

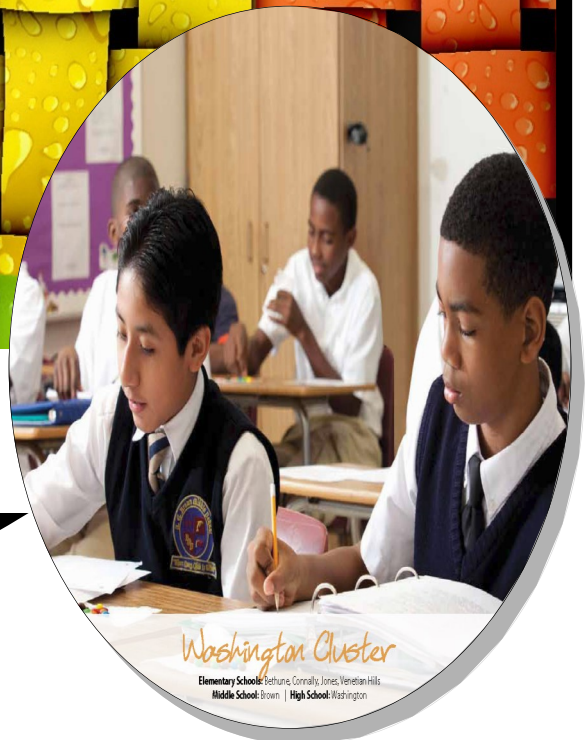


Atlanta Independent School System  
Atlanta, Georgia

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Comprehensive Annual  
Financial Report

For Fiscal Year Ended  
June 30, 2014



**ATLANTA INDEPENDENT SCHOOL SYSTEM**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED  
JUNE 30, 2014**

**PREPARED BY:**

**Office of the Chief Financial Officer  
Charles A. Burbridge**

**130 Trinity Avenue, SW**

**Atlanta, Georgia 30303**

# ATLANTA INDEPENDENT SCHOOL SYSTEM

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# **INTRODUCTORY SECTION**



130 Trinity Ave., SW  
Atlanta, GA 30303  
Ph: 404.802.3500  
atlantapublicschools.us

December 5, 2014

Dear Citizens of Atlanta:

Atlanta Public Schools (APS) is pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. Atlanta Public Schools financial management officials prepared this report, and it contains information about the scope and character of the District's fiscal activities and accomplishments in 2014. It also illustrates the administration's efforts to achieve the goals established by the Atlanta Board of Education for the school year.

This report is intended to fulfill the requirement for audit prescribed by Georgia Statutes for local boards of education.

APS management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a framework of internal controls it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective of this report is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The District operates under the management and control of an elected nine-member Atlanta Board of Education. These members establish and guide policy for APS and approve the budget. The APS superintendent and administrative staff create the budget and manage the District's finances and daily operations.

### **SNAPSHOT OF ATLANTA PUBLIC SCHOOLS**

After identifying and addressing numerous and considerable deficiencies, APS underwent a major overhaul from 2011-2014, which has resulted in a much more stable school district and continuous improvements on many fronts. The District continues to renew its commitment to APS stakeholders through academic excellence, educational equity, ethics and engagement. The District remains focused on becoming a high-performing school district where students love to learn, educators inspire, parents are engaged and the community has trust in the District.

APS begins fiscal year 2015 (FY15) poised to prepare students for college and careers. In April 2014, the school board appointed Dr. Meria J. Carstarphen as the new APS superintendent, and the District began operating under her leadership July 7, 2014.



The school district was established in 1872, making it one of the oldest districts in Georgia. APS is home to countless notable alumni, including civil-rights activists, renowned engineers, scientists, entertainers, nationally elected officials, and professional athletes. The District is also home to Booker T. Washington High School, the oldest high school in Atlanta built to educate African-American students.

APS is organized into nine high school clusters with distinct feeder patterns. The cluster model has allowed APS to fully staff and provide more support, opportunity and equity to all schools in the District. All students have access to music, arts, foreign language and core academic programs, from kindergarten through grade 12. The cluster model enables elementary, middle and high school teachers and administrators within a cluster to collaborate more when creating strategies that increase student performance.

APS began implementing the Common Core Georgia Performance Standards (CCGPS) at the start of 2013 school year and moved to full implementation of the Standards at the start of the 2014 school year. The CCGPS are more rigorous than Georgia's previous standards and are designed to ensure that students obtain the knowledge and skills required to meet 21<sup>st</sup> century challenges— such as strong verbal and written communications, perseverance in problem solving, technical reading and writing, literacy across disciplines, and mathematical proficiency.

### **Students**

In the 2014 school year, student enrollment was more than 51,000 students, and the District expects to serve a similar number of students at 106 learning sites throughout Atlanta in 2015. Nearly 2,000 seniors graduated from APS high schools in 2014, earning \$100 million in college scholarships. Large numbers of APS students continue to earn awards for academic achievement on the state and national levels.

The District's budget provides funding for academic and special services that support our diverse student enrollment. APS students represent several ethnic, economic and special needs groups:

- Bilingual/English as a Second Language – 4%
- Gifted and Talented – 12%
- Homeless – 6%
- Limited English Proficient – 6%
- Low Income Students – 77%
- Student Ethnic Distribution: African American – 76%; Caucasian – 14%; Hispanic – 7%; Multiracial – 2%; Asian, American Indian or Pacific Islander – 1%
- Students with Disabilities – 11%

### **Employees**

Of the 5,500 APS employees, 4,600 are teachers, bus drivers, media specialists, paraprofessionals and school administrators who are on the frontlines every school day to ensure every student receives a quality education. In 2014, APS allocated 78 additional teacher positions to schools throughout the district to reduce class sizes and to address pressing academic needs. For 2015, the District added 10 new English to Speakers of Other Languages teachers to increase support for our students.

More than 80 percent of the APS workforce is employees who see our children daily. The following are the top ten positions that directly support our students and schools:

- Teacher – 59%
- Paraprofessional – 6%
- School Bus Driver – 5%
- Custodian – 3%
- School Counselor – 2%
- Assistant Principal – 2%
- School Clerk – 2%
- School Secretary – 2%
- Media Specialist – 2%
- School Principal – 2%

Research has consistently shown that teachers have more influence on student achievement than any other school-related factor, including school services, facilities and leadership. With this in mind, the District increased teacher professional development offerings during the school year – providing teachers with an unprecedented number of professional learning opportunities.

Our teachers were especially receptive to the new Demonstration Classroom Project, which was launched in 2014. The project showcases APS teachers with strong content knowledge and strong CCGPS teaching skills who engage in effective teaching using research-based instructional practices. Demonstration classrooms give teachers opportunities to learn from their peers by observing them in action. The classrooms are open to teachers across the District.

The GE Foundation awarded APS a \$22 million Developing Futures in Education grant in 2007 to stimulate a system-wide culture of learning throughout our district. In addition to funding innovative and targeted professional development for teachers, the grant supported enhanced instructional practices by providing better support systems and resources that help teachers learn strategies for teaching the CCGPS and raising student achievement. The GE grant supported learning through the 2014 school year.

## **STRATEGIC PLANNING**

The 2012-2017 Strategic Plan for Atlanta Public Schools – created by the Atlanta Board of Education, former superintendent Erroll B. Davis, Jr., District administrators, faculty, staff, partners and community members – set the APS vision to be a student-centered, high-performing urban school district, where all students become successful, life-long learners and leaders. This plan has been updated under the new Superintendent Carstarphen administration. It includes a new mission that “with a caring culture of trust and collaboration, every APS student will graduate ready for college and career,” and a new vision for the district to be “a high-performing school district where students love to learn, educators inspire, families engage and the community trusts the system.”

By aligning budget recommendations with strategic objectives, the District continues to use strategy to drive budgets. Every APS division, department, office and employee is expected to align with our goals to support student achievement. Similarly, employees evaluate and execute their work based on how well it supports schools and students.

## **2014 DISTRICT HIGHLIGHTS**

### **Student Performance**

- For the last 10 years, APS fourth-and eighth-grade students have demonstrated more consistent and significant gains on the nation’s report card, the National Assessment of Educational Progress, than any other school participating in the Trial Urban District Assessment (TUDA).
- Twenty-three APS seniors were named 2014 Posse Scholars – the largest number since the program’s inception in Atlanta in 2007 – earning full, four-year scholarships worth approximately \$100,000 each.
- APS continues to be one of the leading producers of Gates Millennium Scholars in the state and nation.
- At one of our high schools, Coretta Scott King Young Women’s Leadership Academy, every senior was accepted into college in 2014.
- The Washington Post included three APS schools— North Atlanta, Grady and South Atlanta School of Law— on their list of schools with the most rigorous curriculum in the nation.
- Newsweek magazine named APS school, Carver Early College, as one of the nation’s top high schools, ranking it #72 in the country.

### **Curriculum/School Achievements**

- APS moved to full-implementation of the Common Core Georgia Performance Standards in 2014.
- In Georgia, APS is one of the few school districts that offer foreign language instruction to students in elementary school.
- All APS middle schools offer accelerated math.
- APS launched the Atlanta Virtual Academy (AVA), the District’s free online learning experience in 2014. Students can enroll in credit recovery classes and accelerated coursework online. Since the program began in the summer of 2013, enrollment numbers have tripled.
- The District is transitioning to a world languages program that will allow middle school students to earn high school credit.
- In 2014, seven APS schools earned the title “Reward School” from the Georgia Department of Education. Reward Schools rank among the top in the state for having the highest performance or highest gains by students over the last three years.
- The District’s revamped graduation-coach program provides every APS middle and high school campus with a graduation coach to identify and assist students at risk of falling behind and dropping out.

## **FINANCIAL PLANNING**

Despite several years of financial adversity as a result of the national recession, APS has been able to maintain core programs while adding new programs that focus more on the classroom and less on administrative functions. The upward trend in students' academic achievement is at the forefront of every new program we develop and every increase we make to the budget. With the growth of charter schools within the district, more resources are being allocated within the budget for these expanded offerings.

Current school renovation projects will improve classroom capacity and transform many older facilities into 21<sup>st</sup> century learning sites. This includes a \$15 million infrastructure upgrade to enhance digital learning throughout the district. The ultimate goal is for all students to reach their highest possible level of achievement through a rigorous curriculum.

Also new in 2015, the District converted school bus drivers from hourly to full-time employees. This change will result in a more fiscally sound transportation department. The change also means that for the first time, APS will offer health benefits to these dedicated employees.

APS plans capital improvements to meet future student population changes and facility repair and maintenance needs. Specific capital expenditure plans are formalized in conjunction with special purpose local option sales tax (SPLOST) receipts and anticipated annual receipts of capital outlay funds from the Georgia Department of Education.

The District will work even harder in fiscal year 2015 to ensure that federal funding is optimized to the fullest potential. We are committed to using these funds in a manner that enhances classroom instruction, equips our educators with appropriate and sufficient tools to deliver quality instruction, and provides additional instructional support and school services to ensure that we are reaching those students who need it most.

## **FINANCIAL INFORMATION**

The CAFR is prepared pursuant to OCGA 36-81-7. Mauldin & Jenkins, LLC, has issued an unmodified ("clean") opinion on the financial statements for fiscal year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Using the full accrual basis of accounting, APS has a total net position of approximately \$1.4 billion, which is essentially the same as fiscal year 2013. Further discussion is included in Management's Discussion and Analysis (MD&A), which immediately follows the independent auditor's report and provides an overview and analysis of the basic financial statements. The MD&A section complements this letter of transmittal and should be read in conjunction with it.

## **FUND ACCOUNTING**

APS reports its financial activities through the use of fund accounting. This is a system wherein transactions are reported in self-balancing sets of accounts to reflect the results of activities.

Please see Note A of the Notes to the Basic Financial Statements for a summary of significant accounting policies and a description of the fund types.

## **INTERNAL CONTROL STRUCTURE**

APS financial management officials are responsible for implementing and enforcing a framework of internal controls to protect the assets of APS from loss, theft or misuse and to ensure that reliable accounting data is available for the timely preparation of financial statements in accordance with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits relies upon estimates and judgments by management.

## **FINANCIAL AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to APS for its CAFR for the fiscal year ended June 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must also satisfy GAAP and applicable legal requirements.

