

**DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(d/b/a DECIDE DEKALB DEVELOPMENT AUTHORITY)**

FINANCIAL REPORT

DECEMBER 31, 2022

**DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(d/b/a DECIDE DEKALB DEVELOPMENT AUTHORITY)**

**FINANCIAL REPORT
DECEMBER 31, 2022**

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Development Authority of DeKalb County
Decatur, Georgia**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate remaining fund information of the **Development Authority of DeKalb County, d/b/a Decide DeKalb Development Authority**, (the "Authority"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Authority, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 Authority 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.

Emphasis of Matter – Change in Accounting Principle

As described in Note 4 to the financial statements, during the fiscal year ended December 31, 2022, the Authority adopted new accounting guidance, Governmental Auditing Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

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 Authority'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 Authority'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 Authority'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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining fund financial statements are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS in the United States of America. In our opinion, the combining fund financial statements are 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 16, 2023 on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 16, 2023

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(D/B/A DECIDE DEKALB DEVELOPMENT AUTHORITY)
BUSINESS-TYPE ACTIVITIES
STATEMENT OF NET POSITION
DECEMBER 31, 2022

ASSETS		
CURRENT ASSETS		
Cash	\$	2,688,514
Investments		97,131
Receivables, net of allowance		962,833
Prepaid items		11,071
Notes receivable		1,375,921
Accrued interest receivable		33,100
Total current assets		5,168,570
NONCURRENT ASSETS		
Depreciable capital assets, net of accumulated depreciation/amortization		2,543,295
Total assets		7,711,865
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding		22,283
Total deferred outflows of resources		22,283
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable		94,007
Accrued liabilities		323,472
Due to other governments		100,000
Bonds payable, due within one year		885,000
Lease payable, due within one year		148,025
Total current liabilities		1,550,504
NONCURRENT LIABILITIES		
Lease payable, due in more than one year		586,943
Total noncurrent liabilities		586,943
Total liabilities		2,137,447
NET POSITION		
Net investment in capital assets		945,610
Unrestricted		4,651,091
Total net position	\$	5,596,701

See Notes to Financial Statements.

**DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(D/B/A DECIDE DEKALB DEVELOPMENT AUTHORITY)
BUSINESS-TYPE ACTIVITIES
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022**

OPERATING REVENUES:

Charges for services:	
Annual administrative fees	\$ 365,934
Application fees	57,750
Issuer fees	931,188
Program income	118,924
DeKalb County intergovernmental operating allocation	1,939,707
Rental income	54,142
Other fees and charges	1,051,965
Total operating revenues	<u>4,519,610</u>

OPERATING EXPENSES:

Salaries, wages, bonuses	1,176,983
Employee benefits and payroll taxes	232,335
Advertising and public relations	43,231
Business and economic development	505,582
Community initiatives and sponsorships	61,165
Consulting services	489,870
Dues and subscriptions	57,516
Insurance	23,522
Professional services	124,016
Rent and utilities	34,703
Travel and meetings	9,400
Other administrative expenses	175,187
Depreciation and amortization	547,347
Total operating expenses	<u>3,480,857</u>

Operating income 1,038,753

NON-OPERATING REVENUES (EXPENSES)

Interest income	47,975
Interest expense	(121,860)
Total non-operating revenues (expenses)	<u>(73,885)</u>

Change in net position 964,868

Net position, beginning of year, restated 4,631,833

Net position, end of year \$ 5,596,701

See Notes to Financial Statements.

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(D/B/A DECIDE DEKALB DEVELOPMENT AUTHORITY)
BUSINESS-TYPE ACTIVITIES
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 4,533,896
Payments to suppliers	(1,564,942)
Payments to employees	(1,509,567)
Net cash provided by operating activities	1,459,387

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	39,808
Interest on investments	39,700
Net cash provided by investing activities	79,508

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal repayments on long-term borrowings	(845,000)
Principal repayments on lease payables	(147,573)
Interest paid on long-term borrowings	(101,513)
Net cash used in capital and related financing activities	(1,094,086)

Net increase in cash 444,809

Cash:

Beginning of year	2,243,705
End of year	\$ 2,688,514

RECONCILIATION OF OPERATING INCOME TO NET

CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 1,038,753
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	547,347
Changes in assets, deferred outflows of resources, and liabilities:	
Decrease in accounts receivable	14,286
Increase in prepaid items	(2,208)
Decrease in accounts payable	(38,542)
Decrease in accrued liabilities	(100,249)
Net cash provided by operating activities	\$ 1,459,387

See Notes to Financial Statements.

**DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(D/B/A DECIDE DEKALB DEVELOPMENT AUTHORITY)
FIDUCIARY ACTIVITIES
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2022**

ASSETS	Custodial Funds
Cash and cash equivalents	\$ 6,969,840
Taxes receivable	80,819
Total assets	7,050,659
Accrued liabilities	37,171
Total liabilities	37,171
NET POSITION	
Restricted:	
Individuals, organizations, and other governments	7,013,488
Total net position	\$ 7,013,488

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

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(D/B/A DECIDE DEKALB DEVELOPMENT AUTHORITY)
FIDUCIARY ACTIVITIES
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2022

	Custodial Funds
ADDITIONS	
Property taxes collected for other governments	\$ 2,209,805
Total additions	2,209,805
Program disbursements	134,708
Total disbursements	134,708
Change in fiduciary net position	2,075,097
NET POSITION, beginning of year	4,938,391
NET POSITION, end of year	\$ 7,013,488

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

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(d/b/a DECIDE DEKALB DEVELOPMENT AUTHORITY)
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity:

The Development Authority of DeKalb County, a body politic, was duly created under the Acts of the General Assembly of the State of Georgia in 1974. The Development Authority of DeKalb County was created for the purpose of developing and promoting, for the general good and public welfare, trade, commerce, industry and employment opportunities, and possesses the power to issue revenue bonds to assist private entities in developing facilities within DeKalb County, Georgia. The Development Authority of DeKalb County is currently doing business under the name Decide DeKalb Development Authority ("Decide DeKalb"). Decide DeKalb is comprised of a combination of several economic development and financing entities which have been included in Decide DeKalb's financial statements as blended component units in conformity with accounting principles generally accepted in the United States of America, as set forth in Governmental Accounting Standards Board ("GASB") Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 61, The Financial Reporting Entity: Omnibus.

The Residential Care Facilities for the Elderly Authority of DeKalb County ("RCFA"), is a public body corporate and politic duly created and existing under the Constitution and laws of the State of Georgia, and activated by a resolution of the Board of Commissioners of DeKalb County. RCFA was organized for the purposes of acquiring, constructing, leasing, equipping, improving, modifying, expanding, modernizing and remodeling new or existing residential care facilities for the elderly located or to be located in the area of operation of RCFA. RCFA's Board of Directors is substantially the same as the Board of Directors of Decide DeKalb and it has a financial benefit and burden relationship with Decide DeKalb. As a result, RCFA is a blended component unit of Decide DeKalb.

The DeKalb Private Hospital Authority ("DPHA") is a public body corporate and politic duly created and existing under the Constitution and laws of the State of Georgia, including, particularly, the Hospital Authorities Law, Official Code of Georgia Annotated 31-7-70, and activated by a resolution of the Board of Commissioners of DeKalb County adopted on August 28, 1984. DPHA was organized for the purpose of issuing revenue bonds to assist with the development of private health care facilities in DeKalb County, Georgia. All such bond issues represent obligations of the related beneficiaries and are ordinarily collateralized by the facilities constructed by the proceeds of such issue. DPHA's Board of Directors is substantially the same as the Board of Directors of Decide DeKalb and it has a financial benefit and burden relationship with Decide DeKalb. As a result, DPHA is a blended component unit of Decide DeKalb.

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(d/b/a DECIDE DEKALB DEVELOPMENT AUTHORITY)
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued):

Fiduciary Activities – Custodial Funds

The Authority has taken over the administration of DeKalb County's (the "County") three (3) Tax Allocation Districts (TADs). The Kensington, Columbia Drive, and Druid Hills Tax Allocation Districts have been established by the County to finance certain redevelopment activities in each of the regional areas. The Authority receives tax increment payments from the County's Tax Commissioner and then carryout the programs administratively and at the discretion of the County. The Tax Allocation Districts are reported as custodial funds in accordance with Governmental Accounting Standards Board Statement No. 84.

