639,352.10                     |
| Related to OPEB Plan  | 155,253,177.27                     |
| Total Deferred Outflows of Resources                          | <u>608,892,529.37</u>              |
| <u>LIABILITIES</u>  |                                    |
| Accounts Payable  | 29,364,991.68                      |
| Salaries and Benefits Payable                                 | 164,483,025.82                     |
| Payroll Withholdings Payable                                  | 40,377,972.62                      |
| Claims Incurred but not Reported (IBNR)                       | 14,797,539.00                      |
| Contracts Payable   | 54,522,777.99                      |
| Retainages Payable  | 5,316,320.12                       |
| Net Pension Liability   | 1,366,335,574.00                   |
| Net OPEB Liability  | 612,766,195.00                     |
| Long-Term Liabilities   |                                    |
| Due Within One Year   | 22,500,000.00                      |
| Due in More Than One Year                                     | 13,330,744.15                      |
| Total Liabilities   | <u>2,323,795,140.38</u>            |
| <u>DEFERRED INFLOWS OF RESOURCES</u>                          |                                    |
| Related to Defined Benefit Pension Plans                      | 85,459,268.00                      |
| Related to OPEB Plan  | 323,738,283.00                     |
| Total Deferred Inflows of Resources                           | <u>409,197,551.00</u>              |
| <u>NET POSITION</u>   |                                    |
| Net Investment in Capital Assets                              | 1,652,342,359.10                   |
| Restricted for  |                                    |
| Continuation of Federal Programs                              | 28,344,820.67                      |
| Capital Projects  | 594,771,745.41                     |
| Unrestricted (Deficit)  | <u>(1,262,753,168.27)</u>          |
| Total Net Position  | <u>\$ 1,012,705,756.91</u>         |

DEKALB COUNTY BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT "B"

|  | PROGRAM REVENUES           |                         |  |  | NET (EXPENSES)<br>REVENUES<br>AND CHANGES IN<br>NET POSITION |
|--|----------------------------|-------------------------|--|--|--|
|  | EXPENSES                   | CHARGES FOR<br>SERVICES | OPERATING<br>GRANTS AND<br>CONTRIBUTIONS | CAPITAL<br>GRANTS AND<br>CONTRIBUTIONS |  |
| <u>GOVERNMENTAL ACTIVITIES</u>           |                            |                         |  |  |  |
| Instruction                              | \$ 1,050,730,486.88        | \$ 1,442,397.54         | \$ 551,126,159.70                        | \$ 8,312,953.05                        | \$ (489,848,976.59)  |
| Support Services                         |                            |                         |  |  |  |
| Pupil Services                           | 125,599,598.43             | -                       | 48,204,563.97                            | 87,313.05                              | (77,307,721.41)  |
| Improvement of Instructional Services    | 58,682,181.76              | -                       | 39,262,552.52                            | 144,262.83                             | (19,275,366.41)  |
| Educational Media Services               | 18,835,834.61              | -                       | 15,582,666.03                            | 46,985.24                              | (3,206,183.34)   |
| General Administration                   | 34,072,052.58              | -                       | 21,319,741.82                            | 1,619.68                               | (12,750,691.08)  |
| School Administration                    | 86,817,093.73              | -                       | 35,049,572.91                            | 1,302.22                               | (51,766,218.60)  |
| Business Administration                  | 18,581,206.38              | -                       | 830,440.07                               | 626.96                                 | (17,750,139.35)  |
| Maintenance and Operation of Plant       | 175,981,898.78             | 158.82                  | 45,109,544.39                            | 778,531.62                             | (130,093,663.95)   |
| Student Transportation Services          | 84,482,752.29              | 1,671,924.03            | 14,741,017.22                            | -                                      | (68,069,811.04)  |
| Central Support Services                 | 42,384,266.98              | -                       | 2,773,450.97                             | 141,971.33                             | (39,468,844.68)  |
| Other Support Services                   | 1,818,125.97               | -                       | 487,815.73                               | -                                      | (1,330,310.24)   |
| Operations of Non-Instructional Services |                            |                         |  |  |  |
| Enterprise Operations                    | 6,443,489.86               | -                       | 601.32                                   | -                                      | (6,442,888.54)   |
| Community Services                       | -                          | 1,311.64                | -  | -                                      | 1,311.64   |
| Food Services                            | 65,322,225.24              | 1,003,130.29            | 61,277,134.98                            | 93,365.83                              | (2,948,594.14)   |
| Interest on Long-Term Debt               | 20,152.50                  | -                       | -  | -                                      | (20,152.50)  |
| <b>Total Governmental Activities</b>     | <b>\$ 1,769,771,365.99</b> | <b>\$ 4,118,922.32</b>  | <b>\$ 835,765,261.63</b>                 | <b>\$ 9,608,931.81</b>                 | <b>(920,278,250.23)</b>                                      |
| <br>General Revenues                     |                            |                         |  |  |  |
| Taxes                                    |                            |                         |  |  |  |
| Property Taxes                           |                            |                         |  |  |  |
| For Maintenance and Operations           |                            |                         |  |  |  |
|  |                            |                         |  |  | 885,143,937.60   |
| Sales Taxes                              |                            |                         |  |  |  |
| Special Purpose Local Option Sales Tax   |                            |                         |  |  |  |
| For Capital Projects                     |                            |                         |  |  |  |
|  |                            |                         |  |  | 150,986,248.40   |
| Other Sales Tax                          |                            |                         |  |  |  |
|  |                            |                         |  |  | 12,936,930.42  |
| Investment Earnings                      |                            |                         |  |  |  |
|  |                            |                         |  |  | 53,205,605.82  |
| Miscellaneous                            |                            |                         |  |  |  |
|  |                            |                         |  |  | 25,500,402.60  |
| Total General Revenues                   |                            |                         |  |  |  |
|  |                            |                         |  |  | <u>1,127,773,124.84</u>                                      |
| Change in Net Position                   |                            |                         |  |  |  |
|  |                            |                         |  |  | 207,494,874.61   |
| Net Position - Beginning of Year         |                            |                         |  |  |  |
|  |                            |                         |  |  | <u>805,210,882.30</u>  |
| Net Position - End of Year               |                            |                         |  |  |  |
|  |                            |                         |  |  | <u>\$ 1,012,705,756.91</u>                                   |

DEKALB COUNTY BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

EXHIBIT "C"

|   | GENERAL<br>FUND   | CAPITAL<br>PROJECTS<br>FUND | DEBT<br>SERVICE<br>FUND | TOTAL               |
|---|-------------------|-----------------------------|-------------------------|---------------------|
| <u>ASSETS</u>   |                   |                             |                         |                     |
| Cash and Cash Equivalents   | \$ 609,058,074.08 | \$ 614,394,116.18           | \$ -                    | \$ 1,223,452,190.26 |
| Accounts Receivable, Net  |                   |                             |                         |                     |
| Interest  | -                 | 1,243.64                    | -                       | 1,243.64            |
| Taxes   | 25,673,202.09     | 12,693,726.00               | -                       | 38,366,928.09       |
| State Government  | 78,766,812.81     | 8,058,865.50                | -                       | 86,825,678.31       |
| Federal Government  | 66,731,866.74     | -                           | -                       | 66,731,866.74       |
| Local   | 3,142.79          | -                           | -                       | 3,142.79            |
| Other   | 7,654,748.00      | -                           | -                       | 7,654,748.00        |
| Due from Other Funds  | 5,036,811.57      | -                           | -                       | 5,036,811.57        |
| Inventories   | 1,588,663.88      | -                           | -                       | 1,588,663.88        |
| Total Assets  | \$ 794,513,321.96 | \$ 635,147,951.32           | \$ -                    | \$ 1,429,661,273.28 |
| <u>LIABILITIES</u>  |                   |                             |                         |                     |
| Accounts Payable  | \$ 28,512,735.95  | \$ 852,255.73               | \$ -                    | \$ 29,364,991.68    |
| Salaries and Benefits Payable   | 164,483,025.82    | -                           | -                       | 164,483,025.82      |
| Payroll Withholdings Payable  | 40,377,972.62     | -                           | -                       | 40,377,972.62       |
| Due to Other Funds  | -                 | 5,036,811.57                | -                       | 5,036,811.57        |
| Contracts Payable   | 20,216,972.19     | 34,305,805.80               | -                       | 54,522,777.99       |
| Retainages Payable  | 402,452.97        | 4,913,867.15                | -                       | 5,316,320.12        |
| Total Liabilities   | 253,993,159.55    | 45,108,740.25               | -                       | 299,101,899.80      |
| <u>DEFERRED INFLOWS OF RESOURCES</u>                                    |                   |                             |                         |                     |
| Unavailable Revenue - Property Taxes                                    | 16,225,733.88     | -                           | -                       | 16,225,733.88       |
| Unavailable Revenue - Georgia State Financing and Investment Commission | -                 | 8,058,865.50                | -                       | 8,058,865.50        |
| Unavailable Revenue - Federal Funds                                     | 3,514,668.17      | -                           | -                       | 3,514,668.17        |
| Total Deferred Inflows of Resources                                     | 19,740,402.05     | 8,058,865.50                | -                       | 27,799,267.55       |
| <u>FUND BALANCES</u>  |                   |                             |                         |                     |
| Nonspendable  | 1,588,663.88      | -                           | -                       | 1,588,663.88        |
| Restricted  | 27,774,096.20     | 555,552,072.46              | -                       | 583,326,168.66      |
| Assigned  | 8,917,643.66      | 26,428,273.11               | -                       | 35,345,916.77       |
| Unassigned  | 482,499,356.62    | -                           | -                       | 482,499,356.62      |
| Total Fund Balances   | 520,779,760.36    | 581,980,345.57              | -                       | 1,102,760,105.93    |
| Total Liabilities, Deferred Inflows<br>of Resources, and Fund Balances  | \$ 794,513,321.96 | \$ 635,147,951.32           | \$ -                    | \$ 1,429,661,273.28 |

DEKALB COUNTY BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024

EXHIBIT "D"

|   |                         |                                |
|---|-------------------------|--------------------------------|
| Total fund balances - governmental funds (Exhibit "C")  | \$                      | 1,102,760,105.93               |
| 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 funds.                             |                         |                                |
| Land  | \$ 71,178,767.96        |                                |
| Construction in progress  | 127,984,444.74          |                                |
| Buildings and improvements  | 2,103,732,939.87        |                                |
| Equipment   | 170,447,106.78          |                                |
| Land improvements   | 59,505,074.17           |                                |
| Intangible Assets   | 6,079,639.78            |                                |
| Accumulated depreciation and amortization   | <u>(826,746,516.09)</u> | 1,712,181,457.21               |
| Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.                                       |                         |                                |
| Net pension liability   | \$ (1,366,335,574.00)   |                                |
| Net OPEB liability  | <u>(612,766,195.00)</u> | (1,979,101,769.00)             |
| Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds. |                         |                                |
| Related to pensions   | \$ 368,180,084.10       |                                |
| Related to OPEB   | <u>(168,485,105.73)</u> | 199,694,978.37                 |
| Taxes that are not available to pay for current period expenditures are deferred in the funds.  |                         |                                |
|   |                         | 16,225,733.88                  |
| Georgia State Financing and Investment Commission grants that are not available to pay current period expenditures are deferred in the funds.       |                         |                                |
|   |                         | 8,058,865.50                   |
| Revenue that are not available to pay current period expenditures are deferred in the funds.  |                         |                                |
|   |                         | 3,514,668.17                   |
| Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.     |                         |                                |
| Compensated absences payable  | \$ (13,330,744.15)      |                                |
| Claims and judgments payable  | (22,500,000.00)         |                                |
| Claims incurred but not reported (IBNR)   | <u>(14,797,539.00)</u>  | <u>(50,628,283.15)</u>         |
| Net position of governmental activities (Exhibit "A")   | \$                      | <u><u>1,012,705,756.91</u></u> |

DEKALB COUNTY BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024

EXHIBIT "E"

|                                       | GENERAL<br>FUND          | CAPITAL<br>PROJECTS<br>FUND | DEBT<br>SERVICE<br>FUND | TOTAL                      |
|---------------------------------------|--------------------------|-----------------------------|-------------------------|----------------------------|
| <u>REVENUES</u>                       |                          |                             |                         |                            |
| Property Taxes                        | \$ 882,819,241.33        | \$ -                        | \$ -                    | \$ 882,819,241.33          |
| Sales Taxes                           | 12,936,930.42            | 150,986,248.40              | -                       | 163,923,178.82             |
| State Funds                           | 562,557,339.72           | 1,117,376.29                | -                       | 563,674,716.01             |
| Federal Funds                         | 269,871,280.67           | 432,690.02                  | -                       | 270,303,970.69             |
| Charges for Services                  | 4,118,922.32             | -                           | -                       | 4,118,922.32               |
| Investment Earnings                   | 23,621,148.81            | 29,584,457.01               | -                       | 53,205,605.82              |
| Miscellaneous                         | 25,444,012.48            | 1,254.68                    | -                       | 25,445,267.16              |
| Total Revenues                        | <u>1,781,368,875.75</u>  | <u>182,122,026.40</u>       | <u>-</u>                | <u>1,963,490,902.15</u>    |
| <u>EXPENDITURES</u>                   |                          |                             |                         |                            |
| Current                               |                          |                             |                         |                            |
| Instruction                           | 965,950,820.82           | 1,112,330.60                | -                       | 967,063,151.42             |
| Support Services                      |                          |                             |                         |                            |
| Pupil Services                        | 119,637,499.69           | -                           | -                       | 119,637,499.69             |
| Improvement of Instructional Services | 52,370,489.20            | 2,173,429.08                | -                       | 54,543,918.28              |
| Educational Media Services            | 17,685,474.59            | -                           | -                       | 17,685,474.59              |
| General Administration                | 55,249,915.34            | -                           | -                       | 55,249,915.34              |
| School Administration                 | 80,066,618.96            | -                           | -                       | 80,066,618.96              |
| Business Administration               | 17,564,023.56            | -                           | -                       | 17,564,023.56              |
| Maintenance and Operation of Plant    | 169,104,856.05           | 782,736.43                  | -                       | 169,887,592.48             |
| Student Transportation Services       | 80,402,392.40            | -                           | -                       | 80,402,392.40              |
| Central Support Services              | 36,324,158.24            | 3,410,179.64                | -                       | 39,734,337.88              |
| Other Support Services                | 1,805,540.55             | -                           | -                       | 1,805,540.55               |
| Enterprise Operations                 | 6,443,489.86             | -                           | -                       | 6,443,489.86               |
| Food Services Operation               | 65,279,933.03            | -                           | -                       | 65,279,933.03              |
| Capital Outlay                        | 38,651,757.30            | 91,159,585.25               | -                       | 129,811,342.55             |
| Debt Services                         |                          |                             |                         |                            |
| Principal                             | -                        | 5,690,000.00                | -                       | 5,690,000.00               |
| Interest                              | -                        | 120,912.50                  | -                       | 120,912.50                 |
| Total Expenditures                    | <u>1,706,536,969.59</u>  | <u>104,449,173.50</u>       | <u>-</u>                | <u>1,810,986,143.09</u>    |
| Revenues over (under) Expenditures    | <u>74,831,906.16</u>     | <u>77,672,852.90</u>        | <u>-</u>                | <u>152,504,759.06</u>      |
| <u>OTHER FINANCING SOURCES (USES)</u> |                          |                             |                         |                            |
| Sale of Capital Assets                | 214,735.20               | -                           | -                       | 214,735.20                 |
| Transfers In                          | -                        | 47,604.51                   | -                       | 47,604.51                  |
| Transfers Out                         | -                        | -                           | (47,604.51)             | (47,604.51)                |
| Total Other Financing Sources (Uses)  | <u>214,735.20</u>        | <u>47,604.51</u>            | <u>(47,604.51)</u>      | <u>214,735.20</u>          |
| Net Change in Fund Balances           | 75,046,641.36            | 77,720,457.41               | (47,604.51)             | 152,719,494.26             |
| Fund Balances - Beginning             | <u>445,733,119.00</u>    | <u>504,259,888.16</u>       | <u>47,604.51</u>        | <u>950,040,611.67</u>      |
| Fund Balances - Ending                | <u>\$ 520,779,760.36</u> | <u>\$ 581,980,345.57</u>    | <u>\$ -</u>             | <u>\$ 1,102,760,105.93</u> |