Further, APS received the Association of School Business Officials International's (ASBO) Certificate of Excellence in Financial Reporting for the CAFR for fiscal year 2013. This is the fifth year the District submitted the CAFR to ASBO. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. The award is valid for one year, and is granted only after an expert panel of certified public accountants and practicing school business officials complete an intensive review of all financial reports.

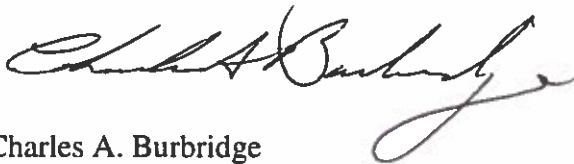
APS is also the recipient for the Georgia Department of Audits and Account's (DOAA) Award of Distinction for Excellent Financial Reporting for fiscal year ended June 2013. This award recognizes the best practices for financial reporting and controls for organizations that go beyond the minimum requirements of GAAP. This is the inaugural year for the DOAA award and APS is one of 24 recipients.

## CLOSING

Again, we are pleased to present to the Atlanta community the CAFR for fiscal year 2014. This community deserves a student-centered, high-performing school district where all students become successful, life-long learners and leaders. Atlanta Public Schools is moving in the right direction: the teachers and leaders are receiving high-quality professional development and support so that they can work more collaboratively; the students are benefitting from more rigorous standards and instruction; the systems are being re-engineered; the dropout rate is declining; and the most recent class of graduates – the class of 2014 – earned more than \$100 million in college scholarship offers.

Equally important, this community deserves accurate financial information and diligent fiscal controls that result in a greater accountability to stakeholders and government entities that serve the needs of the students. Atlanta Public School will continue to strive to meet both goals.

Respectfully submitted,



Charles A. Burbridge  
Chief Financial Officer



Meria J. Carstarphen, Ed.D  
Superintendent



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Atlanta Independent School System  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## **Atlanta Independent School System**

*For Its Comprehensive Annual Financial Report (CAFR)*

*For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, appearing to read "Terrie S. Simmons".

Terrie S. Simmons, RSBA, CSBO  
President

A handwritten signature in black ink, appearing to read "John D. Musso".

John D. Musso, CAE, RSBA  
Executive Director



Georgia Department of Audits and Accounts

*Has Conferred Upon*

Atlanta Independent School System

*for the fiscal year ended June 30, 2013 the*

# *Award of Distinction for Excellent Financial Reporting*

*An award of distinction is presented to organizations that submit quality financial statements and supporting documentation in a timely manner, whose annual financial report is given an unmodified audit opinion and is free of any significant deficiencies or material weaknesses, and comply with all Transparency in Government requirements.*



*Claire M. Arnold*

DIRECTOR, EDUCATION AUDIT DIVISION

*Greg A. Gaff*

STATE AUDITOR

# ATLANTA INDEPENDENT SCHOOL SYSTEM

## List of Principal Officials June 30, 2014

### SCHOOL SYSTEM BOARD MEMBERS

#### **DISTRICT 1: LESLIE GRANT** [lgrant@atlantapublicschools.us](mailto:lgrant@atlantapublicschools.us)



Leslie grew up just east of Atlanta in Tucker, Georgia, and spent her school days in DeKalb County at Idlewood Elementary School and Shamrock High School. Upon returning to Atlanta in 1993, Leslie worked in film as a location scout and location manager on various film and video projects, including Bud Greenspan's Olympic Official Film in 1996, which proved to be a very good year, as she married Don Grant in November. Leslie "retired" from film in 1999 when she had her first child, Lucy. Leslie was involved with the founding of both the Neighborhood Charter School in Grant Park and the Grant Park Cooperative Preschool, and served several years on the boards of each school. She put in numerous hours of volunteering at both schools; had her second child, William, in 2003; volunteered additionally; and then, as many busy moms do, began to ponder the state of her family's diet.

Leslie brings a wide variety of skills to serving on the Atlanta Board of Education. While not necessarily the most traditional, her skill set definitely supports the most important—the ability to work collaboratively with others to support a larger vision. Leslie has committed to working tirelessly, intelligently and with integrity to always keep the focus where it belongs ... on children.

#### **DISTRICT 2: BYRON D. AMOS** [bamos@atlantapublicschools.us](mailto:bamos@atlantapublicschools.us)



Byron D. Amos, the CEO of Capacity Builders, Inc. is a native Atlantan who has been involved in community organizing for over 20 years and has established deep-roots in the Atlanta community. As a dedicated father, community leader and resident of Vine City, he has demonstrated a passionate commitment to service that comes from a desire to see the residents of his community grow and prosper.

Byron has served as the Chairperson of Neighborhood Planning Unit L and as President of the Vine City Civic Association, Inc. In these positions he served the interests of the community with a deep sense of commitment, dignity, integrity, and dedication over the past several years. As a result of his stewardship, Byron has received many honors and awards, including being recognized as a WATL 36 Unsung Hero as well as an Outstanding Atlantan. Both awards were a testament to his unwavering commitment to community service and leadership. He is also a graduate of the FBI Citizens Academy and the City of Atlanta Citizen Police and Fire Academy. Along with these awards and accomplishments, Byron has had the responsibility of addressing many difficult issues faced by his beloved community.

#### **DISTRICT 3: MATT WESTMORELAND** [mwestmoreland@atlantapublicschools.us](mailto:mwestmoreland@atlantapublicschools.us)



An Atlanta native, Matt grew up in the Morningside community, where he attended Morningside Elementary, Inman Middle and Grady High. He received his bachelor's degree in history from Princeton University. After graduation, Matt returned to Atlanta and became a history teacher at Carver Early College High School in southeast Atlanta. At Carver, Matt's students earned among the highest pass and exceed rates of any school in Georgia on the state U.S. History End-of-Course Test.

Matt has served as chair of the Grady High School Foundation, treasurer of the Princeton Club of Georgia and member of the Carver Early College Local School Council. He also took part in a 2012 Urban Leaders Fellowship with Colorado Senator Mike Johnston, is a 2013 graduate of New Leaders Council-Atlanta and participated in a school board fellowship through Leadership for Educational Equity.

He previously worked for the Atlanta Regional Commission, D.C. Public Schools system, and D.C. office of Congressman John Lewis.

A lifelong and active member of Peachtree Road United Methodist Church, Matt lives in Virginia-Highland. He is the oldest child of Mel and Sally Westmoreland, a Fulton County Superior Court judge and real estate agent, respectively.

**VICE- CHAIR DISTRICT 4: NANCY M. MEISTER** [nmeister@atlantapublicschools.us](mailto:nmeister@atlantapublicschools.us)



As a parent and stakeholder, Nancy Meister is passionate about the future of the Atlanta Public Schools and has been personally involved in the district for many years and recognizes the importance of public education. She and her husband have watched their children grow and thrive in the Atlanta Public Schools system. As a residential real estate agent, she understands and appreciates the importance of great neighborhood schools, their impact on attracting new businesses to our city and their contribution to the overall sustainable growth of the metro area.

Some of Nancy's community activities include the following: president, North Atlanta Parents of Public Schools (2006-2009); founding member, North Atlanta High School Foundation (2006); PTA president, North Atlanta High School (2007-2008); PTA president, Sutton Middle School (2004-2006); member, Northern Corridor Task Force (2003); and participant, Susan G. Komen 3-Day Walk, Seattle, Washington, (2007) and San Francisco (2008).

A native of Massachusetts, Nancy earned a B.S. in marketing management from Bentley College in Waltham, Massachusetts. She moved from Boston to San Francisco, and to Atlanta in 1987. Nancy and her husband, Steve, have lived in Buckhead for 23 years and have raised two sons: Matthew, a Georgia Tech student, and Andrew, a junior at North Atlanta High School.

**DISTRICT 5: STEVEN LEE** [slee@atlantapublicschools.us](mailto:slee@atlantapublicschools.us)



Steven Lee is a community advocate, business owner and father of four. For the last 15 years, Steven has served the community in numerous capacities. As executive director of Unity Network and Counseling Center, he established relationships with neighborhood leaders and federal, state and local government officials, enabling him to develop resources and effectively advocate on behalf of the community.

Over the years, Steven has demonstrated a strong and principled leadership style, while focusing on community-oriented initiatives. Steven Lee is passionate about serving his community and has done so as a mentor, youth counselor, community volunteer and business owner.

Steven's community service experience includes serving as the past president of the board of directors of People TV, chairman of the board of Unity Network and Counseling Center, president of the Martin Luther King Merchant Association, member of the Fulton County Juvenile Court Community Restoration Justice Board, director of the In the Zone After School Program, member of the Zoning Review Board for the city of Atlanta, member of the Hollowell/ML King TAD Advisory Committee, board member of Youthfest and director of the A Guiding Hand Mentoring Program.

**DISTRICT 6: ESHÉ P. COLLINS** [epcollins@atlantapublicschools.us](mailto:epcollins@atlantapublicschools.us)



An Atlanta native and former teacher in Atlanta Public Schools, Eshé P. Collins never wavered from her strong passion for education. Eshé understands the impact of quality education in realizing the potential of the city, and is excited to leverage her passion and experience to provide all students in Atlanta with the education they deserve.

Eshé has an extensive record of commitment and achievement in urban education and communities. As a fourth- and fifth-grade teacher at A.D. Williams Elementary School, 92 percent of her students met or exceeded expectations on the Criterion-Referenced Competency Test for both grade levels. Currently, Eshé serves as Georgia State University's project director for Jumpstart, an early education, nonprofit organization that delivers a high-quality curriculum to preschool children in low-income neighborhoods.

In pursuit of her passion, Eshé earned a B.A. degree in psychology from Spelman College; M.S. in urban teacher leadership from Georgia State University; and J.D., *cum laude*, from North Carolina Central University School of Law. She holds Georgia educator certifications in early childhood education and educational leadership, and a license to practice law in the state of Georgia.

**CHAIR, AT-LARGE SEAT 7, DISTRICTS 1 AND 2: COURTNEY D. ENGLISH**  
[cenglish@atlantapublicschools.us](mailto:cenglish@atlantapublicschools.us)



Courtney English is a former Atlanta Public Schools middle school teacher and community activist. Born and raised in Atlanta, he is a proud graduate of Morehouse College. English was a founding teacher at the new All-Male BEST Academy at Benjamin Carson where he taught seventh grade Social Studies. Ironically, English’s lessons were delivered in the same room where he learned the subject content as a student. English is a member of the 2007 Atlanta Corps of Teach for America and now direct his efforts toward enhancing the quality of education for students.

As a teacher, English designed and implemented a unique curriculum to teach “Applied Social Studies,” in which students learn the subject through the lens of all academic disciplines. His talents as an educator have been reinforced by his success rate in the classroom. Eighty percent of his students have met learning objectives with at least 80 percent proficiency for two consecutive years on the Criterion Reference Competency Test (CRCT).

**AT-LARGE SEAT 8, DISTRICTS 3 AND 4: CYNTHIA BTISCOE BROWN**  
[Cbriscoe\\_brown@atlantapublicschools.us](mailto:Cbriscoe_brown@atlantapublicschools.us)



Since the early 1990s, Cynthia Briscoe Brown has worked publicly and behind the scenes for all kids, devoting herself to making sure every child gets everything he or she needs to succeed.

A graduate of Davidson College and Vanderbilt Law School, Cynthia uses her 27 years of experience as an attorney to help students, teachers and families across the city.

As a volunteer with Young Audiences of Atlanta, Cynthia helped develop and implement the smART stART program, using visual and performing arts experiences to improve and encourage the reading skills of economically disadvantaged kindergarten students.

Cynthia has served on the PTA executive boards in each of her children’s schools. As a trustee of the North Atlanta High School Foundation. She has participated in several APS facilities construction or renovation project committees on behalf of community stakeholders.

Cynthia and her husband, James F. (Jim) Brown Jr., are both Atlanta natives and practicing attorneys. They are active in music and service ministries at First Presbyterian Church of Atlanta. They have two children, both of whom have attended APS schools since kindergarten.

**AT-LARGE SEAT, DISTRICTS 5 AND 6: JASON ESTEVES** [jesteves@atlantapublicschools.us](mailto:jesteves@atlantapublicschools.us)



Jason Esteves was elected to the Atlanta Board of Education in 2013 and is serving his first term as the board member for At-Large Seat 9.