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DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(d/b/a DECIDE DEKALB DEVELOPMENT AUTHORITY)
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued):

Condensed Statement of Net Position			
	RCFA	DPHA	Total Blended Component Units
Assets:			
Current assets	\$ 21,709	\$ 169,843	\$ 191,552
Total assets	21,709	169,843	191,552
Liabilities:			
Current payables	-	137,936	137,936
Total	-	137,936	137,936
Net position			
Unrestricted	21,709	31,907	53,616
Total	\$ 21,709	\$ 31,907	\$ 53,616

Condensed Statement Revenues, Expenses and Changes in Net Position			
	RCFA	DPHA	Total Blended Component Units
Operating revenues:			
Charges for services	\$ -	\$ 94,934	\$ 94,934
Total operating revenues	-	94,934	94,934
Operating expenses	-	256,126	256,126
Operating income (loss)	-	(161,192)	(161,192)
Nonoperating revenues:			
Interest income	-	5	5
Total nonoperating revenues	-	5	5
Change in net position	-	(161,187)	(161,187)
Net position, beginning of year	21,709	193,094	214,803
Net position, end of year	\$ 21,709	\$ 31,907	\$ 53,616

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(d/b/a DECIDE DEKALB DEVELOPMENT AUTHORITY)
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued):

Condensed Statement of Cash Flows			
	RCFA	DPHA	Total Blended Component Units
Net cash provided by:			
Operating activities	\$ -	\$ (158,127)	\$ (158,127)
Investing activities	-	39,937	39,937
Total net cash provided (used)	-	(118,190)	(118,190)
Beginning cash and cash equivalent balances	21,709	153,163	174,872
Ending cash and cash equivalent balances	\$ 21,709	\$ 34,973	\$ 56,682

Fund Accounting:

Decide DeKalb uses one fund to report on its financial position and the results of its operations and a second fund to account for and provide separate information for the County's Tax Allocation Districts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The funds presented in this report are a Proprietary Fund Type - *Enterprise Fund* and a Fiduciary Fund. Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. Fiduciary Funds are used to account for resources held for the benefit of parties outside the Authority. The accounting used for the fiduciary fund is much like that used for proprietary funds.

Measurement Focus and Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. In accounting and reporting for its proprietary operations, Decide DeKalb applies all Governmental Accounting Standards Board (GASB) pronouncements.

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(d/b/a DECIDE DEKALB DEVELOPMENT AUTHORITY)
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued):

Proprietary funds and fiduciary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, and liabilities associated with the operation of these funds are included in the statement of net position. Net position is segregated into net investment in capital assets and restricted and unrestricted components. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in net position. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. Custodial funds present additions and deductions to net position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for Decide DeKalb are charges to customers for annual administrative, application, closing fees, lease income and operating grants and contributions from DeKalb County. Operating expenses for Decide DeKalb include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is Decide DeKalb's policy to use restricted resources first, then unrestricted resources as they are needed.

Management Estimates:

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

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(d/b/a DECIDE DEKALB DEVELOPMENT AUTHORITY)
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents, and Investments:

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by Decide DeKalb.

For purposes of the statement of cash flows, Decide DeKalb considers all highly liquid investments (including restricted assets) with an original maturity date of three months or less, and customer deposits to be cash equivalents.

Investments made by Decide DeKalb are limited to certificates of deposit. Decide DeKalb's certificates of deposit are nonparticipating interest-earning investment contracts and are recorded at amortized cost.

Customer Accounts Receivable:

Customer accounts receivable include billed but uncollected amounts. Allowances for doubtful accounts are maintained based on historical results adjusted to reflect current conditions.

Prepaid Items:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as an expense when consumed by Decide DeKalb.

Capital Assets:

Capital assets are carried at cost and right-to-use leased assets are reported at the net present value of future payments. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Capital assets are defined by Decide DeKalb as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of three years. These assets are depreciated or amortized using the straight-line method over the following useful lives:

Asset Category	Years
Furniture and equipment	5 - 7
Land and building	23
Right-to-use leased equipment	2
Right-to-use leased facility	6 - 7

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(d/b/a DECIDE DEKALB DEVELOPMENT AUTHORITY)
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Notes Receivable:

Decide DeKalb has four (4) notes receivable at year end. The first note is with Advance DeKalb, a 501c(3) and legally separate entity, to fund the feasibility study, capital campaign, and related costs for the capital campaign for the development programs of the County. These funds were advanced by Decide DeKalb and will be repaid by Advance DeKalb, through the loan agreement.