DEKALB COUNTY BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
JUNE 30, 2024

EXHIBIT "F"

|   |                        |                              |
|---|------------------------|------------------------------|
| Net change in fund balances total governmental funds (Exhibit "E")  | \$                     | 152,719,494.26               |
| Amounts reported for governmental activities in the Statement of Activities are different because:  |                        |                              |
| <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation/amortization expense.</p>  |                        |                              |
| Capital outlay  | \$ 129,862,967.59      |                              |
| Depreciation/Amortization   | <u>(56,002,973.83)</u> | 73,859,993.76                |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position.   |                        | (159,599.75)                 |
| Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.  |                        | 16,225,733.88                |
| Taxes deferred in the funds in the prior year but recognized as revenue in the current year.  |                        | (13,901,037.61)              |
| Federal revenue reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.  |                        | 3,514,668.17                 |
| Georgia State Financing and Investment Commission grants reported in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.  |                        | 8,058,865.50                 |
| <p>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. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.</p> |                        |                              |
| Qualified School Construction Bonds payment   |                        | 5,690,000.00                 |
| <p>District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.</p>                                 |                        |                              |
| Pension expense   | \$ (106,065,694.90)    |                              |
| OPEB expense  | <u>50,525,043.27</u>   | (55,540,651.63)              |
| <p>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 governmental funds.</p>   |                        |                              |
| Accrued interest on issuance of bonds   | \$ 100,760.00          |                              |
| Compensated absences  | (4,705,819.97)         |                              |
| Claims incurred but not reported IBNR   | (867,532.00)           |                              |
| Claims and judgments  | <u>22,500,000.00</u>   | <u>17,027,408.03</u>         |
| Change in net position of governmental activities (Exhibit "B")   | \$                     | <u><u>207,494,874.61</u></u> |

**NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY**

**Reporting Entity**

The DeKalb County Board of Education (School District) was established under the laws of the State of Georgia and operates under the guidance of a board comprised of seven members elected by the voters and a Superintendent appointed by the Board. The School District is composed of a diverse combination of numerous locations that consist of administrative offices, traditional schools, and non-traditional charter schools. The School District is organized as a separate legal entity and has the power to levy taxes and issue bonds. Its budget is not subject to approval by any other entity. Accordingly, the School District is a primary government and consists of all the organizations that compose its legal entity.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the School District 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 District's accounting policies are described below.

**Basis of Presentation**

The School District's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements and notes to the basic financial statements. The government-wide statements focus on the School District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the information's usefulness.

***Government-Wide Statements:***

The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall School District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Net Position presents the School District's assets, deferred outflows of resources, deferred inflows of resources and liabilities, with the difference reported as net position. Net position is reported in three categories as follows:

1. **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.
2. **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.
3. **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 District'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 District related to the administration and support of the School District'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, including all taxes, are presented as general revenues.

### ***Fund Financial Statements***

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

The School District reports the following major governmental funds:

- The general fund is the School District's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.
- The capital projects fund accounts for and reports financial resources including Education Special Purpose Local Option Sales Tax (ESPLOST) and grants from Georgia State Financing and Investment Commission that are restricted, committed or assigned for capital outlay expenditures, including the acquisition or construction of capital facilities and other capital assets.
- The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned including taxes (sales) legally restricted for the payment of general long-term principal and interest.

### **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. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The School District 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 District considers certain revenues reported in the governmental funds to be available if they are collected within 60 days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds.

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

### **New Accounting Pronouncements**

In fiscal year 2024, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The adoption of this statement did not have a material impact on the School District's financial statements. This statement will be applied prospectively.

### **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, demand deposits, investments in the State of Georgia local government investment pool (Georgia Fund 1) 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 District to deposit its funds in one or more solvent banks, insured Federal savings and loan associations or insured chartered building and loan associations.

### **Receivables**

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on Federal, State or other grants for expenditures made but not reimbursed and other receivables disclosed from information available. 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.

Due to other funds and due from other funds consist of activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year.

## Inventories

### ***Consumable Supplies***

On the basic financial statements, consumable supplies are reported at cost (first-in, first-out). The School District uses the consumption method to account for the consumable supplies inventory whereby an asset is recorded when supplies are purchased, and expenses are recorded at the time the supplies are consumed.

### ***Food Inventories***

On the basic financial statements, inventories of donated food commodities used in the preparation of meals are reported at their Federally assigned value and purchased foods inventories are reported at cost (calculated on the first-in, first-out basis). The School District uses the consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received, and expenses/expenditures are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

## Capital Assets

On the government-wide financial statements, capital assets are recorded at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist. Donated capital assets are recorded at the acquisition value on the date donated. 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 is not capitalized. The School District does not capitalize book collections or works of art.

Capital acquisition and construction are recorded as expenditures in the governmental fund financial statements at the time of purchase (including ancillary charges), and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements.

Depreciation is computed using the straight-line for all assets, except land, and is used to allocate the actual or estimated historical cost of capital assets over estimated useful lives.

Amortization of intangible assets such as water, timber and mineral rights, easements, patents, trademarks, copyrights, and internally generated software is computed using the straight-line method over the estimated useful lives of the assets.

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

|                                     | <u>Capitalization<br/>Policy</u> | <u>Estimated<br/>Useful Life</u> |
|-------------------------------------|----------------------------------|----------------------------------|
| Land                                | All                              | N/A                              |
| Land Improvements                   | \$ 100,000.00                    | 20 to 40 years                   |
| Buildings and Improvements          | \$ 100,000.00                    | Up to 80 years                   |
| Equipment                           |                                  |                                  |
| Outdoor Equipment                   | \$ 5,000.00                      | 15 to 20 years                   |
| Vehicles                            | \$ 5,000.00                      | 8 to 20 years                    |
| Kitchen Equipment                   | \$ 5,000.00                      | 15 years                         |
| Computer Hardware                   | \$ 5,000.00                      | 5 years                          |
| Miscellaneous Equipment             | \$ 5,000.00                      | 2 to 20 years                    |
| Buses                               | \$ 5,000.00                      | 15 to 20 years                   |
| Intangible Assets - Software        | \$ 1,000,000.00                  | 5 to 10 years                    |
| Intangible Assets - Other           | \$ 100,000.00                    | 20 years                         |
| Bulk Purchases of Small Value Items | \$ 1,000,000.00                  | 3 to 25 years                    |

During the fiscal year, management amended its capital asset policy to incorporate bulk purchases. Under the revised policy, bulk purchases of various small value items with an aggregate cost of \$1,000,000.00 or more are now capitalized and depreciated over a useful life of 3 to 25. This change in the capital asset policy did not have a material impact on the financial statements.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position 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.

In addition to liabilities, the statement of financial position 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.

**Compensated Absences**

Compensated absences payable consists of vacation leave employees earned based on services already rendered.

Vacation leave of 10 to 20 days is awarded to all full-time personnel employed on a twelve-month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next calendar year, providing such vacation leave does not exceed 50 days. Upon terminating employment, the School District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal-year end.

Members of the Teachers Retirement System of Georgia (TRS) may apply unused sick leave toward early retirement. The liability for early retirement will be borne by TRS rather than by the individual School Districts. Otherwise, sick leave does not vest with the employee, and no liability is reported in the School District's financial statements.

### Long-Term Liabilities

In the School District's government-wide financial statements, outstanding debt is reported as liabilities.

In the governmental fund financial statements, the School District recognizes the proceeds of debt as other financing sources of the current period.

### 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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

### Post-Employment Benefits Other Than Pensions (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 Post-Employment Benefit Fund (School OPEB Fund) and additions to/deductions from School OPEB Fund fiduciary net position have been determined on the same basis as they are reported by 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.

### Fund Balances

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

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

**Nonspendable** consists of resources that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** consists of resources that can be used only for specific purposes pursuant constraints either (1) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

**Committed** consists of resources that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. The Board is the School District's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board. Committed fund balance also should incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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**Assigned** consists of resources constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. The intent should be expressed by (1) the Board or (2) the budget or finance committee, or the Superintendent, or designee, to assign amounts to be used for specific purposes.

**Unassigned** consists of resources within the general fund not meeting the definition of any aforementioned category. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

### 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### Property Taxes

The DeKalb County Board of Commissioners adopted the property tax levy for the 2023 tax digest year (calendar year) on July 27, 2023 (levy date) based on property values as of January 1, 2023. Taxes were due on November 15, 2023 (lien date) and could be paid in two installments on October 2, 2023 and November 15, 2023 (due dates). Taxes collected within the current fiscal year or within 60 days after year-end on the 2023 tax digest are reported as revenue in the governmental funds for fiscal year 2024. The DeKalb County Tax Commissioner bills and collects the property taxes for the School District, withholds 1.25% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2024, for maintenance and operations amounted to \$846,413,069.11.

The tax millage rate levied for the 2023 tax digest year (calendar year) for the School District was as follows (a mill equals \$1 per thousand dollars of assessed value):

|                   |                    |
|-------------------|--------------------|
| School Operations | <u>22.98</u> mills |
|-------------------|--------------------|

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$36,406,172.22 during fiscal year ended June 30, 2024.

### Sales Taxes

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to \$150,986,248.40 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

### NOTE 3: BUDGETARY DATA

The budget is a complete financial plan for the School District'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, 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 function 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 District'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 District'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.

The Superintendent is authorized by the Board to approve adjustments of no more than 10% of the amount budgeted for expenditures in any budget function for any fund. The Superintendent shall report any such adjustments to the Board. If expenditure of funds in any budget function for any fund is anticipated to be more than 10% of the budgeted amount, the Superintendent shall request Board approval for the budget amendment. Under no circumstance is the Superintendent or other staff person authorized to spend funds that exceed the total budget without approval by the Board.

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.

#### **NOTE 4: DEPOSITS AND CASH EQUIVALENTS**

##### **Collateralization of Deposits**

O.C.G.A. §45-8-12 provides that there shall not be on 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% of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. §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% 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,

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- (6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and
- (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 or securities guaranteed 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.

**Categorization of Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2024, the School District had deposits with a carrying amount of \$173,157,914.25 and a bank balance of \$192,573,626.89. The bank balance insured by Federal depository insurance were \$500,000.00.

At June 30, 2024, \$192,073,626.89 of the School District's bank balances were exposed to custodial credit risk. This balance was in the State's Secure Deposit Program (SDP).

The School District participates in the State's Secure Deposit Program (SDP), a multi-bank pledging pool. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The Georgia Office of State Treasurer (OST) sets the collateral requirements and pledging level for each covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to secure covered deposits: 25%, 50%, 75%, and 110%. The SDP also provides for collateral levels to be increased in the amount of up to 125% if economic or financial conditions warrants. The program lists the types of eligible criteria. The OST approves authorized custodians.

In accordance with the SDP, if a covered depository defaults, losses to public depositors are first satisfied with any applicable insurance, followed by demands of payment under any letters of credit or sale of the covered depository collateral. If necessary, any remaining losses are to be satisfied by assessments made against the other participating covered depositories. Therefore, for disclosure purposes, all deposits of the SDP are considered to be fully collateralized.

Reconciliation of cash and cash equivalents balances to carrying value of deposits:

|  |                          |
|--|--------------------------|
| Cash and cash equivalents                              |                          |
| Statement of Net Position                              | \$ 1,223,452,190.26      |
| Less:  |                          |
| Cash on hand   | 12,055.00                |
| Investment pools reported as cash and cash equivalents |                          |
| Georgia Fund 1   | <u>1,050,282,221.01</u>  |
| Total carrying value of deposits - June 30, 2024       | <u>\$ 173,157,914.25</u> |

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**Categorization of Cash Equivalents**

The School District reported cash equivalents of \$1,050,282,221.01 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per share, which approximates fair value. The pool is an AA+ rated investment pool by Fitch. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2024 was 33 days.

Georgia Fund 1, administered by the State of Georgia, Office of the State Treasurer, is not required to be categorized since the School District did not own any specific identifiable securities in the pool. The investment policy of the State of Georgia, Office of the State Treasurer for the Georgia Fund 1, does not provide for investment in derivatives or similar investments. Additional information on the Georgia Fund 1 is disclosed in the State of Georgia Annual Comprehensive Financial Report, which is publicly available at <https://sao.georgia.gov/statewide-reporting/acfr>.

**NOTE 5: CAPITAL ASSETS**

The following is a summary of changes in the capital assets for governmental activities during the fiscal year:

|                                  | Balances<br>July 1, 2023 | Increases        | Decreases       | Transfers       | Balances<br>June 30, 2024 |
|----------------------------------|--------------------------|------------------|-----------------|-----------------|---------------------------|
| Governmental Activities          |                          |                  |                 |                 |                           |
| Capital Assets,                  |                          |                  |                 |                 |                           |
| Not Being Depreciated:           |                          |                  |                 |                 |                           |
| Land                             | \$ 71,178,767.96         | \$ -             | \$ -            | \$ -            | \$ 71,178,767.96          |
| Construction in Progress         | 60,165,504.90            | 128,342,419.43   | 7,941,979.21    | (52,581,500.38) | 127,984,444.74            |
| Total Capital Assets             |                          |                  |                 |                 |                           |
| Not Being Depreciated            | 131,344,272.86           | 128,342,419.43   | 7,941,979.21    | (52,581,500.38) | 199,163,212.70            |
| Capital Assets,                  |                          |                  |                 |                 |                           |
| Being Depreciated/Amortized:     |                          |                  |                 |                 |                           |
| Buildings and Improvements       | 2,057,240,562.59         | -                | -               | 46,492,377.28   | 2,103,732,939.87          |
| Equipment                        | 160,422,519.00           | 9,462,527.37     | 2,766,916.19    | 3,328,976.60    | 170,447,106.78            |
| Land Improvements                | 57,432,619.27            | -                | 687,691.60      | 2,760,146.50    | 59,505,074.17             |
| Intangible Assets                | 6,079,639.78             | -                | -               | -               | 6,079,639.78              |
| Less Accumulated                 |                          |                  |                 |                 |                           |
| Depreciation/Amortization:       |                          |                  |                 |                 |                           |
| Buildings and Improvements       | 666,152,983.09           | 38,474,613.62    | -               | -               | 704,627,596.71            |
| Equipment                        | 86,865,678.21            | 14,962,764.40    | 2,710,470.18    | -               | 99,117,972.43             |
| Land Improvements                | 18,373,357.07            | 2,238,633.16     | 584,537.86      | -               | 20,027,452.37             |
| Intangible Assets                | 2,646,531.93             | 326,962.65       | -               | -               | 2,973,494.58              |
| Total Capital Assets,            |                          |                  |                 |                 |                           |
| Being Depreciated/Amortized, Net | 1,507,136,790.34         | (46,540,446.46)  | 159,599.75      | 52,581,500.38   | 1,513,018,244.51          |
| Governmental Activities          |                          |                  |                 |                 |                           |
| Capital Assets - Net             | \$ 1,638,481,063.20      | \$ 81,801,972.97 | \$ 8,101,578.96 | \$ -            | \$ 1,712,181,457.21       |

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Current year depreciation and amortization expense by function is as follows:

|  |    |               |
|--|----|---------------|
| Instruction                            | \$ | 44,244,429.98 |
| Support Services                       |    |               |
| Pupil Services                         | \$ | 456,055.83    |
| Improvements of Instructional Services |    | 753,517.42    |
| Educational Media Services             |    | 245,414.55    |
| General Administration                 |    | 8,459.96      |
| School Administration                  |    | 6,801.79      |
| Business Administration                |    | 3,274.73      |
| Maintenance and Operation of Plant     |    | 4,066,446.74  |
| Student Transportation Services        |    | 4,989,353.64  |
| Central Support Services               |    | 741,548.36    |
|  |    | 11,270,873.02 |
| Food Services                          |    | 487,670.83    |
|  | \$ | 56,002,973.83 |

**NOTE 6: INTERFUND ASSETS, LIABILITIES, AND TRANSFERS**

**Interfund Assets and Liabilities**

Due to and due from other funds are recorded for interfund receivables and payables which arise from interfund transactions. Interfund balances at June 30, 2024, consisted of the following:

|                       | Due From<br>Other Funds |    | Due To<br>Other Funds |
|-----------------------|-------------------------|----|-----------------------|
|                       |                         |    |                       |
| General Fund          | \$ 5,036,811.57         | \$ | -                     |
| Capital Projects Fund | -                       |    | 5,036,811.57          |
|                       | \$ 5,036,811.57         | \$ | 5,036,811.57          |

Interfund receivables and payables are used to track expenditures reclassified from the general fund to the capital projects fund for which the general fund has not received reimbursement.