After graduating from the University of Miami, Jason devoted himself to teaching a public middle school in the Houston Independent School District as part of Teach for America. Today, Jason is a practicing attorney at the Atlanta law firm of McKenna Long & Aldridge, LLP, where he brings businesses, nonprofits and individuals together to solve problems and get results. Jason has also served on the boards of KIPP South Fulton Academy, Georgia Appleseed's Young Professionals Council, and the Georgia Hispanic Bar Association.

Jason was raised in Columbus, Georgia, by his parents, Linda Sauri and Fernando Esteves, a retired Army veteran. Jason is married to Ariel, a graduate of Kennesaw State University and Emory University’s Nell Hodgson Woodruff School of Nursing graduate program. Ariel provides healthcare to residents of metro Atlanta as a nurse practitioner at CVS Minute Clinic. Jason and Ariel are proud residents of northwest Atlanta.

**ATLANTA INDEPENDENT SCHOOL SYSTEM**

**APPOINTED OFFICIALS**

**JUNE 30, 2014**

**SUPERINTENDENT**

Meria J. Carstarphen, Ed.D

**SENIOR CABINET**

Charles A. Burbridge.....Chief Financial Officer

Pamela Hall..... Chief Human Resources Officer

Larry Hoskins.....Deputy Superintendent for Operations

William Caritij.....Chief Strategy and Development Officer

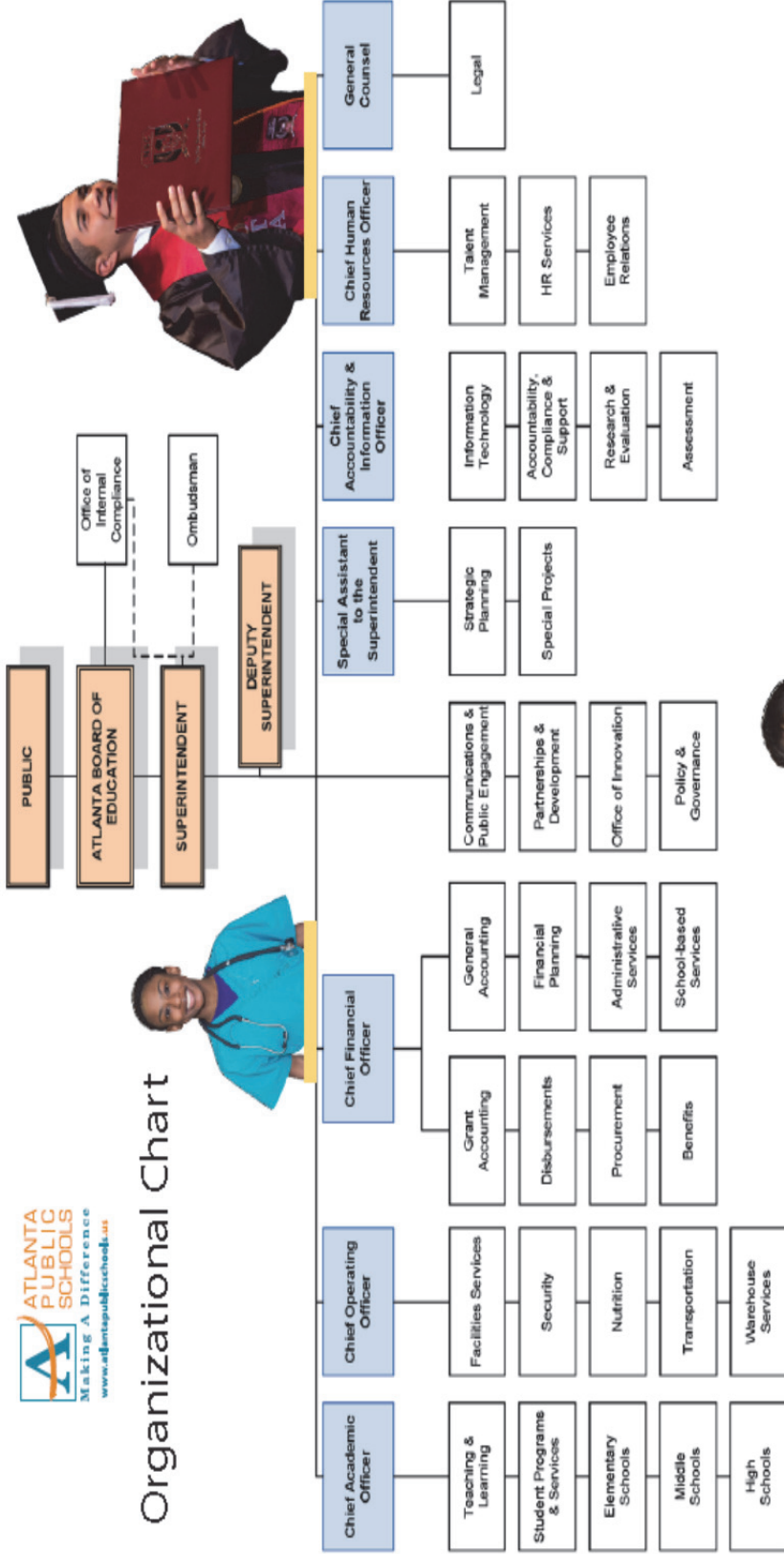
Glenn Brock.....General Counsel

David Jernigan.....Associate Superintendent

Karen Waldon..... Deputy Superintendent for Instruction

Tony Hunter.....Chief Information Officer

# Organizational Chart



Updated 7.7.20.14

# **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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**To the Superintendent and Members of the  
Atlanta Independent School System  
Atlanta, Georgia**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Atlanta Independent School System** (the "School System") as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Atlanta Independent School System as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note A 4d and Note S, the School System had a change in accounting principle in that the School System no longer uses the consumption method and is now using the purchase method as it relates to the accounting and reporting of prepaid items. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Funding Progress, and the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual as presented on pages 4 through 15 and pages 52 and 53, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School System's basic financial statements. The combining nonmajor fund statements and schedules and other supplementary information and schedules, as well as, the introductory and statistical sections, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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*Other Information (Continued)*

The combining nonmajor fund statements and schedules and other supplementary information and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund statements and schedules and other supplementary information and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2014 on our consideration of the School System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 System's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
December 5, 2014

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**ATLANTA INDEPENDENT SCHOOL SYSTEM**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**

The discussion and analysis of the Atlanta Independent School System's (the "School System", "APS", or "District") financial performance provides an overview of the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to examine the School System's financial performance as a whole, identify changes in financial position as well as to provide basic financial statements. The Basic Financial Statements should be reviewed by the readers to enhance their understanding of the School System's financial performance as a whole or as an entire operating entity. The Basic Financial Statements contain the following components:

- 1) Government-wide financial statements including the Statement of Net Position and the Statement of Activities, which provide a broad, long-term overview of the School System's finances.
- 2) Fund-level financial statements provide a greater level of detail about the School System's major funds and focus on how well the School System has performed in the short-term in the most significant funds.
- 3) Notes to the Basic Financial Statements.

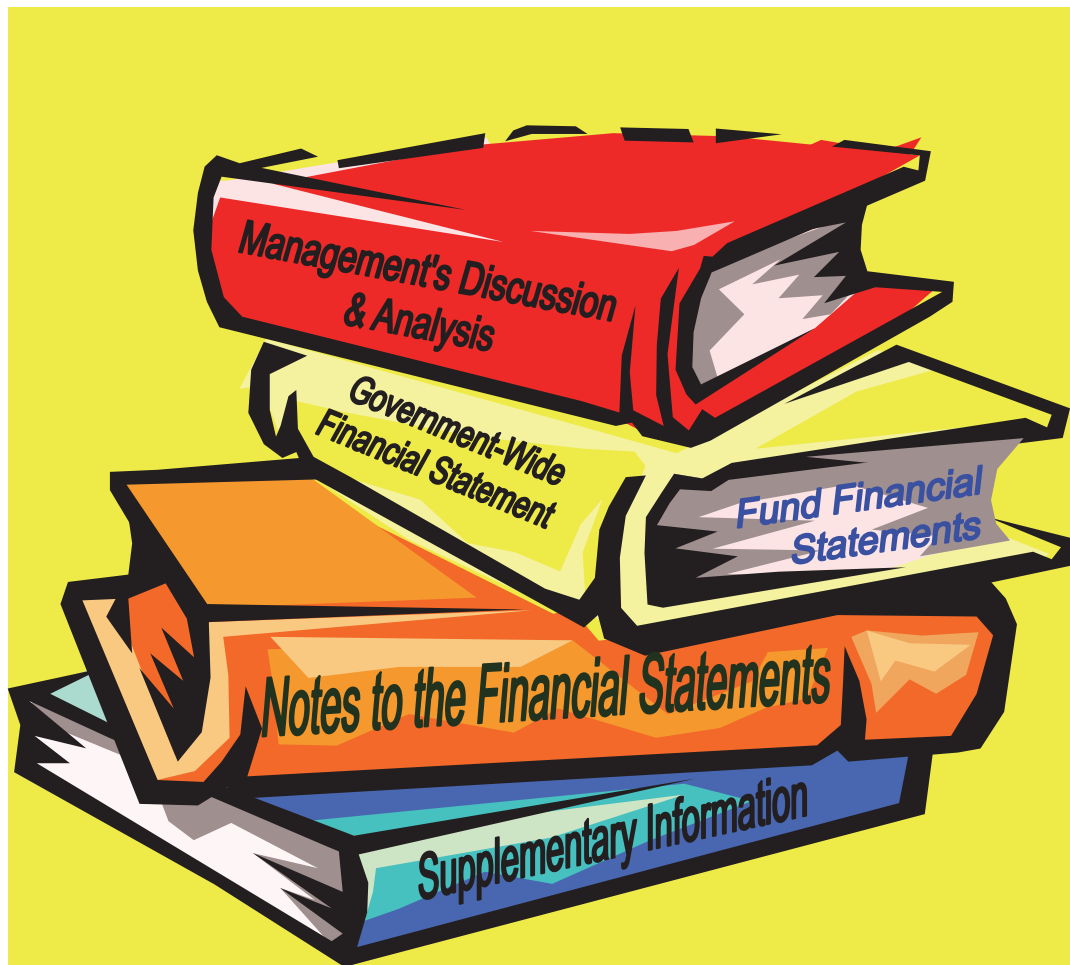
This report also presents the highlights for the fiscal year ended June 30, 2014 and contains other supplementary information.

**FINANCIAL HIGHLIGHTS**

Overall, net position in fiscal year 2014 increased by 0.6% over fiscal year 2013. The 2013 net position was restated due to a change in accounting principle. See Note S for more information on this change. This is evidence of management's ability to maintain a balanced budget and control expenses despite austerity reductions due to economic downturns affecting the District's revenues. The key financial highlights for fiscal year 2014 as represented are the following:

- Total net position for the School System increased from approximately \$1,414.27 million in fiscal year 2013 to approximately \$1,422.10 million in fiscal year 2014, an increase of approximately \$7.83 million or 0.6% due to revenues exceeding expenses primarily due to revenues being higher than expected. Net position increased by approximately \$6.30 million for Governmental Activities and increased by \$1.57 million for Business-type Activities.
- Total revenues increased from approximately \$768.51 million in fiscal year 2013 to approximately \$808.35 million in fiscal year 2014, an increase of approximately \$39.84 million or 5.2%. Revenue for Governmental Activities increased approximately \$38.78 million while revenue for Business-type activities increased by approximately \$1.06 million.
- Total expenses increased approximately \$57.95 million or 7.8% from approximately \$742.53 million in fiscal year 2013 to approximately \$800.48 million in fiscal year 2014. Expenses increased in Governmental Activities by approximately \$57.73 million and increased by approximately \$0.22 million in Business-type Activities.

The School System has prepared its annual financial reports according to the Governmental Accounting Standards Board No. 34 financial reporting model, illustrated by the following graphic.