The second note is a note receivable for the total of the principal payments from SL Covington Place, LLC, under loan agreements between the parties. This loan was made in accordance with all provisions of DeKalb County Brownfields Revolving Loan Fund.

The third note is a note receivable for the total of the principal payments from Atomic Entertainment Development, LLC, under loan agreements between the parties. This loan was made in accordance with all provisions of DeKalb County Brownfields Revolving Loan Fund.

The fourth note is a note receivable for the total of the principal payments from the Local Initiatives Support Corporation (LISC) Atlanta, under loan agreements between the parties.

Leases:

Lessee

Decide DeKalb is a lessee for noncancellable leases of equipment and facility space. Decide DeKalb recognizes a lease liability and an intangible right-to-use lease asset in the financial statements. Decide DeKalb recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(d/b/a DECIDE DEKALB DEVELOPMENT AUTHORITY)
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued):

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

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

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

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

Deferred Outflows of Resources:

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has one type of item that qualifies for reporting in this category. This item is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(d/b/a DECIDE DEKALB DEVELOPMENT AUTHORITY)
NOTES TO FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS

Credit Risk – Investments. State statutes authorize Decide DeKalb to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime banker’s acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

At December 31, 2022, the Authority had the following investments:

<u>Investment</u>	<u>Maturities/Duration</u>	<u>Reported Value</u>
Certificates of Deposit	12 months	\$ 82,138
Certificates of Deposit	18 months	14,993
Total		<u>\$ 97,131</u>

Custodial Credit Risk – Deposits. State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of December 31, 2022, the two (2) financial institutions holding all of the Authority’s deposits are participants of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of December 31, 2022, all of the Authority’s bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(d/b/a DECIDE DEKALB DEVELOPMENT AUTHORITY)
NOTES TO FINANCIAL STATEMENTS

NOTE 3. RECEIVABLES

Receivables, including the applicable allowances for uncollectible accounts, consisted of the following at December 31, 2022:

Receivables:		
Accounts	\$	1,003,469
Less allowance for uncollectibles		(40,636)
Net total receivables	<u>\$</u>	<u>962,833</u>

NOTE 4. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2022 is as follows:

	Restated Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated/amortized:				
Land impr. and building	\$ 8,372,170	\$ -	\$ -	\$ 8,372,170
Right-to-use equipment	97,116	-	-	97,116
Right-to-use building	785,425	-	-	785,425
Total	9,254,711	-	-	9,254,711
Less accumulated depreciation/amortization for:				
Land impr. and building	(6,164,069)	(368,706)	-	(6,532,775)
Right-to-use equipment	-	(52,973)	-	(52,973)
Right-to-use building	-	(125,668)	-	(125,668)
Total	(6,164,069)	(547,347)	-	(6,711,416)
Total capital assets, net	\$ 3,090,642	\$ (547,347)	\$ -	\$ 2,543,295

Decide DeKalb used the proceeds from the issuance of the Series 2004 Revenue Bonds noted in Note 6 to purchase the remainder of a lease for land and a building. The interest in the leased land and building was recorded as an asset and depreciated over the life of the lease. Beginning balances were restated for the implementation of GASB 87, *Leases*.

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(d/b/a DECIDE DEKALB DEVELOPMENT AUTHORITY)
NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM LIABILITIES

The following is a summary of long-term debt activity for the year ended December 31, 2022:

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Bonds payable	\$ 1,730,000	\$ -	\$ (845,000)	\$ 885,000	\$ 885,000
Lease payable	882,541	-	(147,573)	734,968	148,025
Total long-term liabilities	<u>\$ 2,612,541</u>	<u>\$ -</u>	<u>\$ (992,573)</u>	<u>\$ 1,619,968</u>	<u>\$ 1,033,025</u>

During fiscal year 2016, Decide DeKalb issued \$5,800,000 of Series 2016 direct placement refunding revenue bonds. The 2016 bonds were issued to refund the Series 2004 revenue bonds in the amount of \$6,500,000 in aggregate principal maturing December 10, 2016 through 2023. The bonds bear an interest rate of 2.75%. The refunding resulted in a difference between the reacquisition price and the carrying amount of the old debt of \$178,268. This difference is reported in the accompanying financial statements as a deferred outflow of resources, and is being charged to operations through year 2023 using the straight-line method.