**Interfund Transfers**

Interfund transfers for the year ended June 30, 2024, consisted of the following:

|                       |    | Transfers From<br>Debt Service<br>Fund |
|-----------------------|----|--|
| Transfers to          |    | Fund                                   |
| Capital Projects Fund | \$ | 47,604.51                              |

Transfers are used to move the remaining fund balance in the debt service fund back to the capital projects fund after all general obligation bond debt has been satisfied.

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**NOTE 7: LONG-TERM LIABILITIES**

The changes in long-term liabilities during the fiscal year for governmental activities were as follows:

|                                     | Governmental Activities |                        |                         |                          |                         |
|-------------------------------------|-------------------------|------------------------|-------------------------|--------------------------|-------------------------|
|                                     | Balance<br>July 1, 2023 | Additions              | Deductions              | Balance<br>June 30, 2024 | Due Within One<br>Year  |
| Qualified School Construction Bonds | \$ 5,690,000.00         | \$ -                   | \$ 5,690,000.00         | \$ -                     | \$ -                    |
| Claims and Judgments                | 45,000,000.00           | -                      | 22,500,000.00           | 22,500,000.00            | 22,500,000.00           |
| Compensated Absences(1)             | 8,624,924.18            | 8,503,238.32           | 3,797,418.35            | 13,330,744.15            | -                       |
|                                     | <u>\$ 59,314,924.18</u> | <u>\$ 8,503,238.32</u> | <u>\$ 31,987,418.35</u> | <u>\$ 35,830,744.15</u>  | <u>\$ 22,500,000.00</u> |

(1) The portion of compensated absences due within one year has been determined to be immaterial to the basic financial statements.

**Qualified School Construction Bonds (QSCB)**

On May 1, 2011, the School District entered into an agreement with the Georgia Municipal Association, Inc., for the purchase of a replacement high school. The Georgia Municipal Association, Inc. sold \$57,770,000.00 in Qualified School Construction Taxable Certificates of Participation Bonds (QSCB) and \$5,690,000.00 in Certificates of Participation Tax-Exempt Bonds to fund the construction of the new school. The agreement with Georgia Municipal Association, Inc. provides that the School District owns the high school and is responsible for the payment of principal and interest on the Certificate of Participation and QSCB.

Section 1521 of the American Recovery and Reinvestment Act (ARRA) of 2009 provides for a source of capital at no or at nominal interest rates for costs incurred by School Districts in connection with the construction, rehabilitation or repair of a public-school facility or for the acquisition of land where a school will be built. Investors receive Federal income tax credits at prescribed tax credit rates in lieu of interest, which essentially allows School Districts to borrow without incurring interest costs.

When the stated interest rate on the QSCB results in interest payments that exceed the supplemental interest payments discussed in the preceding paragraph, the School District may apply for a direct cash subsidy payment from the U.S. Treasury which is intended to reduce the stated interest rate to a nominal percentage. To qualify for this subsidy the School District is required to periodically file appropriate documents with the Internal Revenue Service. These subsidy payments do not include the amount of any supplemental interest paid on a QSCB. The School District did not receive an interest subsidy in fiscal year 2024 to offset any of the \$120,912.50 of interest expense due on the QSCB.

There is no debt currently outstanding under Qualified School Construction Bonds.

**Claims and Judgements**

On June 9, 2020, the School District Board voted to approve the settlement of the Gold lawsuit, for a breach of contract for \$117,500,000.00. The settlement, to be paid out by the School District to the Settlement Administrator over a five-year period is recorded as a long-term liability on the Statement of Net Position.

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The following is a schedule of annual settlement payments:

| Fiscal Year Ended June 30: | Settlement<br>Payments  |
|----------------------------|-------------------------|
| 2025                       | \$ <u>22,500,000.00</u> |

**Compensated Absences**

Compensated absences represent obligations of the School District relating to employees' 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. Typically, the general fund is the fund used to liquidate this long-term debt. The School District uses the vesting method to compute compensated absences.

**NOTE 8: RISK MANAGEMENT**

**Insurance**

***Commercial Insurance***

The School District 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 natural disasters. Except as described below, the School District carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceed commercial insurance coverage in any of the past three fiscal years.

The School District has elected to self-insure for errors or omissions, which includes, among other risks, risks for sexual harassment and discrimination.

**Workers' Compensation**

The School District has established a limited risk management program for workers' compensation claims. The School District accounts for claims within the general fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$1,500,000.00 loss per occurrence, up to the statutory limit.

Changes in the workers' compensation claims liability during the last two fiscal years are as follows:

|      | Beginning<br>of Year<br>Liability | Claims and<br>Changes in<br>Estimates | Claims<br>Paid         | End of Year<br>Liability |
|------|-----------------------------------|---------------------------------------|------------------------|--------------------------|
| 2023 | \$ <u>8,138,466.00</u>            | \$ <u>13,498,109.00</u>               | \$ <u>7,706,568.00</u> | \$ <u>13,930,007.00</u>  |
| 2024 | \$ <u>13,930,007.00</u>           | \$ <u>10,745,147.00</u>               | \$ <u>9,877,615.00</u> | \$ <u>14,797,539.00</u>  |

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**Unemployment Compensation**

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the general fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

Changes in the unemployment compensation claims liability during the last two fiscal years are as follows:

|      |    | <u>Beginning<br/>of Year<br/>Liability</u> | <u>Claims and<br/>Changes in<br/>Estimates</u> | <u>Claims<br/>Paid</u> | <u>End of Year<br/>Liability</u> |
|------|----|--|--|------------------------|----------------------------------|
| 2023 | \$ | -  | \$ 63,441.47                                   | \$ 63,441.47           | \$ -                             |
| 2024 | \$ | -  | \$ 23,972.04                                   | \$ 23,972.04           | \$ -                             |

**Surety Bond**

The School District purchased a surety bond to provide additional insurance coverage as follows:

| <u>Position Covered</u> | <u>Amount</u> |
|-------------------------|---------------|
| Superintendent          | \$ 25,000.00  |

**NOTE 9: FUND BALANCE CLASSIFICATION DETAILS**

The School District's financial statements include the following amounts presented in the aggregate at June 30, 2024:

|                                  |    |                         |
|----------------------------------|----|-------------------------|
| Nonspendable                     |    |                         |
| Inventories                      | \$ | 1,588,663.88            |
| Restricted                       |    |                         |
| Continuation of Federal Programs | \$ | 27,774,096.20           |
| Capital Projects                 |    | <u>555,552,072.46</u>   |
|                                  |    | 583,326,168.66          |
| Assigned                         |    |                         |
| After School Program             | \$ | 3,431,721.96            |
| Local Capital Outlay Projects    |    | 26,428,273.11           |
| School Activity Accounts         |    | <u>5,485,921.70</u>     |
|                                  |    | 35,345,916.77           |
| Unassigned                       |    | <u>482,499,356.62</u>   |
| <br>                             |    |                         |
| Fund Balance, June 30, 2024      | \$ | <u>1,102,760,105.93</u> |

When multiple categories of fund balance are available for an expenditure, the School District will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

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It is the goal of the School District to achieve and maintain a committed, assigned, and unassigned fund balance in the general fund at fiscal year-end of not less than 15% of the total budget of the subsequent fiscal year. If the unassigned fund balance at fiscal year-end falls below the goal, the School District shall develop a restoration plan to achieve and maintain the minimum fund balance.

**NOTE 10: SIGNIFICANT COMMITMENTS**

**Commitments under Construction Contracts**

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2024, together with funding available:

| Project   | Unearned<br>Executed<br>Contracts (1) | Payments<br>through<br>June 30, 2024 (2) | Funding<br>Available<br>From State (1) |
|---|---------------------------------------|--|--|
| Green Forrest Drive Facility                                    | \$ 2,770,411.00                       | \$ 2,136,089.00                          | \$ -                                   |
| Cross Keys High School Addition and Modernization               | 46,868,661.58                         | 3,010,610.17                             | -                                      |
| New Sequoyah Middle and High School                             | 92,471,855.00                         | 3,859,400.00                             | -                                      |
| New Dresden Elementary School                                   | 70,918,420.20                         | 3,685,353.80                             | -                                      |
| Henderson Mill Elementary School 21-644-009                     | 2,999,322.28                          | 4,975,978.82                             | 1,024,648.20                           |
| Nancy Creek Facility 22-644-003                                 | 12,069,123.22                         | 773,940.78                               | -                                      |
| Midvale Elementary School 23-644-001                            | 2,415,710.85                          | 7,244,721.15                             | 243,936.00                             |
| Briar Vista Elementary School 22-644-009                        | 1,355,718.00                          | 2,818,232.00                             | 492,576.30                             |
| Champion Middle School Major Building System Replacement        | 22,292,129.90                         | 951,675.10                               | -                                      |
| DeKalb High School Tech South Major Building System Replacement | 3,554,895.10                          | 6,636,526.90                             | -                                      |
| Laurel Ridge Elementary School 22-644-020                       | 1,444,962.28                          | 7,573,839.72                             | 731,162.70                             |
| Woodridge Elementary School 22-644-014                          | 1,945,381.48                          | 7,072,030.52                             | 780,996.60                             |
| Chestnut Elementary School 22-644-005                           | 1,826,550.09                          | 6,334,599.91                             | 568,224.00                             |
| Redan Middle School HVAC, Roof and Sprinkler Installation       | 3,124,354.47                          | 2,494,357.48                             | -                                      |
| Fairington Elementary School 21-644-008                         | 2,081,059.87                          | 2,627,752.28                             | 321,467.40                             |
| Hawthorne Elementary School 22-644-013                          | 3,890,347.31                          | 5,735,375.69                             | 375,888.60                             |
| Salem Middle School 21-644-004                                  | 3,566,480.10                          | 6,170,657.56                             | 1,863,480.60                           |
| Idlewood HVAC Replacement and Renovation                        | 1,100,000.00                          | 150,000.00                               | -                                      |
| Chapel Hill Middle School Roof and HVAC Replacement             | 6,740,707.68                          | 2,973,405.32                             | -                                      |
| Stephenson Middle School Roof Replacement                       | 5,434,454.85                          | 5,351,908.15                             | -                                      |
| Tucker Middle School HVAC Replacement                           | 2,830,306.77                          | 9,194,570.23                             | -                                      |
| Druid Hills Middle School Roof and HVAC Replacement             | 6,421,349.35                          | 3,532,601.65                             | -                                      |
| Columbia Elementary School Roof and HVAC Replacement            | 4,130,169.50                          | 1,582,244.50                             | -                                      |
| Briarlake Elementary School HVAC Replacement                    | 4,288,152.14                          | 2,871,791.86                             | -                                      |
| Montclair Elementary School HVAC Replacement                    | 3,681,264.88                          | 3,074,896.12                             | -                                      |
| Early Learning Center HVAC Replacement                          | 1,767,410.42                          | 5,062,881.58                             | -                                      |
|   | <u>\$ 311,989,198.32</u>              | <u>\$ 107,895,440.29</u>                 | <u>\$ 6,402,380.40</u>                 |

(1) The amounts described are not reflected in the basic financial statements.

(2) Payments include contracts and retainages payable at year end.

## **NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES**

### **Federal Grants**

Amounts received or receivable principally from the Federal government are subject to audit and review by grantor agencies. This could result in requests for reimbursement to the grantor agency for any costs which are disallowed under grant terms. Any disallowances resulting from the grantor audit may become a liability of the School District. However, the School District believes that such disallowances, if any, will be immaterial to its overall financial position.

### **Litigation**

The School District is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine School District operations. The ultimate disposition of these proceedings is not presently determinable but is not believed to have a material adverse effect on the financial condition of the School District.

## **NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

### **Georgia School Personnel Post-Employment Health Benefit Fund**

**Plan Description:** Certified teachers and non-certified public school employees of the School 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 post-employment healthcare plan, reported as an employee trust fund and administered by a Board of Community Health (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 Board.

**Benefits Provided:** 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, 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 to the School OPEB Fund from the School District were \$22,449,217.27 for the year ended June 30, 2024. 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, 2024, the School District reported a liability of \$612,766,195.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2022.

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An expected total OPEB liability as of June 30, 2023 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2023. At June 30, 2023, the School District's proportion was 5.594295%, which was a decrease of 0.326997% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized OPEB expense of (\$28,075,826.00). At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | OPEB                                 |                                     |
|--|--------------------------------------|-------------------------------------|
|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Differences between expected and actual experience   | \$ 17,861,120.00                     | \$ 175,993,650.00                   |
| Changes of assumptions   | 111,327,571.00                       | 76,525,202.00                       |
| Net difference between projected and actual earnings on OPEB plan investments  | 367,630.00                           | -                                   |
| Changes in proportion and differences between School District contributions and proportionate share of contributions | 3,247,639.00                         | 71,219,431.00                       |
| School District contributions subsequent to the measurement date   | 22,449,217.27                        | -                                   |
| Total  | \$ 155,253,177.27                    | \$ 323,738,283.00                   |

School District contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended June 30: | OPEB               |
|---------------------|--------------------|
| 2025                | \$ (56,167,909.00) |
| 2026                | \$ (46,352,333.00) |
| 2027                | \$ (53,646,738.00) |
| 2028                | \$ (30,514,060.00) |
| 2029                | \$ (4,212,215.00)  |
| Thereafter          | \$ (41,068.00)     |

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**Actuarial Assumptions:** The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022 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, 2023:

**OPEB:**

|                                   |  |
|-----------------------------------|--|
| Inflation                         | 2.50%  |
| Salary increases                  | 3.00% – 8.75%, including inflation   |
| Long-term expected rate of return | 7.00%, compounded annually, net of investment expense, and including inflation |
| Healthcare cost trend rate        | 7.00%  |
| Ultimate trend rate               | 4.50%  |
| Year of Ultimate trend rate       | 2032   |

The Plan currently uses mortality tables that vary by age, gender, and health status (i.e. disabled or not disabled) as follows:

- For TRS members: 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% 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.
- 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. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 101% for males and 103% for females) with the MP-2019 Projection scale applied generationally. Post-retirement 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. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjust 104% for males and 99% for females) with the MP-2019 Project scale applied generationally.

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The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2018, with the exception of the assumed annual rate of inflation which 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, 2022 valuation were based on a review of recent plan experience done concurrently with the June 30, 2022 valuation.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer 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.