## OVERVIEW OF FINANCIAL STATEMENTS

### Government-wide Financial Statements

The Government-wide financial statements are designed to provide the reader with a broad overview of the School System's finances in a manner similar to those used by private-sector businesses. The Statement of Net Position and the Statement of Activities provide information about the activities of the whole School System, presenting an aggregate and long-term perspective of the finances. These statements include all assets and liabilities using the accrual basis of accounting. This basis of accounting includes all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

- The *Statement of Net Position* presents information on all of the Schools System's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

Included in the Statement of Net Position and Statement of Activities for the School System are two distinct kinds of activities:

- *Governmental Activities* – Most of the School System’s programs and services are reported here including instruction, pupil services, improvement of instruction, educational media, general administrative, school administrative, business administration, maintenance and operation of facilities, student transportation, and central support.
- *Business-type Activities* – This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The Food Services proprietary fund is reported as a business-type activity.

**Table 1 - Condensed Statement of Net Position (in millions of dollars)**

	Governmental Activities		Business-type Activities		Total School System		
	2014	Restated 2013	2014	2013	2014	Restated 2013	percentage change
Current and other assets	\$ 306.53	\$ 328.35	\$ 7.13	\$ 5.61	\$ 313.66	\$ 333.96	-6.1%
Net capital assets	1,323.41	1,307.21	0.11	0.14	1,323.52	1,307.35	1.2%
Total assets	1,629.94	1,635.56	7.24	5.75	1,637.18	1,641.31	-0.3%
Long-term debt outstanding	131.97	140.90	-	-	131.97	140.90	-6.3%
Other liabilities	83.02	86.01	0.09	0.13	83.11	86.14	-3.5%
Total liabilities	214.99	226.91	0.09	0.13	215.08	227.04	-5.3%
Net position							
Net investment in capital assets	1,215.51	1,187.17	0.11	0.14	1,215.62	1,187.31	2.4%
Restricted for debt service	0.96	0.39	-	-	0.96	0.39	146.2%
Restricted for capital projects	99.47	113.88	-	-	99.47	113.88	-12.7%
Restricted for state and local programs	2.79	5.18	-	-	2.79	5.18	-46.1%
Restricted for school construction	-	0.49	-	-	-	0.49	0.0%
Unrestricted	96.22	101.54	7.04	5.48	103.26	107.02	-3.5%
Total net position	\$ 1,414.95	\$ 1,408.65	\$ 7.15	\$ 5.62	\$ 1,422.10	\$ 1,414.27	0.6%

- **Total assets** decreased by roughly \$4.13 million or 0.3%.
- **Current and other assets** decreased by roughly \$20.30 million or 6.1%.
- **Capital assets, net of accumulated depreciation** for all governmental activities increased by roughly \$16.20 million. The increase primarily represents additions to construction in progress, buildings, building improvements, and equipment less the current fiscal year’s disposals and depreciation expense.

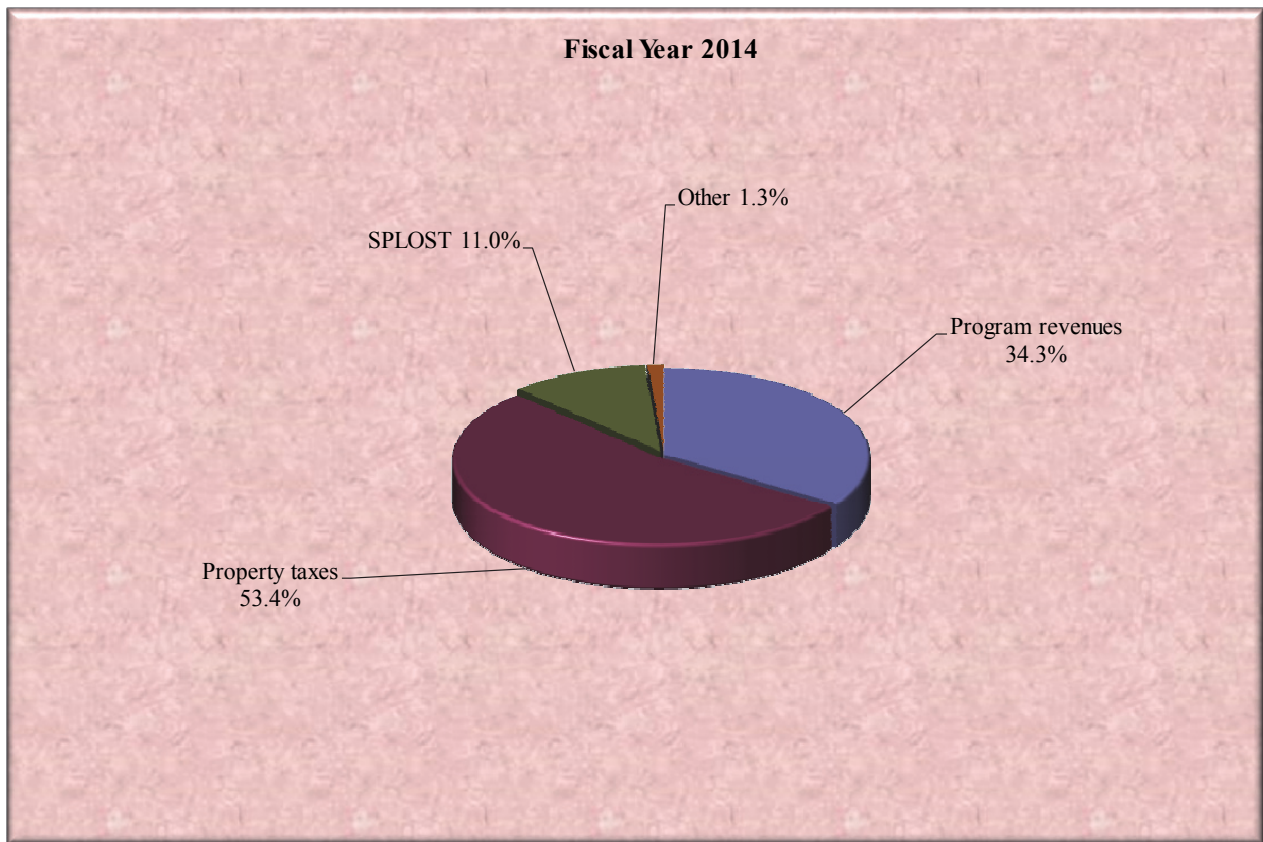
- **Long-term debt outstanding** decreased by roughly \$8.93 million or 6.3%. The decrease was primarily due to scheduled principal payments and the current fiscal year's amortization of the premium related to the Certificates of Participation issued in fiscal year 2011.

**Table 2 - Condensed Changes in Net Position (in millions of dollars)**

	Governmental Activities		Business-type Activities		Total School System		
	2014	Restated 2013	2014	2013	2014	Restated 2013	Percentage Change
<b>Revenues</b>							
<b>Program revenues</b>							
Charges for services	\$ 4.25	\$ 4.54	\$ 1.00	\$ 1.28	\$ 5.25	\$ 5.81	-9.6%
Operating grants and contributions	240.06	218.52	24.47	23.13	264.53	241.65	9.5%
Capital grants and contributions	7.84	4.18	-	-	7.84	4.18	87.6%
<b>General revenues</b>							
Property taxes, levied for general purposes	429.45	416.36	-	-	429.45	416.36	3.1%
Special Purpose Local Option Sales Tax	88.60	85.38	-	-	88.60	85.38	3.8%
Investment earnings	0.07	0.20	-	-	0.07	0.20	-65.0%
Grants and Contributions not restricted to specific programs	10.22	20.95	-	-	10.22	20.95	-51.2%
Property taxes levied for debt service	2.39	1.91	-	-	2.39	1.91	25.1%
Special item - impairment loss	-	(7.93)	-	-	-	(7.93)	-100.0%
<b>Total Revenues</b>	<b>782.88</b>	<b>744.10</b>	<b>25.47</b>	<b>24.41</b>	<b>808.35</b>	<b>768.51</b>	<b>5.2%</b>
<b>Expenses:</b>							
Instruction	463.07	426.04	-	-	463.07	426.04	8.7%
Support Services:							
Pupil services	27.83	25.11	-	-	27.83	25.11	10.8%
Improvement of instructional services	40.34	42.92	-	-	40.34	42.92	-6.0%
Educational media	9.06	8.87	-	-	9.06	8.87	2.1%
Federal grant administration	2.22	1.97	-	-	2.22	1.97	0.0%
General administration	13.45	14.33	-	-	13.45	14.33	-6.1%
School administration	42.09	40.65	-	-	42.09	40.65	3.5%
Business administration	12.48	15.16	-	-	12.48	15.16	-17.7%
Maintenance and operation of facilities	89.28	80.78	-	-	89.28	80.78	10.5%
Student transportation	30.99	24.89	-	-	30.99	24.89	24.5%
Central support	25.04	28.36	-	-	25.04	28.36	-11.7%
Nutrition	1.21	0.91	23.90	23.68	25.11	24.59	2.1%
Other support services	13.93	3.01	-	-	13.93	3.01	362.8%
Interest and fiscal charges	5.60	5.85	-	-	5.60	5.85	-4.3%
<b>Total Expenses</b>	<b>776.58</b>	<b>718.85</b>	<b>23.90</b>	<b>23.68</b>	<b>800.48</b>	<b>742.53</b>	<b>7.8%</b>
<b>Change in Net Position</b>	<b>\$ 6.30</b>	<b>\$ 25.25</b>	<b>\$ 1.57</b>	<b>\$ 0.73</b>	<b>\$ 7.87</b>	<b>\$ 25.98</b>	<b>-69.7%</b>
Beginning Net Position, as restated	1,408.65	1,383.40	5.62	4.89	1,414.27	1,388.29	
Ending Net Position	<u>\$ 1,414.95</u>	<u>\$ 1,408.65</u>	<u>\$ 7.19</u>	<u>\$ 5.62</u>	<u>\$ 1,422.14</u>	<u>\$ 1,414.27</u>	

## Primary Government

### *Sources of Revenues*



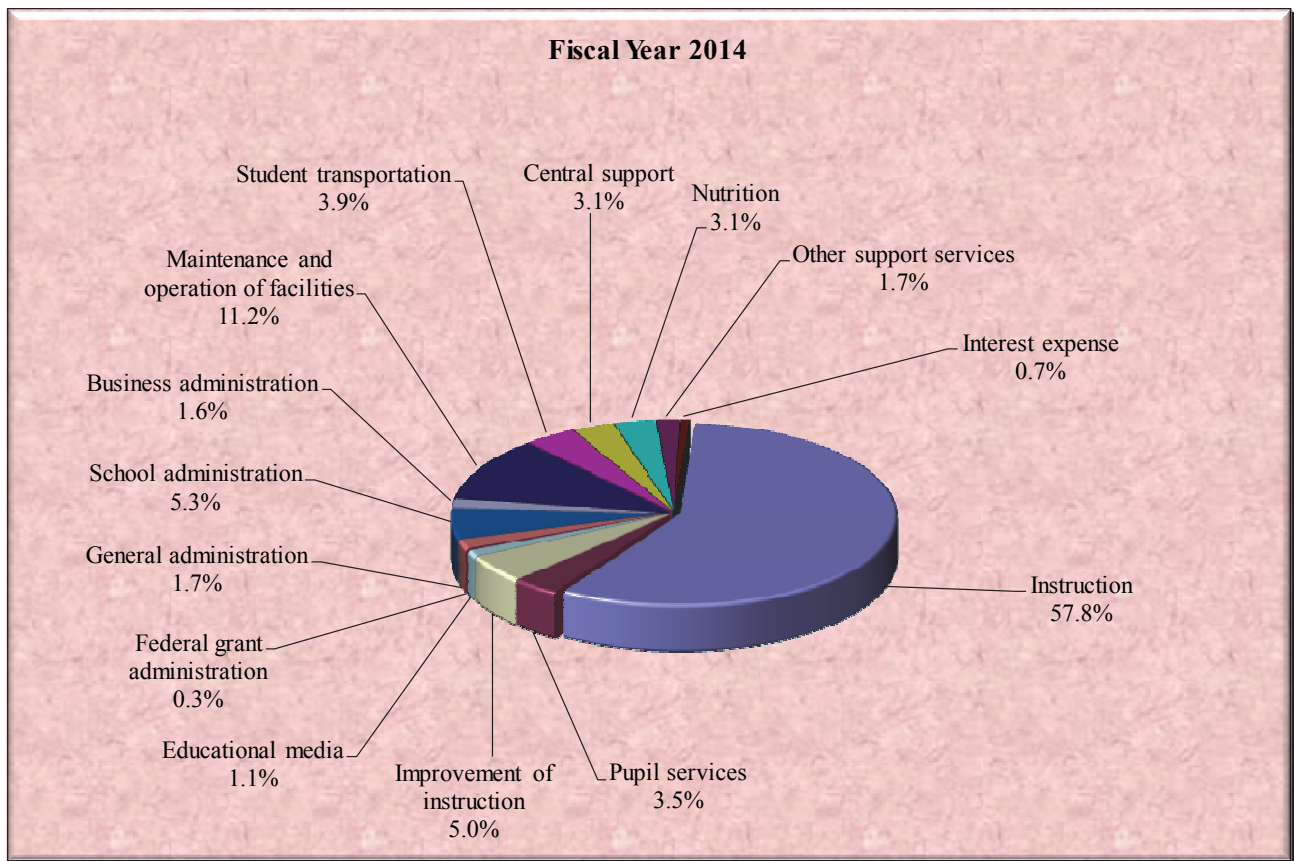
**Total revenues**, increased \$39.84 million or 5.2% from fiscal year 2013 to fiscal year 2014. This change is mainly due to an increase in Property Tax Revenues and the expansion of Drew Charter School Expansion Grant.