Decide DeKalb's debt service requirements to maturity on the revenue bonds as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 885,000	\$ 24,338	\$ 909,338
Total	<u>\$ 885,000</u>	<u>\$ 24,338</u>	<u>\$ 909,338</u>

The Authority is a lessee of an office building as well as equipment and other tangible personal property. The Authority pays monthly payments ranging from \$4,398 to \$11,992. These payments include the principal and interest components of the lease arrangements. The lease uses a discount rate ranging of 7.27%.

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(d/b/a DECIDE DEKALB DEVELOPMENT AUTHORITY)
NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM LIABILITIES (CONTINUED)

Decide DeKalb's debt service requirements to maturity on the lease liabilities are as follows:

Year ending December 31,	Principal	Interest	Total
2023	\$ 148,025	\$ 48,311	\$ 196,336
2024	114,873	38,924	153,797
2025	128,263	30,133	158,396
2026	142,803	20,331	163,134
2027	158,581	9,432	168,013
2028	42,423	515	42,938
Total	<u>\$ 734,968</u>	<u>\$ 147,646</u>	<u>\$ 882,614</u>

NOTE 6. CONDUIT DEBT

The Authority issues tax exempt and taxable revenue bonds to private sector entities for projects located within DeKalb County. The bonds are secured by the obligations of the private sector entity and are payable solely from payments received on the underlying promissory notes or leases when leases are utilized. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. The Authority is not obligated in any manner for repayment of the bonds and does not report these as liabilities in the accompanying consolidated financial statements.

At December 31, 2022, the aggregate principal amounts of bonds issued as conduit debt were \$264,439,748.

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(d/b/a DECIDE DEKALB DEVELOPMENT AUTHORITY)
NOTES TO FINANCIAL STATEMENTS

NOTE 6. CONDUIT DEBT (CONTINUED)

<u>Bond Series</u>	<u>Purpose</u>	<u>Outstanding Par Value</u>	<u>Limited Commitment</u>	<u>Voluntary Commitment</u>
Berman Commons LLC	Construction of senior housing	\$ 3,984,385	No	No
Boys & Girls Club	Construction and renovation of athletic facilities at 4 DeKalb County clubs	400,000	No	No
Children's Healthcare of Atlanta	Construction of new hospital campus	73,035,000	No	No
Children's Healthcare of Atlanta	Construction of new hospital (N Druid Hills and Tullie Rd)	155,400,000	No	No
Ivy Preparatory Academy Inc.	Acquisition and renovation of property	11,295,000	No	No
King's Bridge Retirement Center Inc.	Renovation of property	9,950,363	No	No
Marist School	Acquisition and construction of athletic facilities	450,000	No	No
Veteran's Affairs Regional Total	Renovation	<u>9,925,000</u> <u>\$ 264,439,748</u>	No	No

NOTE 7. INTERGOVERNMENTAL AGREEMENT

On January 22, 2022, a new Intergovernmental Agreement between DeKalb County and Decide DeKalb was approved and executed by both entities which obligates Decide DeKalb to provide expanded and new economic development services and activities for DeKalb County in exchange for funding. As part of this agreement, DeKalb County will provide \$1,250,000 annually to Decide DeKalb.

This Intergovernmental Agreement continues the single economic development entity that facilitates business attraction and business development, along with the implementation of a centralized entity for the development of work programs in DeKalb County.

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(d/b/a DECIDE DEKALB DEVELOPMENT AUTHORITY)
NOTES TO FINANCIAL STATEMENTS

NOTE 8. RETIREMENT PLANS

The Authority's defined contribution plan is a single employer defined contribution plan established and administered by the Authority for all full-time employees who opt to participate. The retirement plan was established by resolution of the Board of Directors and the Plan, including contribution requirements, may also be amended by resolution of the same.