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<br>Real Rate of Return* |
|--------------|-------------------|--|
| Fixed income | 30.00%            | 1.50%                                      |
| Equities     | 70.00%            | 9.40%                                      |
| Total        | 100.00%           |  |

\* Net of inflation

**Discount Rate:** In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.68% was used as the discount rate, as compared with last year's rate of 3.57%. The plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate as used for the long-term rate of return was applied to all periods of projected benefit payments to determine total OPEB liability. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation bonds with an average rating of AA or higher (3.65% 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 employers 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 2128.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate:** The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 3.68%, as well as what the School 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 (2.68%) or 1-percentage-point higher (4.68%) than the current discount rate:

|   | 1% Decrease<br>(2.68%) | Current Discount Rate<br>(3.68%) | 1% Increase<br>(4.68%) |
|---|------------------------|----------------------------------|------------------------|
| School District's proportionate share of the Net OPEB liability | \$ 694,598,753.00      | \$ 612,766,195.00                | \$ 543,845,883.00      |

**Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates:** The following presents the School District's proportionate share of the net OPEB liability, as well as what the School 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 healthcare cost trend rates:

|   | 1% Decrease       | Current Healthcare Cost<br>Trend Rate | 1% Increase       |
|---|-------------------|---------------------------------------|-------------------|
| School District's proportionate share of the Net OPEB liability | \$ 527,816,837.00 | \$ 612,766,195.00                     | \$ 717,490,444.00 |

**OPEB Plan Fiduciary Net Position:** Detailed information about the OPEB plan's fiduciary net position is available in the Annual Comprehensive Financial Report, which is publicly available at <https://sao.georgia.gov/statewide-reporting/acfr>.

**NOTE 13: RETIREMENT PLANS**

The School District participates in various retirement plans administered by the State of Georgia, as further explained below.

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

**Plan Description:** All teachers of the School District as defined in O.C.G.A. §47-3-60 and certain other support personnel as defined by O.C.G.A. §47-3-63 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. The Teachers Retirement System of Georgia issues a publicly available separate financial report that can be obtained at [www.trsga.com/publications](http://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. Pursuant to O.C.G.A. §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 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 2024. The School District's contractually required contribution rate for the year ended June 30, 2024 was 19.98% of annual School District payroll, of which 19.95% of payroll was required from the School District and 0.03% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were \$145,665,061.74 and \$236,710.93 from the School District and the State, respectively.

### Employees' Retirement System

**Plan Description:** The Employees' Retirement System of Georgia (ERS) is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at [www.ers.ga.gov/financials](http://www.ers.ga.gov/financials).

**Benefits Provided:** The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

**Contributions:** Member contributions under the old plan are 4.00% of annual compensation, up to \$4,200.00, plus 6.00% of annual compensation in excess of \$4,200.00. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the

computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The School District's total required contribution rate for the year ended June 30, 2024 was 29.35% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. 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. Employer contributions to the pension plan were \$142,058.36 for the current fiscal year.

### **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 ERS 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/financials](http://www.ers.ga.gov/financials).

**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 \$16.00, 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.

**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. The current fiscal year contribution was \$1,963,334.00.

DEKALB COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2024

EXHIBIT "G"

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2024, the School District reported a liability of \$1,366,335,574.00 for its proportionate share of the net pension liability for TRS (\$1,365,090,913.00) and ERS (\$1,244,661.00).

The TRS net pension liability reflected a reduction for support provided to the School District by the State of Georgia for certain public school support personnel. The amount recognized by the School 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 School District were as follows:

|   |    |                  |
|---|----|------------------|
| School District's proportionate share of the net pension liability                                      | \$ | 1,365,090,913.00 |
| State of Georgia's proportionate share of the net pension liability associated with the School District |    | 1,661,627.00     |
| Total   | \$ | 1,366,752,540.00 |

The net pension liability for TRS and ERS was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2023.

At June 30, 2023, the School District's TRS proportion was 4.623619%, which was a decrease of 0.292027% from its proportion measured as of June 30, 2022. At June 30, 2023, the School District's ERS proportion was 0.020864%, which was a decrease of 0.005275% from its proportion measured as of June 30, 2022.

At June 30, 2024, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is \$10,029,737.00.

The PSERS net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2023.

For the year ended June 30, 2024, the School District recognized pension expense of \$252,018,665.00 for TRS, \$65,948.00 for ERS and \$1,810,220.00 for PSERS and revenue of \$211,798.00 for TRS and \$1,810,220.00 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

**DEKALB COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**EXHIBIT "G"**

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | TRS                                  |                                     | ERS                                  |                                     |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Differences between expected and actual experience   | \$ 69,317,481.00                     | \$ 5,644,190.00                     | \$ 18,907.00                         | \$ 2,917.00                         |
| Changes of assumptions   | 140,438,543.00                       | -                                   | 47,894.00                            | -                                   |
| Net difference between projected and actual earnings on pension plan   | 96,010,512.00                        | -                                   | 50,703.00                            | -                                   |
| Changes in proportion and differences between School District contributions and proportionate share of contributions | 1,948,192.00                         | 79,625,195.00                       | -                                    | 186,966.00                          |
| School District contributions subsequent to the measurement date   | 145,665,061.74                       | -                                   | 142,058.36                           | -                                   |
| <b>Total</b>   | <b>\$ 453,379,789.74</b>             | <b>\$ 85,269,385.00</b>             | <b>\$ 259,562.36</b>                 | <b>\$ 189,883.00</b>                |

The School District contributions subsequent to the measurement date for TRS and ERS 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, 2025. 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: | TRS                | ERS             |
|---------------------|--------------------|-----------------|
| 2025                | \$ 63,611,042.00   | \$ (111,684.00) |
| 2026                | \$ 31,683,648.00   | \$ (38,831.00)  |
| 2027                | \$ 167,227,480.00  | \$ 101,322.00   |
| 2028                | \$ (40,076,827.00) | \$ (23,186.00)  |

DEKALB COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2024

EXHIBIT "G"

**Actuarial Assumptions:** The total pension liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

**Teachers Retirement System:**

|                                   |  |
|-----------------------------------|--|
| Inflation                         | 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 increases | 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

**Employees' Retirement System:**

|                           |  |
|---------------------------|--|
| Inflation                 | 2.50%  |
| Salary increases          | 3.00% – 6.75%, including inflation                                 |
| Investment rate of return | 7.00%, net of pension plan investment expense, including inflation |
| Cost-of-living adjustment | 1.05%, annually  |

DEKALB COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2024

EXHIBIT "G"

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 post-retirement mortality assumptions as follows:

| <b><u>Participant Type</u></b> | <b><u>Membership Table</u></b> | <b><u>Set Forward (+)/ Setback (-)</u></b> | <b><u>Adjustment to Rates</u></b> |
|--------------------------------|--------------------------------|--|-----------------------------------|
| Service Retirees               | General Healthy Annuitant      | Male: +1; Female: +1                       | Male: 105%; Female: 108%          |
| Disability Retirees            | General Disabled               | Male: -3; Female: 0                        | Male: 103%; Female: 106%          |
| Beneficiaries                  | General Contingent Survivors   | Male: +2; Female: +2                       | Male: 106%; Female: 105%          |

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

***Public School Employees Retirement System:***

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

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 post-retirement mortality assumptions as follows:

| <b><u>Participant Type</u></b> | <b><u>Membership Table</u></b>            | <b><u>Set Forward (+)/ Setback (-)</u></b> | <b><u>Adjustment to Rates</u></b> |
|--------------------------------|---|--|-----------------------------------|
| 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

DEKALB COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2024

EXHIBIT "G"

The long-term expected rate of return on TRS, ERS and PSERS 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 allocation and estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class                           | TRS/ERS/PSERS<br>Target<br>Allocation | Long-Term<br>Expected Real<br>Rate of Return* |
|---------------------------------------|---------------------------------------|---|
| Fixed income                          | 30.00%                                | 0.90%   |
| Domestic large stocks                 | 46.30%                                | 9.40%   |
| Domestic small stocks                 | 1.20%                                 | 13.40%  |
| International developed market stocks | 12.30%                                | 9.40%   |
| International emerging market stocks  | 5.20%                                 | 11.40%  |
| Alternative                           | 5.00%                                 | 10.50%  |
| Total                                 | 100.00%                               |   |

\* Rates shown are net of inflation

**Discount Rate:** The discount rate used to measure the total TRS pension liability was 6.90%. The discount rate used to measure the total ERS and PSERS 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 TRS, ERS and PSERS pension plans' fiduciary net position were 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.

DEKALB COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2024

EXHIBIT "G"

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:** The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.90% and 7.00%, as well as what the School 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% and 6.00%) or 1-percentage-point higher (7.90% and 8.00%) than the current rate:

| <b>Teachers Retirement System:</b>                                 | 1% Decrease<br>(5.90%) | Current Discount Rate<br>(6.90%) | 1% Increase<br>(7.90%) |
|--|------------------------|----------------------------------|------------------------|
| School District's proportionate share of the net pension liability | \$ 2,158,367,537.00    | \$ 1,365,090,913.00              | \$ 717,273,759.00      |
| <b>Employees' Retirement System:</b>                               | 1% Decrease<br>(6.00%) | Current Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
| School District's proportionate share of the net pension liability | \$ 1,707,934.00        | \$ 1,244,661.00                  | \$ 854,801.00          |

**Pension Plan Fiduciary Net Position:** Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS, ERS and PSERS financial report which is publicly available at [www.trsga.com/publications](http://www.trsga.com/publications) and <http://www.ers.ga.gov/financials>.

**Defined Contribution Plan**

On July 11, 1983, DeKalb County Board of Education began an employer paid 403(b) annuity plan for the group of employees covered under the Public School Employees Retirement System (PSERS). Recognizing that PSERS was a limited defined contribution and defined benefit plan which did not provide for an adequate retirement for this group of employees, it was the Board's desire to supplement the retirement of this group.

The Board selected Fidelity Investments as the provider of this plan. For each employee covered under PSERS, the Board began contributing to the plan an amount equal to 8% of the employee's base pay. The employee becomes vested in the plan when the first contribution is made. Funds accumulated in the employer paid accounts become available to the employee upon retirement or when the employee reaches age 59½.

Employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

| Fiscal Year | Percentage Contributed | Required Contribution |
|-------------|------------------------|-----------------------|
| 2024        | 8%                     | \$ 5,214,912.75       |
| 2023        | 8%                     | \$ 4,680,792.76       |
| 2022        | 8%                     | \$ 4,072,085.40       |

**NOTE 14: TAX ABATEMENTS**

DeKalb County Development Authority enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to DeKalb County.

For the fiscal year ended June 30, 2024, DeKalb County abated property taxes due to the School District that were levied on July 27, 2023 and due on November 15, 2023 totaling \$14,886,513.31. Included in that amount abated is the following individual tax abatement agreement that exceeded 10 percent of the total amount abated:

- A 76 percent property tax abatement on residential and retail rental property. The abatement amounted to \$1,679,415.17.

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DEKALB COUNTY BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHERS RETIREMENT SYSTEM OF GEORGIA

SCHEDULE "1"

| For the<br>Year<br>Ended<br>June 30 | School<br>District's<br>proportion<br>of the<br>Net Pension<br>Liability (NPL) | School District's<br>proportionate share<br>of the NPL | State of Georgia's<br>proportionate share<br>of the NPL<br>associated with the<br>School District | Total               | School District's<br>covered payroll | School District's<br>proportionate<br>share of the NPL as<br>a percentage of its<br>covered payroll | Plan fiduciary<br>net position as<br>a percentage<br>of the total<br>pension<br>liability |
|-------------------------------------|--|--|---|---------------------|--------------------------------------|---|---|
| 2024                                | 4.623619%  | \$ 1,365,090,913.00                                    | \$ 1,661,627.00   | \$ 1,366,752,540.00 | \$ 673,940,581.00                    | 202.55%   | 76.29%  |
| 2023                                | 4.915646%  | \$ 1,596,205,276.00                                    | \$ 2,168,476.00   | \$ 1,598,373,752.00 | \$ 665,828,484.28                    | 239.73%   | 72.85%  |
| 2022                                | 5.169648%  | \$ 457,220,884.00                                      | \$ 640,241.00   | \$ 457,861,125.00   | \$ 673,940,061.13                    | 67.84%  | 92.03%  |
| 2021                                | 5.284677%  | \$ 1,280,155,612.00                                    | \$ 1,742,184.00   | \$ 1,281,897,796.00 | \$ 682,862,278.03                    | 187.47%   | 77.01%  |
| 2020                                | 5.214897%  | \$ 1,121,343,866.00                                    | \$ 1,502,609.00   | \$ 1,122,846,475.00 | \$ 637,487,717.00                    | 175.90%   | 78.56%  |
| 2019                                | 5.138067%  | \$ 953,735,293.00                                      | \$ 1,246,448.00   | \$ 954,981,741.00   | \$ 613,539,685.00                    | 155.45%   | 80.27%  |
| 2018                                | 5.018739%  | \$ 932,748,101.00                                      | \$ 5,136,236.00   | \$ 937,884,337.00   | \$ 579,389,485.00                    | 160.99%   | 79.33%  |
| 2017                                | 4.854299%  | \$ 1,001,496,009.00                                    | \$ 7,883,562.00   | \$ 1,009,379,571.00 | \$ 536,892,957.00                    | 186.54%   | 76.06%  |
| 2016                                | 4.712696%  | \$ 717,461,169.00                                      | \$ 5,869,616.00   | \$ 723,330,785.00   | \$ 501,452,947.00                    | 143.08%   | 81.44%  |
| 2015                                | 4.712930%  | \$ 595,416,542.00                                      | \$ 4,485,967.00   | \$ 599,902,509.00   | \$ 483,104,965.00                    | 123.25%   | 84.03%  |

DEKALB COUNTY BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 TEACHERS RETIREMENT SYSTEM OF GEORGIA

SCHEDULE "2"

| For the Year<br>Ended June 30 | Contractually required<br>contribution | Contributions in relation to<br>the contractually required<br>contribution | Contribution deficiency<br>(excess) | School District's<br>covered payroll | Contribution as a<br>percentage of covered<br>payroll |
|-------------------------------|--|--|-------------------------------------|--------------------------------------|---|
| 2024                          | \$ 145,665,061.74                      | \$ 145,665,061.74  | \$ -                                | \$ 730,190,913.33                    | 19.95%  |
| 2023                          | \$ 134,653,328.00                      | \$ 134,653,328.00  | \$ -                                | \$ 673,940,581.00                    | 19.98%  |
| 2022                          | \$ 131,721,590.68                      | \$ 131,721,590.68  | \$ -                                | \$ 665,828,484.28                    | 19.78%  |
| 2021                          | \$ 128,272,082.06                      | \$ 128,272,082.06  | \$ -                                | \$ 673,940,061.13                    | 19.03%  |
| 2020                          | \$ 144,220,337.56                      | \$ 144,220,337.56  | \$ -                                | \$ 682,862,278.03                    | 21.12%  |
| 2019                          | \$ 133,220,772.00                      | \$ 133,220,772.00  | \$ -                                | \$ 637,487,717.00                    | 20.90%  |
| 2018                          | \$ 103,010,906.00                      | \$ 103,010,906.00  | \$ -                                | \$ 613,539,685.00                    | 16.79%  |
| 2017                          | \$ 82,226,356.00                       | \$ 82,226,356.00   | \$ -                                | \$ 579,389,485.00                    | 14.19%  |
| 2016                          | \$ 76,015,170.00                       | \$ 76,015,170.00   | \$ -                                | \$ 536,892,957.00                    | 14.16%  |
| 2015                          | \$ 65,941,063.00                       | \$ 65,941,063.00   | \$ -                                | \$ 501,452,947.00                    | 13.15%  |

DEKALB COUNTY BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA

SCHEDULE "3"

| For the Year Ended<br>June 30 | School District's<br>proportion of the Net<br>Pension Liability (NPL) | School District's<br>proportionate share of<br>the NPL | School District's covered<br>payroll | School District's<br>proportionate share of<br>the NPL as a percentage<br>of covered payroll | Plan fiduciary net<br>position as a<br>percentage of total<br>pension liability |
|-------------------------------|---|--|--------------------------------------|--|---|
| 2024                          | 0.020864%   | \$ 1,244,661.00  | \$ 802,387.08                        | 155.12%  | 71.20%  |
| 2023                          | 0.026139%   | \$ 1,745,684.00  | \$ 656,113.30                        | 266.06%  | 67.44%  |
| 2022                          | 0.036295%   | \$ 848,905.00  | \$ 901,325.62                        | 94.18%   | 87.62%  |
| 2021                          | 0.031552%   | \$ 1,329,903.00  | \$ 799,520.44                        | 166.34%  | 76.21%  |
| 2020                          | 0.034441%   | \$ 1,421,219.00  | \$ 868,144.00                        | 163.71%  | 76.74%  |
| 2019                          | 0.036753%   | \$ 1,510,928.00  | \$ 1,065,707.00                      | 141.78%  | 76.68%  |
| 2018                          | 0.043448%   | \$ 1,764,569.00  | \$ 1,035,482.00                      | 170.41%  | 76.33%  |
| 2017                          | 0.036208%   | \$ 1,712,790.00  | \$ 841,877.00                        | 203.45%  | 72.34%  |
| 2016                          | 0.037839%   | \$ 1,533,008.00  | \$ 917,547.00                        | 167.08%  | 76.20%  |
| 2015                          | 0.038132%   | \$ 1,430,186.00  | \$ 900,182.00                        | 158.88%  | 77.99%  |