- Program revenues are primarily grant related and account for approximately \$277.62 million or 34.3% of total revenues received and include State QBE revenue.
- General revenues represent the major revenue stream for the School System. It accounts for 65.7% or \$530.73 million of total revenues received in fiscal year 2014.
- Business-type activities revenues increased from 2013 to 2014 by \$1.06 million or 4.3%. Revenues increased due to an increase in the Child Nutrition Program Service Grant.



## Primary Government

### *Expenses*



**Total expenses** increased from 2013 to 2014 by 7.8% or \$57.95 million. This increase is primarily due to an additional spending for supplies and purchased services as well as the Drew Charter School Expansion. Management continues to forecast spending levels and manage spending throughout the fiscal year.

- Governmental activities account for 97.0% or \$776.58 million of total School System spending. Four groups of activities account for 88.6% or \$688.54 million of governmental spending: instruction (\$463.07 million or 59.6%); pupil services and improvement of instructional services (\$68.17 million or 8.8%); administration and business services (\$68.02 million or 8.8%); and maintenance and operations (\$89.28 million or 11.5%).
- Business-type activity expenses increased by \$0.22 million or 0.9%. Expenses increased due to additional spending for professional services and equipment refresh purchases (that are noncapital).

**Table 3 - Net Cost of Governmental Activities (in millions of dollars)**

	Total Cost of Services			Net Cost of Services		
	2014	Restated 2013	Percentage Change	2014	Restated 2013	Percentage Change
	\$	\$		\$	\$	
Instruction	\$ 463.07	\$ 426.04	8.7%	\$ 335.31	\$ 308.41	8.7%
Support Services :						
Pupil services	27.83	25.11	10.8%	13.87	13.24	4.8%
Improvement of instructional services	40.34	42.92	-6.0%	6.78	7.96	-14.8%
Educational media	9.06	8.87	2.1%	6.67	6.65	0.3%
Federal grant administration	2.22	1.97	12.6%	-	-	0.0%
General administration	13.45	14.33	-6.1%	6.43	8.11	-20.8%
School administration	42.09	40.65	3.5%	31.01	30.41	2.0%
Business administration	12.48	15.16	-17.7%	9.83	11.93	-17.6%
Maintenance and operation of facilities	89.28	80.78	10.5%	69.33	61.13	13.4%
Student transportation	30.99	24.89	24.5%	22.07	18.12	21.8%
Central support	25.04	28.36	-11.7%	18.50	22.41	-17.4%
Other support services	13.93	3.01	362.8%	1.95	0.54	260.9%
Nutrition	1.21	0.91	32.9%	0.44	0.50	0.0%
Interest and fiscal charges	5.60	5.85	-4.2%	2.23	2.19	2.1%
Total Expenses	\$ 776.58	\$ 718.85	8.0%	\$ 524.42	\$ 491.60	6.7%

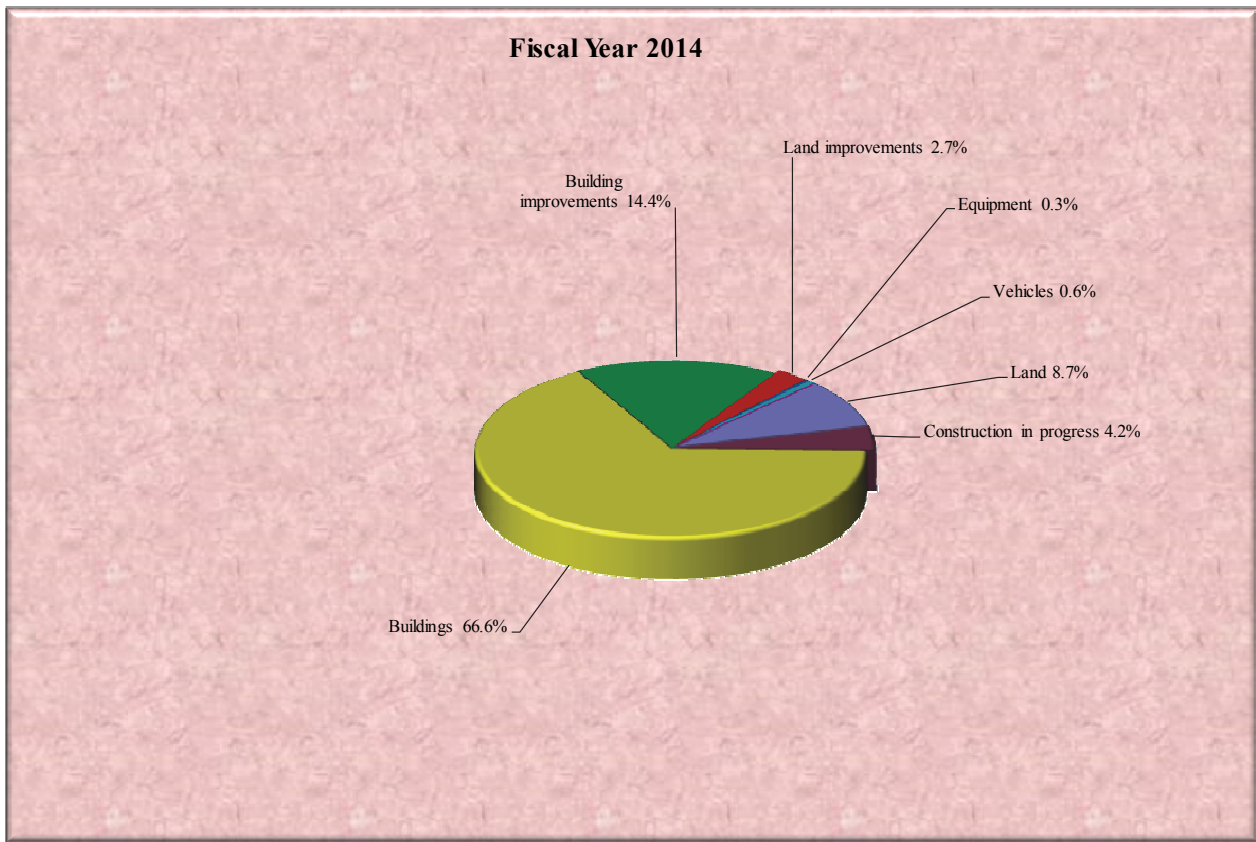
The net cost of governmental activities represents the cost of operating the School System to be covered by general revenues, including property taxes. The net cost of services increase is attributable to an increase in program expenses.

### **Capital Assets**

Capital assets, net of accumulated depreciation for governmental activities for the District was \$1.30 billion. The following table provides a summary of capital asset activity:

**Table 4 - Capital Assets (net of accumulated depreciation, in millions of dollars)**

	Governmental Activities		Business-type Activities		Total School System		Percentage change
	2014	2013	2014	2013	2014	2013	
	\$	\$	\$	\$	\$	\$	
Land	\$ 115.05	\$ 107.07	\$ 0.00	\$ 0.00	\$ 115.05	\$ 107.07	7.5%
Construction in progress	55.36	185.09	0.00	0.00	55.36	185.09	-70.1%
Buildings	881.60	799.82	0.00	0.00	881.60	799.82	10.2%
Building improvements	223.59	188.55	0.00	0.00	223.59	188.55	18.6%
Land Improvements	35.61	12.82	0.00	0.00	35.61	12.82	177.7%
Furniture and fixtures	0.03	0.03	0.00	0.00	0.03	0.03	-8.2%
Equipment	4.09	5.05	0.11	0.14	4.20	5.19	-19.1%
Vehicles	8.09	8.78	0.00	0.00	8.09	8.78	-7.8%
Total	\$ 1,323.41	\$ 1,307.21	\$ 0.11	\$ 0.14	\$ 1,323.52	\$ 1,307.35	1.2%



### Construction in Progress and Buildings

SPLOST IV construction programs to renovate or construct academic facilities are in the 24th month of a 60 month program. For more detailed information on the School System's capital assets, see Note G in the Notes to the Basic Financial Statements.

### Long-term Debt and Obligations

Long-term Debt and Obligations related to governmental activities for the District was \$131.97 million. The following table provides a summary of long term debt activity:

**Table 5 - Outstanding Long-Term Debt (in millions of dollars)**

	Total School System		
	2014	2013	percentage change
Capital leases	\$ 4.75	\$ 6.01	-21.0%
Intergovernmental agreement-			
City of Atlanta	15.17	16.31	-7.0%
ERS, Inc (COPS, Series 2006/2007)	6.40	7.14	-10.4%
ERS, Inc (COPS, Series 2011A)	72.46	72.46	0.0%
ERS, Inc (COPS, Series 2011B)	19.99	26.04	-23.2%
Unamortized premium 2011B	1.10	1.80	-38.9%
Compensated absences	5.09	5.18	-1.7%
Contingent Liabilities - Legal	1.20	0.52	130.8%
Workers' compensation	5.81	5.44	6.8%
	<u>\$ 131.97</u>	<u>\$ 140.90</u>	<u>-6.3%</u>

Outstanding long-term debt decreased in the current fiscal year due to scheduled principal payments and the current fiscal year's amortization of the premium related to the Certificates of Participation issued in fiscal year 2011. For more detailed information on the School System's long-term debt, see Notes H and I in the Notes to the Basic Financial Statements.

### Fund Financial Statements

Fund financial statements provide detailed information regarding the resources segregated for specific activities or objectives, not Government-wide. Funds are used to track specific sources of revenue and expenditures for particular programs.

*The School System has three types of funds:*

**Governmental funds** – These funds are used to account for most of the School System's basic services and focus on providing cash flow available for spending. These funds include the General Fund, Capital Projects Fund, and other governmental funds of lesser magnitude. Fund accounting statements use the modified accrual method of accounting, which measures cash and other financial assets that can be readily converted to cash. These statements present a short-term view of the School System's operations and services and do not include the long-term focus presented in the Government-wide financial statements. For an explanation of the differences, see the reconciliations included with the Governmental Fund Statements.

**Proprietary fund** – This fund consists of services provided by the School System for a fee and employs the full accrual method of accounting in the same manner as the Government-wide statements. The School System has one proprietary fund, Food Services. This fund provides student meals at a cost based on the student's ability to pay, subsidized by Federal funds and the School System.

**Fiduciary fund** – This fund accounts for assets not owned by the School System but for which the School System is responsible for ensuring that the assets in the funds are used for their designated purposes. This fund is not included in the Government-wide financial statements because it cannot be used to finance the School System operations. The School System has one fiduciary fund - Agency Funds (Local School, Club, and Class Funds).

The following presents a summary of the General Fund, Capital Projects Fund, and other non-major governmental funds by type of revenue for the fiscal year ended June 30, 2014 as compared to June 30, 2013.