Employees can contribute any percentage of their base salary not to exceed \$13,500 for the year ended December 31, 2022 and the Authority matches the first 3% of the employee's salary contribution. Full-time employees are eligible upon date of hire and are fully vested upon making contributions to the deferred compensation plan. At December 31, 2022, there were six (6) Plan members.

For the year ended December 31, 2022, the Authority's contributions to the Plan were \$31,130 and employee contributions to the Plan totaled \$42,354.

NOTE 9. COMMITMENTS AND CONTINGENCIES

The Authority has legal proceedings arising from the normal course of business. The Authority believes the ultimate outcome of the proceedings will not have a material adverse impact on the Authority's financial position, results of operations, or cash flows.

NOTE 10. RESTATEMENTS FOR CHANGE IN ACCOUNTING PRINCIPLE

During the year ended December 31, 2022, Decide DeKalb's implementation of GASB issued Statement No. 87 required the restatement of the opening net position. The restatement changed the way the operating lease was previously accounted for and removed the deferred inflows and restated the lease as of January 1, 2022. Below is the effect of the restatement:

	Development Authority of DeKalb County
Net position, as previously reported	\$ 4,556,591
Recognition of Lease Payable	(882,541)
Recognition of Right-to-use assets	882,541
Removal of deferred inflows	75,242
Net position, as restated	\$ 4,631,833

SUPPLEMENTARY INFORMATION

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(D/B/A DECIDE DEKALB DEVELOPMENT AUTHORITY)
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2022

ASSETS	Kensington TAD	Columbia Drive TAD	Druid Hills TAD	Total
Cash and cash equivalents	\$ 1,930,694	\$ 1,231,992	\$ 3,807,154	\$ 6,969,840
Due from other funds	57,202	-	-	57,202
Taxes receivable	30,768	-	50,051	80,819
Total assets	2,018,664	1,231,992	3,857,205	7,107,861
Accrued liabilities	16,585	10,293	10,293	37,171
Due to other funds	-	-	57,202	57,202
Total liabilities	16,585	10,293	67,495	94,373
NET POSITION				
Restricted:				
Individuals, organizations, and other governments	2,002,079	1,221,699	3,789,710	7,013,488
Total net position	\$ 2,002,079	\$ 1,221,699	\$ 3,789,710	\$ 7,013,488

**DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(D/B/A DECIDE DEKALB DEVELOPMENT AUTHORITY)
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	<u>Kensington TAD</u>	<u>Columbia Drive TAD</u>	<u>Druid Hills TAD</u>	<u>Total</u>
ADDITIONS				
Property taxes collected for other governments	\$ 1,143,183	\$ 437,795	\$ 628,827	\$ 2,209,805
Total additions	<u>1,143,183</u>	<u>437,795</u>	<u>628,827</u>	<u>2,209,805</u>
Program disbursements	<u>107,103</u>	<u>10,293</u>	<u>17,312</u>	<u>134,708</u>
Total disbursements	<u>107,103</u>	<u>10,293</u>	<u>17,312</u>	<u>134,708</u>
Net increase in custodial net position	1,036,080	427,502	611,515	2,075,097
Net position, beginning of year	<u>965,999</u>	<u>794,197</u>	<u>3,178,195</u>	<u>4,938,391</u>
Net position, end of year	<u>\$ 2,002,079</u>	<u>\$ 1,221,699</u>	<u>\$ 3,789,710</u>	<u>\$ 7,013,488</u>

COMPLIANCE SECTION



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

**To the Members of the Board of the
Development Authority of DeKalb County
Decatur, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and aggregate remaining fund information of the Development Authority of DeKalb County, d/b/a Decide DeKalb Development Authority (the "Authority"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 16, 2023. Our report includes a reference to the change in accounting principle resulting from the implementation of Government Auditing Standards Board Statement No. 87, *Leases*.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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*.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 16, 2023

DEVELOPMENT AUTHORITY OF DEKALB COUNTY
(d/b/a DECIDE DEKALB DEVELOPMENT AUTHORITY)
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
Material weaknesses identified?

_____ yes X no

Significant deficiencies identified?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

There was not an audit of major federal award programs as of December 31, 2022 due to the total amount of federal awards expended being less than \$750,000.