DEKALB COUNTY BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA

SCHEDULE "4"

| For the Year<br>Ended June 30 | Contractually required<br>contribution | Contributions in relation to<br>the contractually required<br>contribution | Contribution deficiency<br>(excess) | School District's<br>covered payroll | Contribution as a<br>percentage of covered<br>payroll |
|-------------------------------|--|--|-------------------------------------|--------------------------------------|---|
| 2024                          | \$ 142,058.36                          | \$ 142,058.36  | \$ -                                | \$ 486,263.93                        | 29.21%  |
| 2023                          | \$ 177,598.00                          | \$ 177,598.00  | \$ -                                | \$ 802,387.08                        | 22.13%  |
| 2022                          | \$ 161,600.71                          | \$ 161,600.71  | \$ -                                | \$ 656,113.30                        | 24.63%  |
| 2021                          | \$ 222,266.91                          | \$ 222,266.91  | \$ -                                | \$ 901,325.62                        | 24.66%  |
| 2020                          | \$ 197,161.74                          | \$ 197,161.74  | \$ -                                | \$ 799,520.44                        | 24.66%  |
| 2019                          | \$ 215,126.00                          | \$ 215,126.00  | \$ -                                | \$ 868,144.00                        | 24.78%  |
| 2018                          | \$ 264,402.00                          | \$ 264,402.00  | \$ -                                | \$ 1,065,707.00                      | 24.81%  |
| 2017                          | \$ 256,903.00                          | \$ 256,903.00  | \$ -                                | \$ 1,035,482.00                      | 24.81%  |
| 2016                          | \$ 208,112.00                          | \$ 208,112.00  | \$ -                                | \$ 841,877.00                        | 24.72%  |
| 2015                          | \$ 201,493.00                          | \$ 201,493.00  | \$ -                                | \$ 917,547.00                        | 21.96%  |

DEKALB COUNTY BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA

SCHEDULE "5"

| For the<br>Year<br>Ended<br>June 30 | School<br>District's<br>proportion of<br>the Net<br>Pension<br>Liability (NPL) | School District's<br>proportionate share<br>of the NPL | State of Georgia's<br>proportionate share<br>of the NPL<br>associated with the<br>School District | Total            | School District's<br>covered payroll | School District's<br>proportionate<br>share of the NPL<br>as a percentage of<br>its covered payroll | Plan fiduciary<br>net position as a<br>percentage of<br>the total pension<br>liability |
|-------------------------------------|--|--|---|------------------|--------------------------------------|---|--|
| 2024                                | 0.00%  | \$ -   | \$ 10,029,737.00  | \$ 10,029,737.00 | \$ 74,008,818.17                     | N/A   | 85.67%   |
| 2023                                | 0.00%  | \$ -   | \$ 14,058,234.00  | \$ 14,058,234.00 | \$ 60,456,642.00                     | N/A   | 81.21%   |
| 2022                                | 0.00%  | \$ -   | \$ 1,509,014.00   | \$ 1,509,014.00  | \$ 17,990,922.79                     | N/A   | 98.00%   |
| 2021                                | 0.00%  | \$ -   | \$ 10,770,643.00  | \$ 10,770,643.00 | \$ 19,352,396.36                     | N/A   | 84.45%   |
| 2020                                | 0.00%  | \$ -   | \$ 10,297,967.00  | \$ 10,297,967.00 | \$ 19,320,252.98                     | N/A   | 85.02%   |
| 2019                                | 0.00%  | \$ -   | \$ 9,955,524.00   | \$ 9,955,524.00  | \$ 18,782,082.78                     | N/A   | 85.26%   |
| 2018                                | 0.00%  | \$ -   | \$ 8,973,183.00   | \$ 8,973,183.00  | \$ 18,179,667.63                     | N/A   | 85.69%   |
| 2017                                | 0.00%  | \$ -   | \$ 11,997,914.00  | \$ 11,997,914.00 | \$ 19,214,219.57                     | N/A   | 81.00%   |

DEKALB COUNTY BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
 SCHOOL OPEB FUND

SCHEDULE "6"

| For the<br>Year Ended<br>June 30 | School<br>District's<br>proportion of<br>the Net OPEB<br>Liability (NOL) | School District's<br>proportionate share<br>of the NOL | State of Georgia's<br>proportionate<br>share of the NOL<br>associated with<br>the School District | Total             | School District's<br>covered-employee<br>payroll | School District's<br>proportionate<br>share of the NOL<br>as a percentage<br>of its covered-<br>employee payroll | Plan fiduciary<br>net position<br>as a<br>percentage of<br>the total OPEB<br>liability |
|----------------------------------|--|--|---|-------------------|--|--|--|
| 2024                             | 5.594295%  | \$ 612,766,195.00                                      | \$ -  | \$ 612,766,195.00 | \$ 658,493,513.68                                | 93.06%   | 6.05%  |
| 2023                             | 5.921292%  | \$ 586,396,320.00                                      | \$ -  | \$ 586,396,320.00 | \$ 736,354,501.30                                | 79.64%   | 6.17%  |
| 2022                             | 6.227421%  | \$ 674,481,213.00                                      | \$ -  | \$ 674,481,213.00 | \$ 654,799,255.99                                | 103.01%  | 6.14%  |
| 2021                             | 6.223462%  | \$ 914,081,630.00                                      | \$ -  | \$ 914,081,630.00 | \$ 649,695,559.00                                | 140.69%  | 3.99%  |
| 2020                             | 6.276415%  | \$ 770,250,780.00                                      | \$ -  | \$ 770,250,780.00 | \$ 587,544,464.00                                | 131.10%  | 4.63%  |
| 2019                             | 6.228755%  | \$ 791,655,645.00                                      | \$ -  | \$ 791,655,645.00 | \$ 552,356,240.00                                | 143.32%  | 2.93%  |
| 2018                             | 6.123753%  | \$ 860,384,832.00                                      | \$ -  | \$ 860,384,832.00 | \$ 531,360,186.00                                | 161.92%  | 1.61%  |

DEKALB COUNTY BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 SCHOOL OPEB FUND

SCHEDULE "7"

| For the Year<br>Ended June 30 | Contractually required<br>contribution | Contributions in relation to<br>the contractually required<br>contribution | Contribution deficiency<br>(excess) | School District's<br>covered-employee<br>payroll | Contribution as a<br>percentage of<br>covered-employee<br>payroll |
|-------------------------------|--|--|-------------------------------------|--|---|
| 2024                          | \$ 22,449,217.27                       | \$ 22,449,217.27   | \$ -                                | \$ 731,704,132.57                                | 3.07%   |
| 2023                          | \$ 21,506,924.00                       | \$ 21,506,924.00   | \$ -                                | \$ 658,493,513.68                                | 3.27%   |
| 2022                          | \$ 21,409,913.00                       | \$ 21,409,913.00   | \$ -                                | \$ 736,354,501.30                                | 2.91%   |
| 2021                          | \$ 23,164,958.00                       | \$ 23,164,958.00   | \$ -                                | \$ 654,779,255.99                                | 3.54%   |
| 2020                          | \$ 21,046,297.00                       | \$ 21,046,297.00   | \$ -                                | \$ 649,698,559.00                                | 3.24%   |
| 2019                          | \$ 33,802,837.00                       | \$ 33,802,837.00   | \$ -                                | \$ 587,544,464.00                                | 5.75%   |
| 2018                          | \$ 32,283,037.00                       | \$ 32,283,037.00   | \$ -                                | \$ 552,356,240.00                                | 5.84%   |
| 2017                          | \$ 31,929,735.00                       | \$ 31,929,735.00   | \$ -                                | \$ 531,360,186.00                                | 6.01%   |

**Teachers Retirement System**

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

**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 Teacher 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%.

**Employees' Retirement System**

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

**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, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB (set forwarded 2 years for both males and females).

A new funding policy was initially adopted the Board on March 15, 2018, and most recently amended on June 18, 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 assumptions utilized by the System based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to rate of mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return of 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total Pension Liability.

On April 21, 2022, the Board adopted a new funding policy which, in part, provides that the Actuarial Accrued Liability and Normal Cost of the System will include a prefunded variable Cost-of-Living Adjustment (COLA) for eligible retirees and beneficiaries of the System. Under the new policy, future COLAs are provided through a profit-sharing mechanism using the System's asset performance. After studying the parameters of this new policy, the assumption for future COLAs was set at 1.05%. Previously, no future COLAs were assumed. In addition, the funding policy set the assumed rate of return at 7.20% for the June 30, 2021 valuation and established a new Transitional Unfunded Actuarial Accrued Liability as of June 30, 2021 which will be amortized over a closed 20-year period.

**Public School Employees Retirement System**

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

**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 assumptions utilized by the System based on the experience study prepared for the five-year period ending 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.

**School OPEB Fund**

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

**Changes in assumptions:** June 30, 2022 valuation: The tobacco use assumption and aging factors were revised.

June 30, 2020 valuation: Decremental assumptions were changed to reflect the Employees' Retirement System's 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 System's 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 the 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% as of June 30, 2019, to 2.22% as of June 30, 2020, to 2.20% as of June 30, 2021, to 3.57% as of June 30, 2022, and to 3.68% as of June 30, 2023.

DEKALB COUNTY BOARD OF EDUCATION  
GENERAL FUND

SCHEDULE "9"

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2024

|  | NONAPPROPRIATED BUDGETS  |                          | ACTUAL<br>AMOUNTS        | VARIANCE<br>OVER/UNDER   |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | ORIGINAL (1)             | FINAL (1)                |                          |                          |
| <b>REVENUES</b>                              |                          |                          |                          |                          |
| Property Taxes                               | \$ 900,800,000.00        | \$ 900,800,000.00        | \$ 882,819,241.33        | \$ (17,980,758.67)       |
| Sales Taxes                                  | 15,000,000.00            | 15,000,000.00            | 12,936,930.42            | (2,063,069.58)           |
| State Funds                                  | 538,868,713.62           | 551,085,510.62           | 562,557,339.72           | 11,471,829.10            |
| Federal Funds                                | 113,538,695.94           | 485,617,363.96           | 269,871,280.67           | (215,746,083.29)         |
| Charges for Services                         | 61,355,041.00            | 61,355,041.00            | 4,118,922.32             | (57,236,118.68)          |
| Investment Earnings                          | 9,000,000.00             | 9,000,000.00             | 23,621,148.81            | 14,621,148.81            |
| Miscellaneous                                | 14,976,333.92            | 16,710,578.61            | 25,444,012.48            | 8,733,433.87             |
| Total Revenues                               | <u>1,653,538,784.48</u>  | <u>2,039,568,494.19</u>  | <u>1,781,368,875.75</u>  | <u>(258,199,618.44)</u>  |
| <b>EXPENDITURES</b>                          |                          |                          |                          |                          |
| Current                                      |                          |                          |                          |                          |
| Instruction                                  | 887,429,680.27           | 1,044,559,747.99         | 965,950,820.82           | 78,608,927.17            |
| Support Services                             |                          |                          |                          |                          |
| Pupil Services                               | 124,098,867.52           | 140,302,176.09           | 119,637,499.69           | 20,664,676.40            |
| Improvement of Instructional Services        | 52,600,191.75            | 92,969,188.37            | 52,370,489.20            | 40,598,699.17            |
| Educational Media Services                   | 16,825,641.97            | 20,002,639.45            | 17,685,474.59            | 2,317,164.86             |
| General Administration                       | 64,598,158.16            | 80,691,728.55            | 55,249,915.34            | 25,441,813.21            |
| School Administration                        | 84,202,541.02            | 89,841,679.05            | 80,066,618.96            | 9,775,060.09             |
| Business Administration                      | 27,492,238.54            | 20,982,119.51            | 17,564,023.56            | 3,418,095.95             |
| Maintenance and Operation of Plant           | 223,155,406.24           | 260,990,722.80           | 169,104,856.05           | 91,885,866.75            |
| Student Transportation Services              | 80,162,148.51            | 117,428,147.91           | 80,402,392.40            | 37,025,755.51            |
| Central Support Services                     | 34,057,966.34            | 29,549,046.50            | 36,324,158.24            | (6,775,111.74)           |
| Other Support Services                       | 3,437,916.47             | 3,933,191.46             | 1,805,540.55             | 2,127,650.91             |
| Enterprise Operation                         | 1,958,754.33             | 3,107,024.33             | 6,443,489.86             | (3,336,465.53)           |
| Food Services Operation                      | 75,989,273.57            | 104,699,667.01           | 65,279,933.03            | 39,419,733.98            |
| Capital Outlay                               | -                        | 116,135,564.98           | 38,651,757.30            | 77,483,807.68            |
| Total Expenditures                           | <u>1,676,008,784.69</u>  | <u>2,125,192,644.00</u>  | <u>1,706,536,969.59</u>  | <u>418,655,674.41</u>    |
| Excess of Revenues over (under) Expenditures | <u>(22,470,000.21)</u>   | <u>(85,624,149.81)</u>   | <u>74,831,906.16</u>     | <u>160,456,055.97</u>    |
| <b>OTHER FINANCING SOURCES(USES)</b>         |                          |                          |                          |                          |
| Other Sources                                | 9,232,538.00             | 8,638,436.90             | 214,735.20               | (8,423,701.70)           |
| Other Uses                                   | (9,232,538.00)           | (8,638,436.90)           | -                        | 8,638,436.90             |
| Total Other Financing Sources (Uses)         | <u>-</u>                 | <u>-</u>                 | <u>214,735.20</u>        | <u>214,735.20</u>        |
| Net Change in Fund Balances                  | (22,470,000.21)          | (85,624,149.81)          | 75,046,641.36            | 160,670,791.17           |
| Fund Balances - Beginning                    | <u>301,653,657.81</u>    | <u>460,332,094.34</u>    | <u>445,733,119.00</u>    | <u>(14,598,975.34)</u>   |
| Fund Balances - Ending                       | <u>\$ 279,183,657.60</u> | <u>\$ 374,707,944.53</u> | <u>\$ 520,779,760.36</u> | <u>\$ 146,071,815.83</u> |

Notes to the Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts.  
The actual revenues and expenditures of the various principal accounts are \$11,107,909.69 and \$10,773,850.55, respectively.

The accompanying schedule of revenues, expenditures and changes in fund balances budget and actual is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the fund financial statements.