**Table 6 - Revenues and other financing sources (in millions of dollars)**

	<b>Governmental Funds</b>			Percentage Change
	2014	2013	Increase (Decrease)	
Local taxes	\$ 434.00	\$ 413.47	\$ 20.53	5.0%
Sales taxes income	88.60	85.98	2.62	3.1%
State revenues	166.92	146.33	20.59	14.1%
Federal revenues	78.97	67.83	11.14	16.4%
Investment income	0.07	0.20	(0.13)	-65.7%
Facility rental fees	0.99	1.16	(0.17)	-14.7%
Tuition charges	0.03	0.00	0.02	779.4%
Charges for services	3.24	3.37	(0.13)	-3.9%
Other	14.59	31.59	(17.00)	-53.8%
Proceeds from sale of capital leases	-	-	-	100.0%
Proceeds from sale of capital assets	0.05	0.14	(0.09)	-63.3%
<b>Total Revenues and other financing sources</b>	<b>\$ 787.45</b>	<b>\$ 750.07</b>	<b>\$ 37.38</b>	<b>5.0%</b>

The following table presents a summary of the General Fund, Capital Projects Fund, and other governmental funds by type of expenditures for the fiscal year ended June 30, 2014 as compared to June 30, 2013.

**Table 7 - Expenditures (in millions of dollars)**

	<b>Governmental Funds</b>			
	2014	Restated 2013	Increase (Decrease)	Percentage Change
Instruction	\$ 406.43	\$ 384.98	\$ 21.45	5.6%
Support services				
Pupil services	27.82	25.02	2.80	11.2%
Improvement of instructional services	40.37	42.92	(2.55)	-5.9%
Educational media	9.02	8.83	0.19	2.1%
Federal grant administration	2.22	1.97	0.25	0.0%
General administration	13.47	14.32	(0.85)	-5.9%
School administration	42.21	40.65	1.56	3.8%
Business administration	9.83	12.51	(2.68)	-21.4%
Maintenance and operation of facilities	77.36	77.74	(0.38)	-0.5%
Student transportation	28.40	22.57	5.83	25.8%
Central support	25.14	28.36	(3.22)	-11.4%
Other support services and nutrition	13.93	3.01	10.92	362.8%
Nutrition	1.21	0.91	0.30	32.9%
Capital outlays	91.46	117.78	(26.32)	-22.3%
Debt service	15.67	16.22	(0.55)	-3.4%
Total Expenditures	<u>804.54</u>	<u>797.79</u>	<u>6.75</u>	<u>0.8%</u>
Excess (deficiency) of revenues over (under) expenditures - See Table 6	(17.09)	(47.72)	30.63	
Transfers in	1.24	5.93	(4.69)	
Transfers out	<u>(1.24)</u>	<u>(5.93)</u>	<u>4.69</u>	
Fund Balances, Beginning of Fiscal Year	<u>220.09</u>	<u>267.81</u>	<u>(47.72)</u>	
Fund Balances, End of Fiscal Year	\$ <u>203.00</u>	\$ <u>220.09</u>	\$ <u>(17.09)</u>	

### **Analysis of Major Funds**

The School System has two major funds: the General Fund and Capital Projects Fund. The General Fund is the general operating fund of the School System and is used to account for all financial resources except those funds accounted for in other funds. The Capital Projects Fund is used for the acquisition or construction of major capital facilities and to account for the bond proceeds restricted to renovation and school construction.

## **General Fund**

As of June 30, 2014, total fund balance in the General Fund was approximately \$88.47 million. This balance includes approximately \$0.96 million restricted, \$1.12 million committed, \$25 million assigned and approximately \$61.39 million unassigned fund balance. As a result of operations in fiscal year 2014, the fund balance increased by \$5.64 million. The increase in fund balance is attributable to continued diligence in monitoring costs.

For Budget to Actual comparison purposes, the General Fund reported excess expenditures over final budget for the following functions:

<b>Instruction</b>	\$ 4,400,476	Due to allocation of employer pension contributions
<b>Pupil Services</b>	\$ 5,056,324	Due to additional Guidance Counselors, Social Workers and Testing personnel being deployed in schools
<b>Improvement of Instruction</b>	\$ 440,006	Due to increase in teacher professional development
<b>Education Media</b>	\$ 689,773	Due to increases in benefits
<b>School Administration</b>	\$ 3,512,744	Due to the conversion of interim principals and the support of summer school programs
<b>Student Transportation</b>	\$ 1,356,369	Due to additional bus drivers required as a result of demographics and the needs of students
<b>Nutrition</b>	\$ 54,246	Due to increases in employee benefits

For financial statement purposes, the General Fund includes revenues of \$3,568,538 and expenditures of \$3,583,746 resulting from local school activity accounts. Because the District does not budget for these Pupil Service specific expenditures, including these expenditures in the financial statements has resulted in an overall variance with final budget for total expenditures in the General Fund of \$1,165,051.

## **Capital Projects Fund**

As of June 30, 2014, total fund balance in the Capital Projects Fund was approximately \$108.66 million. This balance includes \$99.47 million restricted and \$9.19 million assigned. The fund balance decreased by approximately \$20.43 million due primarily to an increase in SPLOST expenditures and a decrease in SPLOST revenues.

## **Other Governmental Funds**

As of June 30, 2014, total fund balance in Nonmajor Governmental Funds was approximately \$5.87 million. This balance included approximately \$2.79 million restricted and approximately \$3.08 million assigned. The fund balance decreased by approximately \$2.31 million due primarily to an increase in expenditures, primarily instruction.

## **Current Issues**

Currently known facts, decisions, or conditions that are expected to significantly affect the financial position or results of operations are as follows:

Tax revenues as well as State Quality Basic Education funding have recognized significant gains. The continued support of our schools by the public, local community organizations, and businesses continues to be an integral part of our ability to educate our students.

Continuing revenue from SPLOST should facilitate our ability to replace and improve existing schools and add additional classrooms. Our operating budget will continue to be tight, as we expect decreased funding from the State of Georgia due to current financial conditions. Despite these challenges, we remain committed to using our financial resources efficiently to provide an exceptional educational experience for our students.

## **General Fund Budgetary Highlights**

The School System's budget is prepared by the Finance Division and is a collaborative effort between the School System and the Atlanta community. The basis for preparation utilizes a zero-based approach because it has systematically provided a more accurate account of anticipated spending levels for the fiscal year.

Details of the General Fund original budget and amended budget are presented in the Financial Section of this report.

## **Requests for Information**

This financial report is designed to provide a general overview of the School System's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the School System's Chief Financial Officer at 130 Trinity Avenue SW, Atlanta, Georgia 30303.

# **Basic Financial Statements**



# ATLANTA INDEPENDENT SCHOOL SYSTEM

## Statement of Net Position

June 30, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 163,449,803	\$ 7,376,751	\$ 170,826,554
Investments	63,660,295	-	63,660,295
Receivables (net of allowance for uncollectibles):			
Taxes	20,800,172	-	20,800,172
Other	114,074	-	114,074
Due from other governments	44,677,464	248,787	44,926,251
Internal balances	1,088,056	(1,088,056)	-
Inventory	-	594,140	594,140
<b>Total Current Assets</b>	<u>293,789,864</u>	<u>7,131,622</u>	<u>300,921,486</u>
<b>Noncurrent Assets:</b>			
Net pension asset	12,739,054	-	12,739,054
Capital Assets:			
Nondepreciable capital assets	170,405,997	-	170,405,997
Depreciable capital assets, net	1,153,006,267	111,750	1,153,118,017
<b>Total Noncurrent Assets</b>	<u>1,336,151,318</u>	<u>111,750</u>	<u>1,336,263,068</u>
<b>TOTAL ASSETS</b>	<u>1,629,941,182</u>	<u>7,243,372</u>	<u>1,637,184,554</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	27,017,207	139	27,017,346
Contracts payable	9,439,719	-	9,439,719
Accrued liabilities	43,358,204	-	43,358,204
Retainage payable	3,197,969	-	3,197,969
Due to other governments	2,228	-	2,228
Deposits and unearned revenues	-	92,712	92,712
Compensated absences payable, current portion	3,520,842	-	3,520,842
Capital leases payable, current portion	1,297,777	-	1,297,777
Certificates of participation, current portion	7,152,500	-	7,152,500
Claims payable, current portion	2,152,729	-	2,152,729
Intergovernmental agreement, current portion	1,264,500	-	1,264,500
Contingent liabilities, current portion	1,156,382	-	1,156,382
<b>Total Current Liabilities</b>	<u>99,560,057</u>	<u>92,851</u>	<u>99,652,908</u>
<b>Noncurrent Liabilities:</b>			
Compensated absences payable	1,573,163	-	1,573,163
Capital leases payable	3,455,604	-	3,455,604
Certificates of participation	92,795,685	-	92,795,685
Claims payable	3,659,560	-	3,659,560
Intergovernmental agreement	13,903,125	-	13,903,125
Contingent liabilities	38,618	-	38,618
<b>Total Noncurrent Liabilities</b>	<u>115,425,755</u>	<u>-</u>	<u>115,425,755</u>
<b>TOTAL LIABILITIES</b>	<u>214,985,812</u>	<u>92,851</u>	<u>215,078,663</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,215,512,729	111,750	1,215,624,479
Restricted for:			
Debt service	955,364	-	955,364
Capital projects	99,474,791	-	99,474,791
Other state and local programs	2,791,977	-	2,791,977
Unrestricted	96,220,509	7,038,771	103,259,280
<b>TOTAL NET POSITION</b>	<u>\$ 1,414,955,370</u>	<u>\$ 7,150,521</u>	<u>\$ 1,422,105,891</u>

See accompanying notes to the basic financial statements.

**ATLANTA INDEPENDENT SCHOOL SYSTEM**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2014

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>PRIMARY GOVERNMENT:</b>							
<b>Governmental Activities:</b>							
Instruction	\$ 463,069,508	\$ 26,383	\$ 120,464,226	\$ 7,268,111	\$ (335,310,788)	\$ -	\$ (335,310,788)
Support services:							
Pupil services	27,826,272	3,237,092	10,715,721	-	(13,873,459)	-	(13,873,459)
Improvement of instructional services	40,341,847	-	32,986,455	576,500	(6,778,892)	-	(6,778,892)
Educational media	9,056,362	-	2,389,577	-	(6,666,785)	-	(6,666,785)
Federal grant administration	2,217,909	-	2,217,909	-	-	-	-
General administration	13,450,517	-	7,024,079	-	(6,426,438)	-	(6,426,438)
School administration	42,089,001	-	11,077,536	-	(31,011,465)	-	(31,011,465)
Business administration	12,480,379	-	2,653,498	-	(9,826,881)	-	(9,826,881)
Maintenance and operation of facilities	89,278,591	988,989	18,959,112	-	(69,330,490)	-	(69,330,490)
Student transportation	30,987,580	-	8,914,204	-	(22,073,376)	-	(22,073,376)
Central support	25,040,308	-	6,540,388	-	(18,499,920)	-	(18,499,920)
Other support services	13,929,445	-	11,980,412	-	(1,949,033)	-	(1,949,033)
Nutrition	1,209,017	-	771,988	-	(437,029)	-	(437,029)
Interest and fiscal charges	5,603,226	-	3,368,321	-	(2,234,905)	-	(2,234,905)
<b>Total Governmental Activities</b>	<b>776,579,962</b>	<b>4,252,464</b>	<b>240,063,426</b>	<b>7,844,611</b>	<b>(524,419,461)</b>	<b>-</b>	<b>(524,419,461)</b>
<b>Business-Type Activities:</b>							
Food services	23,898,174	958,435	24,467,160	-	-	1,527,421	1,527,421
<b>Total Business-Type Activities</b>	<b>23,898,174</b>	<b>958,435</b>	<b>24,467,160</b>	<b>-</b>	<b>-</b>	<b>1,527,421</b>	<b>1,527,421</b>
<b>Total - Primary Government</b>	<b>\$ 800,478,136</b>	<b>\$ 5,210,899</b>	<b>\$ 264,530,586</b>	<b>\$ 7,844,611</b>	<b>(524,419,461)</b>	<b>1,527,421</b>	<b>(522,892,040)</b>
<b>GENERAL REVENUES:</b>							
Taxes:							
Property taxes levied for general purpose:					429,448,006	-	429,448,006
Property taxes levied for debt service					2,385,690	-	2,385,690
Special purpose local option sales tax					88,603,776	-	88,603,776
Unrestricted grants and contributions					10,216,768	-	10,216,768
Unrestricted investment earnings					68,541	-	68,541
<b>Total General Revenues</b>					<b>530,722,781</b>	<b>-</b>	<b>530,722,781</b>
<b>Change in Net Position</b>					<b>6,303,320</b>	<b>1,527,421</b>	<b>7,830,741</b>
<b>NET POSITION, beginning of fiscal year, as restated</b>					<b>1,408,652,050</b>	<b>5,623,100</b>	<b>1,414,275,150</b>
<b>NET POSITION, end of fiscal year</b>					<b>\$ 1,414,955,370</b>	<b>\$ 7,150,521</b>	<b>\$ 1,422,105,891</b>

See accompanying notes to the basic financial statements.