DEKALB COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2024

SCHEDULE "10"

| FUNDING AGENCY<br>PROGRAM/GRANT  | ASSISTANCE<br>LISTING<br>NUMBER | PASS-<br>THROUGH<br>ENTITY<br>ID<br>NUMBER | EXPENDITURES<br>IN PERIOD |
|--|---------------------------------|--|---------------------------|
| Agriculture, U.S. Department of  |                                 |  |                           |
| Child Nutrition Cluster  |                                 |  |                           |
| Pass-Through From Georgia Department of Education  |                                 |  |                           |
| Food Services  |                                 |  |                           |
| School Breakfast Program   | 10.553                          | 245GA324N1199                              | \$ 13,048,685.80          |
| National School Lunch Program  | 10.555                          | 245GA324N1199                              | 43,298,827.02             |
| COVID-19 - National School Lunch Program   | 10.555                          | 225GA324N1099                              | 2,299,578.41              |
| Total U.S. Department of Agriculture   |                                 |  | <u>58,647,091.23</u>      |
| Education, U.S. Department of  |                                 |  |                           |
| Education Stabilization Fund   |                                 |  |                           |
| Pass-Through From Georgia Department of Education  |                                 |  |                           |
| COVID-19 - Elementary and Secondary School Emergency Relief Fund   | 84.425D                         | S425D210012                                | 21,037,652.46             |
| COVID-19 - American Rescue Plan Elementary and Secondary School<br>Emergency Relief Fund                               | 84.425U                         | S425U210012                                | 101,306,687.55            |
| COVID-19 - American Rescue Plan Elementary and Secondary School<br>Emergency Relief Fund - Homeless Children and Youth | 84.425W                         | S425W210011                                | 627,675.00                |
| Total Education Stabilization Fund   |                                 |  | <u>122,972,015.01</u>     |
| Special Education Cluster  |                                 |  |                           |
| Pass-Through From Georgia Department of Education  |                                 |  |                           |
| Special Education  |                                 |  |                           |
| Grants to States   | 84.027A                         | H027A220073                                | 16,703,524.23             |
| Grants to States   | 84.027A                         | H027A230073                                | 597,933.28                |
| COVID-19 - American Rescue Plan - Grants to States   | 84.027X                         | H027X210073                                | 1,019,340.86              |
| Preschool Grants   | 84.173A                         | H173A220081                                | 681,328.61                |
| Preschool Grants   | 84.173A                         | H173A230081                                | 249,310.40                |
| COVID-19 - American Rescue Plan - Preschool  | 84.173X                         | H173X210081                                | 83,953.70                 |
| Total Special Education Cluster  |                                 |  | <u>19,335,391.08</u>      |
| Other Programs   |                                 |  |                           |
| Direct   |                                 |  |                           |
| Graduate Ready to Attain Success in Postsecondary Program  | 84.116                          |  | 300,000.00                |
| School Based Mental Health Program   | 84.184H                         |  | 543,006.38                |
| Pass-Through From Georgia Department of Education  |                                 |  |                           |
| Career and Technical Education - Basic Grants to States  | 84.048A                         | V048A230010                                | 1,322,989.47              |
| Education for Homeless Children and Youth  | 84.196A                         | S196A220011                                | 105,591.49                |
| Education for Homeless Children and Youth  | 84.196A                         | S196A230011                                | 7,045.22                  |
| English Language Acquisition State Grants  | 84.365A                         | S365A220010                                | 2,386,294.12              |
| English Language Acquisition State Grants  | 84.365A                         | S365A230010                                | 1,028,246.81              |
| Migrant Education State Grant Program  | 84.011A                         | S011A220011                                | 4,381.00                  |
| Migrant Education State Grant Program  | 84.011A                         | S011A230011                                | 21,472.36                 |
| Student Support and Academic Enrichment Program  | 84.424A                         | S424A220011                                | 1,442,193.48              |
| Student Support and Academic Enrichment Program  | 84.424A                         | S424A230011                                | 1,653,557.28              |
| Supporting Effective Instruction State Grants  | 84.367A                         | S367A220001                                | 4,949,191.16              |
| Supporting Effective Instruction State Grants  | 84.367A                         | S367A230001                                | 522,345.00                |
| Title I Grants to Local Educational Agencies   | 84.010A                         | S010A220010                                | 36,406,505.98             |
| Title I Grants to Local Educational Agencies   | 84.010A                         | S010A230010                                | 14,315,692.06             |
| Pass-Through From Technical College System of Georgia  |                                 |  |                           |
| Adult Education - Basic Grants to States   | 84.002A                         | V002A230010                                | 450,989.38                |
| Total Other Programs   |                                 |  | <u>65,459,501.19</u>      |
| Total U.S. Department of Education   |                                 |  | <u>207,766,907.28</u>     |
| Federal Communications Commission, U.S.  |                                 |  |                           |
| Direct   |                                 |  |                           |
| COVID-19 - Emergency Connectivity Fund Program   | 32.009                          |  | <u>193,277.76</u>         |

DEKALB COUNTY BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED JUNE 30, 2024

SCHEDULE "10"

| FUNDING AGENCY<br>PROGRAM/GRANT   | ASSISTANCE<br>LISTING<br>NUMBER | PASS-<br>THROUGH<br>ENTITY<br>ID<br>NUMBER | EXPENDITURES<br>IN PERIOD |
|---|---------------------------------|--|---------------------------|
| Health and Human Services, U.S. Department of<br>Direct<br>Human Trafficking Youth Prevention Education Grant                                     | 93.327                          |  | <u>345,946.08</u>         |
| Treasury, U.S. Department of<br>Pass-Through From Georgia Department of Education<br>COVID-19 - Coronavirus State and Local Fiscal Recovery Funds | 21.027                          | SLT-1189                                   | <u>12,214.74</u>          |
| Defense, U.S. Department of<br>Direct<br>Department of the Air Force<br>R.O.T.C. Program  | 12. UNKNOWN                     |  | 631,346.43                |
| Department of the Army<br>R.O.T.C. Program  | 12. UNKNOWN                     |  | 217,700.48                |
| Department of the Navy<br>R.O.T.C. Program  | 12. UNKNOWN                     |  | <u>1,163,623.70</u>       |
| Total U. S. Department of Defense   |                                 |  | <u>2,012,670.61</u>       |
| Total Expenditures of Federal Awards  |                                 |  | <u>\$ 268,978,107.70</u>  |

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the DeKalb County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or changes in net position of the Board.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

DEKALB COUNTY BOARD OF EDUCATION  
SCHEDULE OF STATE REVENUE  
YEAR ENDED JUNE 30, 2024

SCHEDULE "11"

| AGENCY/FUNDING  | GOVERNMENTAL FUND TYPES  |                        |                          |
|---|--------------------------|------------------------|--------------------------|
|   | GENERAL                  | CAPITAL PROJECTS       | TOTAL                    |
|   | FUND                     | FUND                   |                          |
| <b>GRANTS</b>   |                          |                        |                          |
| Bright From the Start:  |                          |                        |                          |
| Georgia Department of Early Care and Learning                     |                          |                        |                          |
| Pre-Kindergarten Program  | \$ 15,723,816.06         | \$ -                   | \$ 15,723,816.06         |
| Education, Georgia Department of                                  |                          |                        |                          |
| Quality Basic Education   |                          |                        |                          |
| Direct Instructional Cost   |                          |                        |                          |
| Kindergarten Program  | 43,648,299.00            | -                      | 43,648,299.00            |
| Kindergarten Program - Early Intervention Program                 | 2,242,205.00             | -                      | 2,242,205.00             |
| Primary Grades (1-3) Program                                      | 100,636,778.00           | -                      | 100,636,778.00           |
| Primary Grades - Early Intervention (1-3) Program                 | 7,803,311.00             | -                      | 7,803,311.00             |
| Upper Elementary Grades (4-5) Program                             | 48,293,894.00            | -                      | 48,293,894.00            |
| Upper Elementary Grades - Early Intervention (4-5) Program        | 4,467,021.00             | -                      | 4,467,021.00             |
| Middle School (6-8) Program                                       | 81,823,452.00            | -                      | 81,823,452.00            |
| High School General Education (9-12) Program                      | 79,535,531.00            | -                      | 79,535,531.00            |
| Vocational Laboratory (9-12) Program                              | 20,041,012.00            | -                      | 20,041,012.00            |
| Students with Disabilities  | 103,023,342.00           | -                      | 103,023,342.00           |
| Gifted Student - Category VI                                      | 40,470,968.00            | -                      | 40,470,968.00            |
| Remedial Education Program  | 3,985,946.00             | -                      | 3,985,946.00             |
| Alternative Education Program                                     | 6,076,021.00             | -                      | 6,076,021.00             |
| English Speakers of Other Languages (ESOL)                        | 51,794,808.00            | -                      | 51,794,808.00            |
| Media Center Program  | 15,163,944.00            | -                      | 15,163,944.00            |
| 20 Days Additional Instruction                                    | 4,479,292.00             | -                      | 4,479,292.00             |
| Staff and Professional Development                                | 2,564,953.00             | -                      | 2,564,953.00             |
| Principal Staff and Professional Development                      | 47,688.00                | -                      | 47,688.00                |
| Indirect Cost   |                          |                        |                          |
| Central Administration  | 12,605,325.00            | -                      | 12,605,325.00            |
| School Administration   | 30,590,883.00            | -                      | 30,590,883.00            |
| Facility Maintenance and Operations                               | 27,634,744.00            | -                      | 27,634,744.00            |
| QBE Local Five Mill Reduction                                     | (175,540,704.00)         | -                      | (175,540,704.00)         |
| Local Charter Supplement  | 517,773.00               | -                      | 517,773.00               |
| One Time QBE Adjustment   | 9,950,735.00             | -                      | 9,950,735.00             |
| Categorical Grants  |                          |                        |                          |
| Pupil Transportation  |                          |                        |                          |
| Regular   | 5,457,894.00             | -                      | 5,457,894.00             |
| Nursing Services  |                          |                        |                          |
|   | 2,168,189.00             | -                      | 2,168,189.00             |
| Other State Programs  |                          |                        |                          |
| Career, Technical and Agricultural Education (CTEA)               | 766,002.13               | -                      | 766,002.13               |
| Charter Schools - Facilities                                      | 966,154.78               | -                      | 966,154.78               |
| Dyslexia Services Grant   | 198,141.00               | -                      | 198,141.00               |
| Food Services   | 1,366,046.00             | -                      | 1,366,046.00             |
| GNETS State Grant   | 1,888,345.76             | -                      | 1,888,345.76             |
| GOLD (Georgia Outdoor Learning Demonstration) Grant               | 1,482.54                 | -                      | 1,482.54                 |
| GRASP - Graduate Ready to Attain Success in Postsecondary Program | 252,405.11               | -                      | 252,405.11               |
| Hygiene Products  | 73,696.00                | -                      | 73,696.00                |
| Math and Science Supplements                                      | 452,811.28               | -                      | 452,811.28               |
| Preschool Disability Services                                     | 2,084,574.98             | -                      | 2,084,574.98             |
| Residential Treatment Centers Grant                               | 379,594.44               | -                      | 379,594.44               |
| Rule 10 Special Education Grant                                   | 120,920.71               | -                      | 120,920.71               |
| School Security Grant   | 6,600,000.00             | -                      | 6,600,000.00             |
| Teachers Retirement   | 236,710.93               | -                      | 236,710.93               |
| Georgia State Financing and Investment Commission                 |                          |                        |                          |
| Reimbursement on Construction Projects                            | -                        | 1,117,376.29           | 1,117,376.29             |
| Office of the State Treasurer                                     |                          |                        |                          |
| Public School Employees Retirement                                | 1,963,334.00             | -                      | 1,963,334.00             |
|   | <u>\$ 562,557,339.72</u> | <u>\$ 1,117,376.29</u> | <u>\$ 563,674,716.01</u> |

DEKALB COUNTY BOARD OF EDUCATION  
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS  
YEAR ENDED JUNE 30, 2024

SCHEDULE "12"

| <u>PROJECT</u>   | <u>ORIGINAL<br/>ESTIMATED<br/>COST (1)</u> | <u>CURRENT<br/>ESTIMATED<br/>COSTS (2)</u> | <u>ESTIMATED<br/>COMPLETION<br/>DATE</u> |
|--|--|--|--|
| <b>2012 Sales Tax - Authorized Projects</b>  |  |  |  |
| 1. Americans with Disabilities Act (ADA) Improvements  | \$ 2,342,500.00                            | \$ 15,044,323.50                           | Completed                                |
| 2. Stadiums  | 9,557,400.00                               | 10,628,646.65                              | Completed                                |
| 3. Capital renewal program   | 84,892,200.00                              | 94,202,587.97                              | Completed                                |
| 4. Code requirements   | 2,342,500.00                               | 2,677,726.34                               | Completed                                |
| 5. Coralwood Diagnostic Center addition  | 9,932,200.00                               | 6,164,482.54                               | Completed                                |
| 6. Early learning center   | 2,717,300.00                               | 2,188,329.76                               | Completed                                |
| 7. Arts School at former Avondale Middle School  | 4,029,100.00                               | 11,127,167.00                              | June 2028                                |
| 8. Renovation of Southwest Dekalb High School and Stone Mountain High School   | 11,056,600.00                              | 34,163,839.27                              | Completed                                |
| 9. Replacement of Austin Elementary School, Fernbank Elementary School, Gresham Park Elementary School, Pleasantdale Elementary School, Peachcrest Elementary School, Rockbridge Elementary School, and Smoke Rise Elementary School | 135,021,700.00                             | 169,796,479.57                             | Completed                                |
| 10. Henderson Middle School renovation/addition  | 14,992,000.00                              | 19,245,872.25                              | Completed                                |
| 11. Redan High School renovation/addition  | 20,988,800.00                              | 22,065,648.16                              | Completed                                |
| 12. Chamblee High School replacement   | 55,001,900.00                              | 69,089,766.52                              | Completed                                |
| 13. McNair Middle School replacement   | 35,043,800.00                              | 40,742,607.53                              | Completed                                |
| 14. Local school priority requests   | 5,153,500.00                               | 2,902,294.25                               | Completed                                |
| 15. Demolition   | 2,342,500.00                               | 4,221,328.66                               | Completed                                |
| 16. Safety/security systems upgrade  | 2,342,500.00                               | 2,292,719.24                               | Completed                                |
| 17. Technology equipment and infrastructure refresh  | 36,261,900.00                              | 33,277,357.33                              | Completed                                |
| 18. School buses   | 9,463,700.00                               | 12,800,247.61                              | Completed                                |
| 19. Service vehicles   | 1,592,900.00                               | 2,252,530.33                               | Completed                                |
| 20. Other capital improvements and supporting services (includes Bond Series 2012 Bond Issuance Costs, Principal Payments and 2011 COPS Interest Payments).  | 29,925,000.00                              | 80,271,016.03                              | Completed                                |
| Subtotal 2012 Projects   | <u>475,000,000.00</u>                      | <u>635,154,970.51</u>                      |  |

**2017 Sales Tax - Authorized Projects**

|  |                |                |           |
|--|----------------|----------------|-----------|
| (1) Making of site, facility and technology improvements deemed necessary to improve safety and security, such as enhancing surveillance systems, fire alarm systems, fire sprinkler installation, perimeter fencing, etc. at some or all of the DeKalb County School District (DCSD) schools and facilities;  | 12,872,000.00  | 41,245,876.00  | June 2026 |
| (2) Adding to, modifying, replacing, reconfiguring schools and/or creating new schools and/or facilities to accommodate current and future student enrollment, address major facility conditions, develop early childhood centers, enhance regional support of schools, and accommodate expanded new programmatic needs, and acquiring land for constructing and equipping new and/or replacement schools/facilities, or equivalent facility capacity, including, but not limited to, site preparation and the demolition of all or portions of existing structures and/or acquiring leasehold purchasing of facilities/properties as needed based on DCSD's determination of need priorities;   | 298,180,000.00 | 260,642,220.00 | June 2028 |
| (3) Adding to, renovating, modifying, reconfiguring, equipping, upgrading, supplementing, acquiring, replacing, and installing capital improvements for various existing and new schools, buildings and facilities (including schools, buildings, and facilities to be constructed pursuant to this resolution, once completed and including any site preparation and demolition of existing structures if necessary) e.g., roofing, plumbing, wiring, painting, water piping, HVAC, making athletic field and physical education facility upgrades and improvements, ADA renovations, infrastructure improvements, repaving, restroom facilities, systems for environmental and air quality control, physical education facilities, kitchens, improvements to comply with health, safety and applicable building codes, traffic control and optimization, parking and parking capacity, stormwater management facilities, and program-driven modifications, as needed based on the DCSD's determination of need priorities at some or all of the DCSD schools and facilities; | 96,948,000.00  | 184,311,643.00 | June 2028 |

DEKALB COUNTY BOARD OF EDUCATION  
 SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS  
 YEAR ENDED JUNE 30, 2024

SCHEDULE "12"

| PROJECT   | ORIGINAL<br>ESTIMATED<br>COST (1) | CURRENT<br>ESTIMATED<br>COSTS (2) | ESTIMATED<br>COMPLETION<br>DATE |
|---|-----------------------------------|-----------------------------------|---------------------------------|
| (4) Making technology improvements, by acquiring, replacing, purchasing, installing, upgrading or supplementing technology including, but not limited to technology that supports and/or enhances instruction, digital communication technology, enhanced school security solutions, wireless technology, enterprise content management solutions, replacement and/or enhancement of technology/systems in support of an Enterprise Resource Planning (ERP) upgrade, data storage systems, telecommunication systems, digital records retention, technology hardware, software, and related infrastructure at some or all of the DCSD schools and facilities as needed; | 65,000,000.00                     | 71,500,000.00                     | June 2025                       |
| (5) Replacing, purchasing, upgrading, refurbishing or supplementing school buses and support vehicles and other capital equipment as needed including, but not limited to items such as desks, chairs, tables, instructional equipment, band equipment, kitchen equipment, waste compactors, portable classroom/modular buildings, custodial equipment, grounds equipment, etc. at some or all DCSD schools and facilities; and   | 40,000,000.00                     | 40,312,169.00                     | June 2026                       |
| (6) And the expenses incidental to accomplishing the DeKalb projects including, but not limited to, implementation expenses, management expenses, and legal expenses.   | <u>48,000,000.00</u>              | <u>32,288,092.00</u>              | June 2028                       |
| Subtotal 2017 Projects  | <u>561,000,000.00</u>             | <u>630,300,000.00</u>             |                                 |
| <b>2022 Sales Tax - Authorized Projects</b>   |                                   |                                   |                                 |
| 1. Adding to, upgrading, reconfiguring, renovating, replacing, modifying and equipping existing and replacement schools, support facilities, athletic fields and physical education facilities;   | 150,000,000.00                    | 28,000,000.00                     | June 2028                       |
| 2. Acquiring and developing land for, constructing and equipping, new and replacement schools and support facilities, as well as additions to existing facilities;  | 352,000,000.00                    | 516,150,000.00                    | January 2028                    |
| 3. Installing capital improvements for various existing and new schools, buildings and facilities;  | 69,000,000.00                     | 128,750,000.00                    | January 2028                    |
| 4. Providing hardware, software, and related infrastructure and making technology improvements; and   | 129,000,000.00                    | 95,000,000.00                     |                                 |
| 5. Replacing, purchasing, upgrading school buses, support vehicles, and other capital equipment.  | <u>40,000,000.00</u>              | <u>35,500,000.00</u>              | January 2028                    |
| Subtotal 2022 Projects  | <u>740,000,000.00</u>             | <u>803,400,000.00</u>             |                                 |
| <b>Total</b>  | <b><u>\$ 1,776,000,000.00</u></b> | <b><u>\$ 2,068,854,970.51</u></b> |                                 |

DEKALB COUNTY BOARD OF EDUCATION  
 SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS  
 YEAR ENDED JUNE 30, 2024

SCHEDULE "12"

| PROJECT  | AMOUNT<br>EXPENDED<br>IN CURRENT<br>YEAR (3) (4) | AMOUNT<br>EXPENDED<br>IN PRIOR<br>YEARS (3) (4) | TOTAL<br>COMPLETION<br>COST | EXCESS<br>PROCEEDS NOT<br>EXPENDED |
|--|--|---|-----------------------------|------------------------------------|
| <b>2012 Sales Tax - Authorized Projects</b>  |  |   |                             |                                    |
| 1. Americans with Disabilities Act (ADA) Improvements  | \$ 2,728.10                                      | \$ 15,041,595.40                                | \$ 15,044,323.50            | \$ -                               |
| 2. Stadiums  | -  | 10,628,646.65                                   | 10,628,646.65               | -                                  |
| 3. Capital renewal program   | 27,432.31  | 94,175,155.66                                   | 94,202,587.97               | -                                  |
| 4. Code requirements   | -  | 2,677,726.34                                    | 2,677,726.34                | -                                  |
| 5. Coralwood Diagnostic Center addition  | -  | 6,164,482.54                                    | 6,164,482.54                | -                                  |
| 6. Early learning center   | -  | 2,188,329.76                                    | 2,188,329.76                | -                                  |
| 7. Arts School at former Avondale Middle School  | -  | 310,896.41                                      | -                           | -                                  |
| 8. Renovation of Southwest Dekalb High School and Stone Mountain High School   | -  | 34,163,839.27                                   | 34,163,839.27               | -                                  |
| 9. Replacement of Austin Elementary School, Fernbank Elementary School, Gresham Park Elementary School, Pleasantdale Elementary School, Peachcrest Elementary School, Rockbridge Elementary School, and Smoke Rise Elementary School   | 121,106.71                                       | 169,675,372.86                                  | 169,796,479.57              | -                                  |
| 10. Henderson Middle School renovation/addition  | -  | 19,245,872.25                                   | 19,245,872.25               | -                                  |
| 11. Redan High School renovation/addition  | -  | 22,065,648.16                                   | 22,065,648.16               | -                                  |
| 12. Chamblee High School replacement   | 5,810,912.50                                     | 63,278,854.02                                   | 69,089,766.52               | -                                  |
| 13. McNair Middle School replacement   | 9,000.00   | 40,733,607.53                                   | 40,742,607.53               | -                                  |
| 14. Local school priority requests   | -  | 2,902,294.25                                    | 2,902,294.25                | -                                  |
| 15. Demolition   | -  | 4,221,328.66                                    | 4,221,328.66                | -                                  |
| 16. Safety/security systems upgrade  | -  | 2,292,719.24                                    | 2,292,719.24                | -                                  |
| 17. Technology equipment and infrastructure refresh  | -  | 33,277,357.33                                   | 33,277,357.33               | -                                  |
| 18. School buses   | -  | 12,800,247.61                                   | 12,800,247.61               | -                                  |
| 19. Service vehicles   | -  | 2,252,530.33                                    | 2,252,530.33                | -                                  |
| 20. Other capital improvements and supporting services (includes Bond Series 2012 Bond Issuance Costs, Principal Payments and 2011 COPS Interest Payments).  | 1,819.89   | 80,269,196.14                                   | 80,271,016.03               | -                                  |
| Subtotal 2012 Projects   | 5,972,999.51                                     | 618,365,700.41                                  | 624,027,803.51              | -                                  |
| <b>2017 Sales Tax - Authorized Projects</b>  |  |   |                             |                                    |
| (1) Making of site, facility and technology improvements deemed necessary to improve safety and security, such as enhancing surveillance systems, fire alarm systems, fire sprinkler installation, perimeter fencing, etc. at some or all of the DeKalb County School District (DCSD) schools and facilities;  | 1,481,120.05                                     | 9,071,921.48                                    | -                           | -                                  |
| (2) Adding to, modifying, replacing, reconfiguring schools and/or creating new schools and/or facilities to accommodate current and future student enrollment, address major facility conditions, develop early childhood centers, enhance regional support of schools, and accommodate expanded new programmatic needs, and acquiring land for constructing and equipping new and/or replacement schools/facilities, or equivalent facility capacity, including, but not limited to, site preparation and the demolition of all or portions of existing structures and/or acquiring leasehold purchasing of facilities/properties as needed based on DCSD's determination of need priorities;   | 6,414,172.84                                     | 128,188,034.58                                  | -                           | -                                  |
| (3) Adding to, renovating, modifying, reconfiguring, equipping, upgrading, supplementing, acquiring, replacing, and installing capital improvements for various existing and new schools, buildings and facilities (including schools, buildings, and facilities to be constructed pursuant to this resolution, once completed and including any site preparation and demolition of existing structures if necessary) e.g., roofing, plumbing, wiring, painting, water piping, HVAC, making athletic field and physical education facility upgrades and improvements, ADA renovations, infrastructure improvements, repaving, restroom facilities, systems for environmental and air quality control, physical education facilities, kitchens, improvements to comply with health, safety and applicable building codes, traffic control and optimization, parking and parking capacity, stormwater management facilities, and program-driven modifications, as needed based on the DCSD's determination of need priorities at some or all of the DCSD schools and facilities; | 69,328,444.51                                    | 45,183,718.89                                   | -                           | -                                  |

DEKALB COUNTY BOARD OF EDUCATION  
 SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS  
 YEAR ENDED JUNE 30, 2024

SCHEDULE "12"

| PROJECT   | AMOUNT<br>EXPENDED<br>IN CURRENT<br>YEAR (3) (4) | AMOUNT<br>EXPENDED<br>IN PRIOR<br>YEARS (3) (4) | TOTAL<br>COMPLETION<br>COST | EXCESS<br>PROCEEDS NOT<br>EXPENDED |
|---|--|---|-----------------------------|------------------------------------|
| (4) Making technology improvements, by acquiring, replacing, purchasing, installing, upgrading or supplementing technology including, but not limited to technology that supports and/or enhances instruction, digital communication technology, enhanced school security solutions, wireless technology, enterprise content management solutions, replacement and/or enhancement of technology/systems in support of an Enterprise Resource Planning (ERP) upgrade, data storage systems, telecommunication systems, digital records retention, technology hardware, software, and related infrastructure at some or all of the DCSD schools and facilities as needed; | 882,920.43                                       | 63,238,978.52                                   | -                           | -                                  |
| (5) Replacing, purchasing, upgrading, refurbishing or supplementing school buses and support vehicles and other capital equipment as needed including, but not limited to items such as desks, chairs, tables, instructional equipment, band equipment, kitchen equipment, waste compactors, portable classroom/modular buildings, custodial equipment, grounds equipment, etc. at some or all DCSD schools and facilities; and   | 1,070,466.33                                     | 33,527,975.21                                   | -                           | -                                  |
| (6) And the expenses incidental to accomplishing the DeKalb projects including, but not limited to, implementation expenses, management expenses, and legal expenses.   | 99,474.10  | 30,459,719.03                                   | -                           | -                                  |
| Subtotal 2017 Projects  | <u>79,276,598.26</u>                             | <u>309,670,347.71</u>                           | -                           | -                                  |
| <b>2022 Sales Tax - Authorized Projects</b>   |  |   |                             |                                    |
| 1. Adding to, upgrading, reconfiguring, renovating, replacing, modifying and equipping existing and replacement schools, support facilities, athletic fields and physical education facilities;   | 3,869,848.21                                     | 2,835,661.75                                    | -                           | -                                  |
| 2. Acquiring and developing land for, constructing and equipping, new and replacement schools and support facilities, as well as additions to existing facilities;  | 2,731,003.80                                     | -   | -                           | -                                  |
| 3. Installing capital improvements for various existing and new schools, buildings and facilities;  | -  | -   | -                           | -                                  |
| 4. Providing hardware, software, and related infrastructure and making technology improvements; and   | 2,173,429.08                                     | -   | -                           | -                                  |
| 5. Replacing, purchasing, upgrading school buses, support vehicles, and other capital equipment.  | -  | -   | -                           | -                                  |
| Subtotal 2022 Projects  | <u>8,774,281.09</u>                              | <u>2,835,661.75</u>                             | -                           | -                                  |
| <b>Total</b>  | <u>\$ 94,023,878.86</u>                          | <u>\$ 930,871,709.87</u>                        | <u>\$ 624,027,803.51</u>    | <u>\$ -</u>                        |

(1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.

(2) The School District's current estimate of total cost for the projects. Includes all cost from project inception to completion.

(3) The voters of DeKalb County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt.

Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

(4) In addition to the expenditures shown above, the School District has incurred interest to provide advance funding as follows:

|              |                         |
|--------------|-------------------------|
| Prior Years  | \$ 20,367,291.67        |
| Current Year | <u>-</u>                |
| <b>Total</b> | <u>\$ 20,367,291.67</u> |

## **Section II**

### **Compliance and Internal Control Reports**



**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**

The Honorable Brian P. Kemp, Governor of Georgia  
Members of the General Assembly of the State of Georgia  
Members of the State Board of Education  
and  
Dr. Devon Horton, Superintendent and Members of the  
DeKalb County Board of Education

We have audited the financial statements of the governmental activities and each major fund of the DeKalb County Board of Education (School District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated June 5, 2025. We conducted our audit in accordance with the 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.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School 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 basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School 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 School District'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain

deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* in findings FS 2024-001, FS 2024-002, and FS 2024-003 that we consider to be significant deficiencies.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School 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*.

## **School District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The School 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 School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Greg S. Griffin  
State Auditor

June 5, 2025



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

The Honorable Brian P. Kemp, Governor of Georgia  
Members of the General Assembly of the State of Georgia  
Members of the State Board of Education  
and  
Dr. Devon Horton, Superintendent and Members of the  
DeKalb County Board of Education

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the DeKalb County Board of Education's (School 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 School District's major federal programs for the year ended June 30, 2024. The School 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 School District 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, 2024.

***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; 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 School District 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 the School 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 School District's federal programs.

## ***Auditor's 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 the School 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 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 the School District'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 the School 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 School 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 School 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**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

*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. We consider the deficiency in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* in finding FA 2024-001 to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the School District's response to the internal control over compliance finding identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is written in a cursive, flowing style.

Greg S. Griffin  
State Auditor

June 5, 2025

### **Section III**

#### **Auditee's Response to Prior Year Findings and Questioned Costs**

DEKALB COUNTY BOARD OF EDUCATION  
AUDITEE'S RESPONSE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2024

**PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

**FS 2023-001 Timely Financial Reporting and Maintenance of the General Ledger**

**Finding Status:** Previously Reported Corrective Action Implemented

**FS 2023-002 Cash and Interfund Balances**

**Repeat of Prior Year Finding:** FS 2022-003

**Finding Status:** Previously Reported Corrective Action Implemented

**FS 2023-003 Receivable and Related Balances**

**Repeat of Prior Year Finding:** FS 2022-003

**Finding Status:** Previously Reported Corrective Action Implemented

**PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**FA 2023-004 Allowable Costs**

**Federal Awarding Agency:** U.S. Department of Agriculture

**Pass-Through Entity:** Georgia Department of Education

**Finding Status:** Unresolved

*The District is developing corrective actions to strengthen Child Nutrition Cluster Department internal controls, policies, and procedures and ensure adherence through improved monitoring. Through collaboration, the Finance Division and the School Nutrition Department will review payroll data reports and ensure periodic certifications for all employees are completed timely.*

**FA 2023-005 Equipment & Real Property Management**

**Federal Awarding Agency:** U.S. Federal Communications Commission

**Pass-Through Entity:** Direct

**Finding Status:** Previously Reported Corrective Action Implemented

## Section IV

### Findings and Questioned Costs

DEKALB COUNTY BOARD OF EDUCATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED JUNE 30, 2024

**I SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:  
 Governmental Activities and Each Major Fund Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted: No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

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

All major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major programs:

| <u>Assistance Listing Number</u> | <u>Assistance Listing Program or Cluster Title</u> |
|----------------------------------|--|
| 10.553, 10.555                   | Child Nutrition Cluster                            |
| 84.027, 84.173                   | Special Education Cluster                          |
| 84.365                           | English Language Acquisition Grants                |
| 84.424                           | Student Support and Academic Enrichment            |
| 84.425                           | Education Stabilization Fund                       |

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000.00

Auditee qualified as low-risk auditee? No

DEKALB COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024

**II FINANCIAL STATEMENT FINDINGS**

**FS 2024-001 Strengthen Oversight of the Information System Conversion**

**Internal Control Impact:** Significant Deficiency

**Description:**

The DeKalb County Board of Education (School District) should strengthen oversight of its information system conversion from its legacy human resources/payroll (HR/payroll) and financial system to its new financial system.

**Background Information:**

The School District's management began a conversion project in September 2019 to replace its legacy and HR/payroll systems with one new financial system.