**ATLANTA INDEPENDENT SCHOOL SYSTEM**

*Balance Sheet  
Governmental Funds  
June 30, 2014*

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 112,257,249	\$ 51,192,554	\$ -	\$ 163,449,803
Investments	8,233,681	55,426,614	-	63,660,295
Receivables (net of allowance for uncollectibles):				
Taxes	13,299,791	7,500,381	-	20,800,172
Other	114,074	-	-	114,074
Due from other governments	23,104,276	-	21,573,188	44,677,464
Due from other funds	35,012,679	20,397,578	7,400,420	62,810,677
<b>TOTAL ASSETS</b>	<b>\$ 192,021,750</b>	<b>\$ 134,517,127</b>	<b>\$ 28,973,608</b>	<b>\$ 355,512,485</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 24,657,058	\$ 1,923,244	\$ 436,905	\$ 27,017,207
Contracts payable	-	9,439,719	-	9,439,719
Accrued liabilities	41,503,539	-	32,169	41,535,708
Retainage payable	-	3,197,969	-	3,197,969
Due to other governments	-	-	2,228	2,228
Due to other funds	27,797,998	11,290,523	22,634,100	61,722,621
<b>TOTAL LIABILITIES</b>	<b>93,958,595</b>	<b>25,851,455</b>	<b>23,105,402</b>	<b>142,915,452</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues - property taxes	9,368,633	-	-	9,368,633
Unavailable revenues - intergovernmental	227,062	-	-	227,062
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>9,595,695</b>	<b>-</b>	<b>-</b>	<b>9,595,695</b>
<b>FUND BALANCES</b>				
Restricted:				
Debt service	955,364	-	-	955,364
Capital projects	-	99,474,791	-	99,474,791
Other state and local programs	-	-	2,791,977	2,791,977
Committed:				
School based activities	1,124,458	-	-	1,124,458
Assigned:				
Fiscal year 2015 operations	25,000,000	-	-	25,000,000
Capital projects	-	9,190,881	-	9,190,881
Local school programs	-	-	3,076,229	3,076,229
Unassigned	61,387,638	-	-	61,387,638
<b>TOTAL FUND BALANCES</b>	<b>88,467,460</b>	<b>108,665,672</b>	<b>5,868,206</b>	<b>203,001,338</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 192,021,750</b>	<b>\$ 134,517,127</b>	<b>\$ 28,973,608</b>	<b>\$ 355,512,485</b>

See accompanying notes to the basic financial statements.

**ATLANTA INDEPENDENT SCHOOL SYSTEM**  
*Reconciliation of Total Governmental Fund Balances to*  
*Net Position of Governmental Activities*  
*June 30, 2014*

<b>TOTAL GOVERNMENTAL FUND BALANCES</b>	\$	203,001,338
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.		
Nondepreciable	\$ 170,405,997	
Depreciable, net of accumulated depreciation	1,153,006,267	1,323,412,264
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds.		
		9,595,695
Accumulated pension contributions in excess of annual required contributions are reported as assets for governmental activities		
		12,739,054
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest	(1,822,496)	
Bonds premium, net of amortization	(1,098,185)	
Capital leases payable	(4,753,381)	
Certificates of participation	(98,850,000)	
Intergovernmental agreement - City of Atlanta	(15,167,625)	
Compensated absences	(5,094,005)	
Workers compensation claims payable	(5,812,289)	
Contingent liabilities	(1,195,000)	(133,792,981)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b>1,414,955,370</b>

See accompanying notes to the basic financial statements.

**ATLANTA INDEPENDENT SCHOOL SYSTEM**  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
**Governmental Funds**  
*For the Fiscal Year Ended June 30, 2014*

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Local taxes	\$ 433,996,780	\$ -	\$ -	\$ 433,996,780
Sales tax income	-	88,603,776	-	88,603,776
State revenues	153,279,702	-	13,645,116	166,924,818
Federal revenues	1,297,845	3,368,321	74,300,186	78,966,352
Investment income	49,168	19,264	109	68,541
Facility rental fees	988,989	-	-	988,989
Tuition charges	26,383	-	-	26,383
Charges for services	3,237,092	-	-	3,237,092
Other	10,850,630	-	3,739,805	14,590,435
<b>TOTAL REVENUES</b>	<b>603,726,589</b>	<b>91,991,361</b>	<b>91,685,216</b>	<b>787,403,166</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	374,837,626	-	31,589,100	406,426,726
Support services:				
Pupil services	22,987,226	-	4,831,919	27,819,145
Improvement of instructional services	8,850,163	-	31,518,469	40,368,632
Educational media	8,927,612	-	91,874	9,019,486
Federal grant administration	-	-	2,217,909	2,217,909
General administration	8,134,324	331,599	5,008,974	13,474,897
School administration	41,962,518	-	251,168	42,213,686
Business administration	9,520,732	88,599	220,318	9,829,649
Maintenance and operation of facilities	73,066,254	4,239,070	53,522	77,358,846
Student transportation	23,648,171	1,777,703	2,974,121	28,399,995
Central support	19,682,781	3,776,467	1,680,780	25,140,028
Other support services	536,162	-	13,393,332	13,929,494
Nutrition	437,029	-	771,988	1,209,017
<b>Capital outlays</b>	-	91,354,947	106,415	91,461,362
<b>Debt service:</b>				
Principal	3,148,890	6,040,000	-	9,188,890
Interest and fiscal charges	1,157,927	4,810,913	519,979	6,488,819
<b>TOTAL EXPENDITURES</b>	<b>596,897,415</b>	<b>112,419,298</b>	<b>95,229,868</b>	<b>804,546,581</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>6,829,174</b>	<b>(20,427,937)</b>	<b>(3,544,652)</b>	<b>(17,143,415)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	1,238,300	1,238,300
Transfers out	(1,238,300)	-	-	(1,238,300)
Proceeds from sale of capital asset:	51,385	-	-	51,385
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,186,915)</b>	<b>-</b>	<b>1,238,300</b>	<b>51,385</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>5,642,259</b>	<b>(20,427,937)</b>	<b>(2,306,352)</b>	<b>(17,092,030)</b>
<b>FUND BALANCES - BEGINNING OF FISCAL YEAR, AS RESTATED</b>	<b>82,825,201</b>	<b>129,093,609</b>	<b>8,174,558</b>	<b>220,093,368</b>
<b>FUND BALANCES - END OF FISCAL YEAR</b>	<b>\$ 88,467,460</b>	<b>\$ 108,665,672</b>	<b>\$ 5,868,206</b>	<b>\$ 203,001,338</b>

See accompanying notes to the basic financial statements.

**ATLANTA INDEPENDENT SCHOOL SYSTEM**

*Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in  
Fund Balances to the Government-wide Statement of Activities  
For the Fiscal Year Ended June 30, 2014*

<b>NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>		\$ (17,092,030)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.</p>		
Depreciation expense	\$ (45,932,135)	
Capital outlay	<u>79,402,318</u>	33,470,183
<p>In the statement of activities, the loss on the disposal of capital assets is included with instruction expenses. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold or disposed.</p>		
Proceeds from the sale of capital assets	(51,385)	
Net book value of capital assets disposed	<u>(17,215,042)</u>	(17,266,427)
<p>Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenues in the funds.</p>		
Property taxes	(2,163,084)	
State revenues	<u>(1,722,938)</u>	(3,886,022)
<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. This amount is the net effect of the differences in the treatment of long-term debt and related items.</p>		
Principal retirement - capital leases	1,265,265	
Principal retirement - certificates of participation	6,780,000	
Principal retirement - intergovernmental agreement	1,143,625	
Amortization of bond premium	<u>703,438</u>	9,892,328
<p>The current fiscal year's increase to the net pension asset decreases net expenses on the government-wide statement of activities.</p>		
		1,968,504
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences	90,345	
Workers compensation claims payable	(375,716)	
Contingent legal liabilities	(680,000)	
Change in accrued interest	<u>182,155</u>	<u>(783,216)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<u><u>\$ 6,303,320</u></u>

See accompanying notes to the basic financial statements.

# ATLANTA INDEPENDENT SCHOOL SYSTEM

*Statement of Net Position*  
*Proprietary Fund - Food Services*  
*June 30, 2014*

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## ASSETS

### Current Assets:

Cash and cash equivalents	\$ 7,376,751
Due from other governments	248,787
Inventory	594,140
<b>Total current assets</b>	<u>8,219,678</u>

### Noncurrent Assets:

Machinery and equipment	149,000
Less accumulated depreciation	(37,250)
<b>Total noncurrent assets</b>	<u>111,750</u>

## TOTAL ASSETS

\$ 8,331,428

## LIABILITIES AND NET POSITION

### Current Liabilities:

Accounts payable	\$ 139
Due to other funds	1,088,056
Deposits and unearned revenue	92,712
<b>TOTAL LIABILITIES</b>	<u>1,180,907</u>

### NET POSITION

Investment in capital assets	111,750
Unrestricted	7,038,771
<b>TOTAL NET POSITION</b>	<u>7,150,521</u>

## TOTAL LIABILITIES AND NET POSITION

\$ 8,331,428

See accompanying notes to the basic financial statements.

**ATLANTA INDEPENDENT SCHOOL SYSTEM**  
*Statement of Revenues, Expenses, and Changes in Net Position*  
*Proprietary Fund - Food Services*  
*For the Fiscal Year Ended June 30, 2014*

<b>OPERATING REVENUES</b>	
Charges for services	\$ 958,435
<b>OPERATING EXPENSES</b>	
Personnel costs	3,291,704
Purchased and contractual services	16,704,544
Supplies and materials	2,397,908
Other operating costs	1,474,218
Depreciation	29,800
<b>TOTAL OPERATING EXPENSES</b>	<u>23,898,174</u>
<b>OPERATING LOSS</b>	<u>(22,939,739)</u>
<b>NON-OPERATING INCOME</b>	
Intergovernmental	24,390,895
Other non-operating revenue	76,265
<b>TOTAL NON-OPERATING INCOME</b>	<u>24,467,160</u>
<b>CHANGE IN NET POSITION</b>	1,527,421
<b>NET POSITION, BEGINNING OF FISCAL YEAR</b>	<u>5,623,100</u>
<b>NET POSITION, END OF FISCAL YEAR</b>	<u><u>\$ 7,150,521</u></u>

See accompanying notes to the basic financial statements.



# ATLANTA INDEPENDENT SCHOOL SYSTEM

## Statement of Cash Flows

### Proprietary Fund - Food Services

For the Fiscal Year Ended June 30, 2014

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#### CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 928,645
Cash payments to employees for services	(3,541,618)
Cash payments for goods and services	(20,938,003)

**NET CASH USED IN OPERATING ACTIVITIES** (23,550,976)

#### CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Intergovernmental receipts	<u>24,455,655</u>
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**NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES** 24,455,655

**NET INCREASE IN CASH AND CASH EQUIVALENTS** 904,679

**CASH AND CASH EQUIVALENTS - BEGINNING OF FISCAL YEAR** 6,472,072

**CASH AND CASH EQUIVALENTS - END OF FISCAL YEAR** \$ 7,376,751

#### RECONCILIATION OF OPERATING LOSS TO NET

##### CASH USED IN OPERATING ACTIVITIES

Operating loss	\$ (22,939,739)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	29,800
Changes in assets and liabilities	
Decrease in accounts receivable	1,230
Increase in due from other funds	1,583
Increase in inventories	(362,012)
Decrease in deposits and unearned revenue	(31,020)
Decrease in due to other funds	(249,914)
Decrease in accounts payable	(904)

Net cash used used in operating activities \$ (23,550,976)

#### NONCASH NON-CAPITAL FINANCING ACTIVITIES

USDA donated food commodities	<u><u>\$ 1,795,610</u></u>
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See accompanying notes to the basic financial statements.