**Criteria:**

Best practices include forming an implementation team with an overall project manager that has the knowledge and responsibility to implement a conversion project from start to finish. In addition, a clear detailed implementation plan with sound business goals should be put in place at the beginning of the conversion project. The detailed conversion plan should include a cutoff date. The cutoff date is set to provide an end date to running the legacy systems and gives the implementation team a goal to analyze the new system and make a determination to move forward with the new financial system and sunset the legacy systems or roll back to the legacy systems.

**Condition:**

Five years after the conversion project began, the School District continued to operate its legacy system while running its new financial system. Continued delays in finalizing the legacy financial and HR/payroll systems conversion to the new financial system increases the cost and complexity of operations and creates ongoing risks to data integrity and a potential for significant financial misclassification and/or omissions, the exposures of which are outlined below:

- Redundant license fees for two financial accounting applications.
- Increased infrastructure, IT personnel, and external consultants' costs of maintaining both legacy and new financial systems.
- Increased IT staff workload.
- Lack of consistent data transfer completeness and accuracy verification checks such as record counts and/or amounts.
- Manual data transfers from legacy system to the new financial system which do not provide assurance of consistent operation.
- Loss of employee detail results during data transfers between legacy accounting and the new financial system due to format inconsistencies between the two applications.
- Risk of duplicate transactions being entered into both the legacy system and the new financial system as some material account balances are being entered into both systems.
- Greater risk of accountants making errors due to the increased complexity of accounting tasks.

**DEKALB COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

**Cause:**

The legacy application was officially sunset as of June 12, 2024; however, adequate project management was not always in place which contributed to all conditions. During some implementation phases, the School District lacked sufficient communication between management, project staff, IT staff, HR staff and accounting staff to consider the impacts of extending the use of the legacy system while operating the new financial system simultaneously. Furthermore, detailed project plans were not always in place to facilitate timely course correction when the new financial system implementation target dates were missed.

**Effect:**

Without effective controls over a single accounting system, the School District increases its risk of not detecting errors or omissions in its accounting and HR/payroll data. Failure to move to a single accounting system in a timely manner increases the risk that waste in resources and funds could occur, resulting in unnecessary costs to the School District. Also, operating multiple systems for the same types of transactions increases the burden on the School District's personnel workload potentially leading to employee turnover.

**Recommendation:**

We recommend the School District continue to monitor the implementation of its corrective action to ensure it remains effective in addressing the underlying issue. While the corrective measures have been implemented, the legacy application remained in operation for the majority of the fiscal year under review. As such, the finding is repeated to reflect the timing of implementation finalization. Ongoing oversight will help ensure the issue does not recur in future periods.

**Views of Responsible Officials:**

We concur with this finding.

**FS 2024-002 Strengthen Information Technology General Controls**

**Internal Control Impact:** Significant Deficiency

**Description:**

The DeKalb County Board of Education (School District) should strengthen logical access controls over its financial and human resource/payroll (HR/payroll) systems.

**Background Information:**

The School District relies extensively on its financial system to manage initiation, authorization, recording and processing of financial transactions. Controls over these systems are essential for protecting the integrity, availability and confidentiality of financial and HR/payroll data. The School District's management began a conversion project in September 2019 to replace its legacy financial and HR/payroll systems with a new financial system.

**Criteria:**

The School District is responsible for the effective operation of financial systems and related control activities. This includes information technology general controls (ITGCs) which are designed to ensure the integrity, availability and confidentiality of the financial information. It also includes the implementation of policies and procedures that support the effective operation of the ITGCs.

**DEKALB COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

**Condition:**

We noted the School District did not have adequate general controls in operation to protect the integrity, availability and confidentiality of information maintained in significant financial applications.

In accordance with the Official Code of Georgia (O.C.G.A.) §50-6-9(B), due to the sensitive nature of the deficiencies noted, we have communicated the findings to management and to those charged with governance; however, we have elected not to issue the specific findings to the public.

**Cause:**

Management stated that mitigation of some prior year legacy accounting logical access observations would occur upon full transition to the new financial system; however, implementation delays have continued for five years due to the legacy system's limitations.

**Effect:**

The conditions noted do not promote availability, confidentiality, and integrity of information assets and the ability to achieve business objectives.

**Recommendation:**

The School District should strengthen information technology general controls, including complete development of IT policies and procedures. Strengthening logical access controls will assist in ensuring the integrity of information which is utilized by management for decision making and financial reporting.

Full transition to the School District's accounting system, combined with sunseting the legacy accounting application, will strengthen the overall control environment due to elimination of existing legacy accounting control issues.

**Views of Responsible Officials:**

We concur with this finding.

**FS 2024-003 Strengthen Controls over Employee Compensation**

**Internal Control Impact:** Significant Deficiency

**Compliance Impact:** None

**Description:**

The School District's policies and procedures were insufficient to provide adequate internal controls over the employee compensation process.

**Criteria:**

The School District's management is responsible for maintaining internal controls that provide reasonable assurance that transactions are processed according to established procedures.

**DEKALB COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

**Condition:**

Our review of 53 employees' salaries revealed multiple deficiencies:

- Documentation supporting additional pay totaling \$53,605.42 was missing for 10 employees.
- Four employees received compensation in excess of their contracted amounts, resulting in total overpayments of \$7,472.54.
- One employee was underpaid \$3,897.00 compared to their contract.

In addition, our review of a sample of payroll expenditures totaling \$3,650,500.30 identified known questioned costs of \$57,180.96 due to a lack of adequate supporting documentation. Based on the total employee compensation expenditure population of \$832,671,552.59 (excluding benefit payments), the projected likely questioned costs to be \$13,042,858.47.

**Cause:**

These deficiencies were attributed to insufficient managerial oversight within the Human Resources and Payroll Departments and the failure to maintain adequate supporting documentation for compensation paid.

**Effect:**

The lack of adequate controls over the employee compensation process may result in misstatements which may not be detected and corrected by management.

**Recommendation:**

The School District should conduct a comprehensive review of its compensation-related controls and procedures, identify specific areas of weaknesses, and implement enhanced controls to ensure all compensation is properly authorized, accurately calculated, and adequately documented.

**Views of Responsible Officials:**

We concur with this finding.

DEKALB COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024

**III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**FA 2024-001 Improve Controls over Employee Compensation**

|                                      |  |
|--------------------------------------|--|
| <b>Compliance Requirement:</b>       | Allowable Costs/Cost Principles  |
| <b>Internal Control Impact:</b>      | Significant Deficiency   |
| <b>Compliance Impact:</b>            | Nonmaterial Noncompliance  |
| <b>Federal Awarding Agency:</b>      | U.S. Department of Agriculture   |
| <b>Pass-Through Entity:</b>          | Georgia Department of Education  |
| <b>AL Numbers and Title:</b>         | 10.553 – School Breakfast Program<br>10.555 – National School Lunch Program<br>COVID-19 – 10.555 – National School Lunch Program |
| <b>Federal Award Number:</b>         | 245GA324N1199 (Year: 2024) 225GA324N1099 (Year: 2024)  |
| <b>Questioned Costs:</b>             | \$102,234  |
| <b>Repeat of Prior Year Finding:</b> | 2023-004   |

**Description:**

The policies and procedures of the School District were insufficient to provide adequate internal controls over the employee compensation process as it relates to the Child Nutrition Cluster.

**Background Information:**

The Child Nutrition Cluster (CNC) is comprised of various programs that are intended to assist states in administering and overseeing food service program operators that provide healthful, nutritious meals to eligible children in public and non-profit private schools, residential childcare institutions, and summer programs. This Cluster of programs also fosters healthy eating habits in children by providing fresh fruits and fresh vegetables to children attending elementary and secondary schools and encourages the domestic consumption of nutritious agricultural commodities.

CNC funding was granted to the Georgia Department of Education (GaDOE) by the U.S. Department of Agriculture. GaDOE is responsible for distributing funds to local educational agencies (LEAs) and overseeing the various CNC programs. CNC funds totaling \$58,647,091.23 were expended and reported on the DeKalb County Board of Education's Schedule of Expenditures of Federal Awards (SEFA) for fiscal year 2024.

**Criteria:**

As a recipient of federal awards, the School District is required to establish and maintain effective internal control over federal awards that provides reasonable assurance of managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Section 200.303 – Internal Controls.

**DEKALB COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

Provisions included in the Uniform Guidance, Section 200.403 – Factors Affecting Allowability of Costs state that “costs must meet the following general criteria in order to be allowable under Federal awards: (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles, (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items, (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity... (g) Be adequately documented...”

Furthermore, provisions included in the Uniform Guidance, Section 200.430 – Compensation-Personal Services prescribe standards for documentation of personnel expenses and state, in part, that “(a) ... Costs for compensation are allowable to the extent that they satisfy... specific requirements..., and that the total compensation for individual employees: (1) is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities; (2) Follows an appointment made in accordance with a non-Federal entity’s laws and/or rules or written policies and meets the requirements of Federal statute, where applicable; and (3) Is determined and supported as provided in paragraph (i)..., [as follows:] (i) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must: (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; (ii) Be incorporated into the official records of the non-Federal entity...”

**Condition:**

A sample of 60 employees was randomly selected for testing using a non-statistical sampling approach. These employees were reviewed to determine if internal controls were properly functioning, and applicable compliance requirements were met. The following deficiencies were noted:

- One employee who no longer worked for the School District received salary payments totaling \$8,715.
- Two employees did not have any of the required certifications, or comparable documentation, to support their salary payments totaling \$48,837.
- One employee was missing required certifications, or comparable documentation, to support a portion of their salary payments totaling \$8,128.
- One employee’s salary in the amount of \$2,671 was incorrectly charged to the federal program for one pay period.
- Documentation of additional pay totaling \$33,883 could not be located for 14 employees.

**Questioned Costs:**

Upon testing a sample of \$1,399,390 in personnel services expenditures, known questioned costs of \$102,234 were identified for payroll charges not supported by adequate documentation. Using the total personnel services expenditure population of \$18,999,516 (excluding benefits payments), we project the likely questioned costs to be approximately \$1,388,035. The following Assistance Listing Numbers were affected by known and likely questioned costs: 10.553 and 10.555.

**Cause:**

A lack of oversight by personnel in the Office of Federal Grants and Program Compliance led to noncompliance with the requirements of the Uniform Guidance in relation to charging of personnel costs to a federal program.

**DEKALB COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

**Effect:**

The School District is not in compliance with the Uniform Guidance and GaDOE guidance. Failure to pay employees with CNC funds the appropriate amount and/or maintain documentation supporting those payments could result in the expenditure of funds for unallowable purposes. This may also expose the School District to unnecessary financial strains and shortages within the CNC funds as ED or GaDOE may require the School District to return funds associated with improperly documented expenditures.

**Recommendation:**

The School District should evaluate their internal control process related to the approval and retention of documentation to support employee compensation payments. Where vulnerable, the School District should develop and/or modify its policies and procedures to ensure that CNC employees are paid appropriately. Furthermore, management should develop and implement a monitoring process to ensure that these procedures are functioning properly.

**Views of Responsible Officials:**

We concur with this finding.

## **Section V**

### **Management's Corrective Action**



Dr. Devon Q. Horton, Superintendent

Mrs. Deirdre P. Pierce, Board Chair  
Ms. Allyson Gevertz, Vice Chair  
Mr. Andrew B. Ziffer  
Ms. Whitney McGinniss  
Tiffany Hogan, Ph.D.  
Mr. Dijon DaCosta, Sr.  
Mr. Awet Eyasu

## **CORRECTIVE ACTION PLANS - FINANCIAL STATEMENT FINDINGS**

### **FS 2024-001 Strengthen Oversight of the Information System Conversion**

**Internal Control Impact:** Significant Deficiency

**Description:**

The DeKalb County Board of Education (School District) should strengthen oversight of its information system conversion from its legacy human resources/payroll (HR/Payroll) and financial system to its new financial system.

**Corrective Action Plans:**

The District has developed corrective actions to strengthen internal controls, policies, and procedures. Additionally, the District has fully transitioned to a new accounting system. The District will ensure adherence through continued monitoring.

**Estimated Completion Date:** June 30, 2025

**Contact Person:** Kermit Belcher, CIO

**Telephone:** (678) 676 - 1200

**Email:** Kermit\_Belcher@dekalbschoolsga.org

### **FS 2024-002 Strengthen Information Technology General Controls**

**Internal Control Impact:** Significant Deficiency

**Description:**

The DeKalb County Board of Education (School District) should strengthen logical access controls over its financial and human resources/payroll (HR/payroll) systems.

**Corrective Action Plans:**

The District has developed corrective actions to strengthen internal controls, policies, and procedures. Additionally, the District has fully transitioned to a new accounting system. The District will ensure adherence through continued monitoring.

**Contact Person:** Kermit Belcher, CIO

**Telephone:** (678) 676 - 1200

**Email:** Kermit\_Belcher@dekalbschoolsga.org



Mrs. Deirdre P. Pierce, Board Chair  
Ms. Allyson Gevertz, Vice Chair  
Mr. Andrew B. Ziffer  
Ms. Whitney McGinniss  
Tiffany Hogan, Ph.D.  
Mr. Dijon DaCosta, Sr.  
Mr. Awet Eyasu

Dr. Devon Q. Horton, Superintendent

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## **FS 2024-003 Strengthen Controls over Employee Compensation**

**Internal Control Impact:** Significant Deficiency

### **Description:**

The School District's policies and procedures were insufficient to provide adequate internal controls over the employee compensation process.

### **Corrective Action Plans:**

The District is developing corrective actions to strengthen internal controls, policies, and procedures and ensure adherence through improved monitoring.

**Estimated Completion Date:** June 30, 2026

**Contact Person:** Byron Schueneman, CFO & Tasha Davis-Mills, CHRO

**Telephone:** (678) 676 - 1200

**Email:** Byron\_Schueneman@dekalbschoolsga.org & Tasha\_Davis-Mills@dekalbschoolsga.org



Mrs. Deirdre P. Pierce, Board Chair  
Ms. Allyson Gevertz, Vice Chair  
Mr. Andrew B. Ziffer  
Ms. Whitney McGinniss  
Tiffany Hogan, Ph.D.  
Mr. Dijon DaCosta, Sr.  
Mr. Awet Eyasu

Dr. Devon Q. Horton, Superintendent

## CORRECTIVE ACTION PLANS - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

### FA 2024-001 Improve Controls over Employee Compensation

|   |  |
|---|--|
| <b>Compliance Requirement:</b>              | Allowable Costs/Cost Principles  |
| <b>Internal Control Impact:</b>             | Significant Deficiency   |
| <b>Compliance Impact:</b>                   | Nonmaterial Noncompliance  |
| <b>Federal Awarding Agency:</b>             | U.S. Department of Agriculture   |
| <b>Pass-Through Entity:</b>                 | Georgia Department of Education  |
| <b>Assistance Listing Number and Title:</b> | 10.553 – School Breakfast Program<br>10.555 – National School Lunch Program<br>COVID-19 – 10.555 – National School Lunch Program |
| <b>Federal Award Numbers:</b>               | 245GA324N1199 (Year: 2024) 225GA324N1099 (Year: 2024)  |
| <b>Questioned Costs:</b>                    | \$102,234  |
| <b>Repeat of Prior Year Finding:</b>        | 2023-004   |

#### Description:

The policies and procedures of the School District were insufficient to provide adequate internal controls over the employee compensation process as it relates to the Child Nutrition Cluster.

#### Corrective Action Plans:

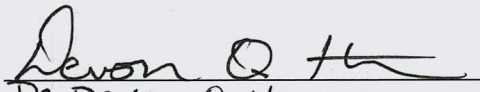
The District is developing corrective action to strengthen internal controls, policies, and procedures and ensure adherence through improved monitoring.

**Estimated Completion Date:** June 30, 2026

**Contact Person:** Connie Walker, School Nutrition Executive Director

**Telephone:** (678) 676 - 1780

**Email:** [Connie\\_R\\_Walker@dekalbschoolsga.org](mailto:Connie_R_Walker@dekalbschoolsga.org)

Signature:   
Dr. Devon Q. Horton

Title: Superintendent