**ATLANTA INDEPENDENT SCHOOL SYSTEM**

*Statement of Fiduciary Assets and Liabilities*

*June 30, 2014*

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	<u>Agency Fund</u> <u>Local School</u> <u>Club and Class</u> <u>Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$    483,504</u>
<b>LIABILITIES</b>	
Due to local schools and student groups	<u>\$    483,504</u>

See accompanying notes to the basic financial statements.

# **Notes to the Basic Financial Statements**

# Atlanta Independent School System

## Notes to the Basic Financial Statements

June 30, 2014

### A. Summary of Significant Accounting Policies

The financial statements of the School System have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The more significant of the School System's accounting policies are summarized here.

#### 1. Reporting Entity

The Atlanta Independent School System (School System or the District) was established by the Georgia State Legislature and is composed of nine publicly elected members serving four-year terms. The School System has the authority to approve its own budget and to provide for the levy of taxes to cover the cost of operations and maintenance and to cover debt service payments. Additionally, the School System has decision-making authority, the power to approve selection of management personnel, the ability to significantly influence operations, and primary accountability for fiscal matters. Accordingly, the School System is a primary government and consists of all the organizations that compose its legal entity.

As required by Generally Accepted Accounting Principles, these financial statements present the School System and its component units, entities for which the School System is considered to be financially accountable. Blended component units, although legally separate entities have a governing body which is substantively the same as the System's governing body and management of the System has operational responsibility for the component unit and; therefore, data from these units are combined with data of the School System. Substantively the same means sufficient representation of the primary government's entire governing body on the component unit's governing body to allow complete control of the component unit's activities.

#### *Blended Component Unit*

Education Reform Success, Inc., (ERS) (a non-profit corporation) was established by the School System for the purpose of providing financing for some of the School System's buildings and equipment. The School System has a voting majority on the Board. ERS has issued certificates of participation (COPS) for the acquisition and construction of facilities and equipment. The COPS are repayable solely from payments made by the School System to ERS under a lease agreement for the related facilities and equipment. Accordingly, the COPS and the related capital assets are reported in the government-wide financial statements. Separate financial statements for ERS are not prepared.

## 2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the School System and its component units (if any). As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *Business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

## 3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The agency fund does not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants, private donations, and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School System considers revenues to be available if they are collected within 30 days of the end of the fiscal year.

The State of Georgia reimburses the School System for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally, teachers are contracted for the fiscal year (July 1 – June 30) and paid over a twelve month contract period, generally August 31 through August 15. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the School System over the same twelve month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each fiscal year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment. Based on guidance in Governmental Accounting Standards Board (GASB) Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School System recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

Property taxes, sales taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School System.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

### **Fund Financial Statements**

The School System uses funds to segregate transactions related to certain School System functions or activities in order to maintain its financial records during the fiscal year. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

**Governmental Funds** – Governmental funds are those through which most governmental functions are typically financed. Governmental funds employ the financial position measurement focus and are accounted for on the modified accrual basis of accounting at the fund level. Major individual governmental funds are reported in separate columns. All remaining governmental funds are aggregated and reported as nonmajor funds.

The School System reports the following major governmental funds:

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

*Capital Projects Fund* - This fund accounts for resources which are used exclusively for acquiring school sites, constructing and equipping new school facilities, and renovating existing facilities. The major revenue sources are from debt proceeds, bond sales, property taxes, the State of Georgia, and special purpose local option sales tax (SPLOST). SPLOST receipts are tax proceeds required to be used for capital outlay for educational purposes as authorized by local referendum.

**Proprietary Funds-** Proprietary funds employ the economic resources measurement focus and are accounted for on the accrual basis. Proprietary funds are used to account for activities that are financed and operated like private business enterprises. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. Operating expenses and depreciation for the enterprise fund 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 non-operating revenues and expenses.

In accounting and reporting for its proprietary operations, the School System applies all Governmental Accounting Standards Board (GASB) pronouncements. The School System applies GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Statement No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989.

The School System reports the following major proprietary fund:

*Food Services Fund* - The primary purpose of the Food Services Fund is to account for activities of the School System's school breakfast and lunch programs, which are funded primarily by the United States Department of Agriculture, passed through the Georgia Department of Education.

**Fiduciary Funds** – Fiduciary funds account for assets held by the School System in a trustee capacity or as an agent on behalf of others.

The School System reports the following fiduciary fund:

*Agency Fund* - This fund is used to account for local school student club and class accounts. It is custodial in nature, and does not involve measurement of the results of operations.

The fiduciary fund is excluded from the government-wide financial statements.

#### 4. Assets, Liabilities and Net Position or Equity

##### a. Cash Equivalents

The School System considers all highly liquid investments with a maturity of three months or less when purchased from authorized financial institutions to be cash equivalents. Georgia Law, OCGA 45-8-14, authorizes the School System to deposit its funds in one or more solvent banks or insured Federal savings and loan associations.

##### b. Investments

Investments made by the School System in nonparticipating interest-earning contracts (such as certificates of deposit), and repurchase agreements are reported at cost. Participating interest-earning contracts and money market investments with a maturity at purchase of one year or less are reported at amortized cost. Both participating interest-earning contracts and money market investments with a maturity at purchase greater than one year and equity investments are reported at fair value. The Official Code of Georgia Annotated Section 36-83-4 authorizes the School System to invest its funds. In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity. Funds may be invested in the following:

- 1) Obligations issued by the State of Georgia or by other states;
- 2) Obligations issued by the United States government;
- 3) Obligations fully insured or guaranteed by the United States government or a United States government agency;
- 4) Obligations of any corporation of the United States government;
- 5) Prime banker's acceptances;
- 6) The Local Government Investment Pool (i.e., Georgia Fund 1) administered by the State of Georgia, Office of State Treasurer;
- 7) Repurchase agreements;
- 8) Obligations of other political subdivisions of the State of Georgia

##### c. Receivables

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on Federal, State, private donations 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.



d. Inventories and Prepaid Items

Inventories are valued at cost using the first-in, first-out method of accounting. The costs of food services fund inventories are recorded as expenditures when consumed (consumption method).

Prepaid items are payments made to vendors for services that will benefit periods beyond June 30, 2014 and are recorded as expenditures using the purchase method.

e. Capital Assets

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the Government-wide financial statements, all purchased capital assets are valued 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 their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not included in the cost of capital assets. The School System does not capitalize book collections or works of art.

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

	<u>Capitalization Policy</u>	<u>Estimated Useful Life</u>
Land	All	N/A
Land Improvements	\$ 50,000	10 to 20 years
Buildings	50,000	20 to 50 years
Building Improvements	50,000	10 to 30 years
Furniture & Fixtures	50,000	3 to 15 years
Vehicles	50,000	5 to 8 years
Equipment	50,000	3 to 15 years
Capital Leases	50,000	3 to 8 years
Intangible Assets	50,000	5 to 10 years

Capital assets donated to proprietary fund type operations are recorded at their estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the assets.

f. Compensated Absences

The Atlanta Board of Education authorizes annual leave for personnel employed on a twelve-month basis as follows: Less than ten years of service 3.750 hours per pay period; ten to twenty years of service 4.875 hours per pay period; and twenty or more years of service 5.625 hours per pay period. Employees on 220-day assignment prior to May 13, 1986 who continue in said assignment are authorized annual leave as follows: less than 10 years of service 1.0227 hours per pay period; ten to twenty years of service 2.0454 hours per pay period; and twenty or more years of service 3.0681 hours per pay period. An employee may accrue annual leave days up to a maximum of 225 hours (30 working days). Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive salary related compensation are attributable to services already rendered and it is probable that the School System will compensate the employees for the benefits through paid time off or some other means. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as long-term obligations in the government-wide financial statements and are not liabilities of the governmental funds.

g. Long-term Obligations

In the governmental-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position. Long-term debt and other long-term liabilities that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due but are reported in the government-wide statements as long-term debt.

h. Fund Equity

In the fund financial statements, governmental funds report limitations on the purpose for which all or a portion of the resources of the fund balance can be used. The limitations can vary depending upon their source. Financial statements for governmental funds report up to five components of fund balance:

*Nonspendable* – Fund balance amounts 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* – Fund balance amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.

*Committed* – Fund balance amounts that can be used only for specific purposes determined by formal action by the Board of Education. The Board of Education 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.

*Assigned* – Fund balance amounts are reported as assigned when amounts are constrained by the School System's intent to be used for specific purposes, but are neither restricted

nor committed. The Board has expressly delegated the Superintendent or designee (Chief Financial Officer) the authority to assign fund balances for a particular purpose.

*Unassigned* – Residual fund balance that has not been restricted, committed or assigned to specific purposes or other funds. The School System reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

When multiple categories of fund balance are available for expenditure, the School System will use restricted amounts first, and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, the School System will use fund balance in the following order: committed, assigned, and then unassigned.

i. Net Position

The School system implemented GASB Statements No. 63, *Financial Reporting of Deferred Inflows of Resources, Deferred Outflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. These new standards establish accounting and financial reporting for deferred inflows / outflows of resources, and the concept of net position as the residual of all other elements presented in a statement of net position.

Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The School System applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

j) Deferred Inflows of Resources

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School System has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes and other sources as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

k) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenue, and expenses including the disclosure of contingent assets and liabilities. Actual amounts could differ from those estimates.

Worker's Compensation:

The School System recognizes in the government-wide statements the liabilities for estimated losses to be incurred from pending worker compensation claims and for worker compensation claims incurred but not reported (IBNR). IBNR claims are estimates of claims that are incurred through the end of the fiscal year but have not yet been reported. These liabilities are based on actuarial valuations.

**B. Budgets and Budgetary Accounting**

Atlanta Independent School System employs zero-based budgeting for budget preparation. The zero-based budgeting process provides for the identification and prioritization of school system activities and resources starting from zero, and accumulating to the targeted funding level. Each activity is linked to the goal, objectives, and mission of the System and ranked as to its importance. As the proposed budget moves through each level of the organization, program activities and goals are aggregated further and ranked again. The final budget produced, and presented is one, which includes all program activities ranked in order of importance in reaching the System's mission. Our basis of budget presentation is in accordance with GAAP.

The School System follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Budget requests are normally completed in January.
2. Proposed budgets are consolidated and reviewed by the Budget Department, then submitted to the Senior Cabinet of the District and Budget Commission for additional review prior to the approval by the Atlanta Board of Education.
3. Public hearings on the proposed budget are normally held in May and June.
4. The annual budget is legally adopted by the Board in June for the General Fund and Special Revenue Funds.
5. The administrative level of budgetary control upon adoption is at the program level. The Atlanta Board of Education must approve transfers between division and programs that are greater than 5% or \$1,000,000 (whichever is less). Transfer of budgeted amounts between object categories within programs requires the approval of the budget center manager.
6. Revenues and expenditures of the Capital Projects Fund are budgeted on an annual basis.
7. Education Reform Success (ERS) does not have a legally adopted budget.
8. The Atlanta Board of Education approves the budget for the Special Revenue Funds as a whole, which is the legal level of budgetary control (the level at which expenditures may not legally exceed appropriations). The combined Special Revenue Funds budget to actual schedule does not include the Proprietary Fund, which is included when provided to the board for approval.

## C. Excess Expenditures over Appropriations of Individual Funds

### GENERAL FUND

Instruction	\$ 4,400,476
Pupil Services	5,056,324
Improvement of Instructional Services	440,006
Educational Media Services	689,773
School Administration	3,512,744
Student Transportation	1,356,369
School Nutrition Program	54,246

### SPECIAL REVENUE - COMBINED

School Administration	\$ 114,650
Support Services - Central	810,317
School Nutrition Program	206,068
Educational Media Services	91,874

For financial statement purposes, the General Fund includes revenues of \$3,568,538 and expenditures of \$3,583,746 resulting from local school activity accounts. Because the District does not budget for these Pupil Service specific expenditures, including these expenditures in the financial statements has resulted in an overall variance with final budget for total expenditures in the General Fund of \$1,165,051.

## D. Deposits and Investments Risks

### Deposits (Governmental Funds)

The School System's cash and investment policy limits deposits to demand and money market accounts and time deposits at local banks. The School System's deposit shall be secured by Federal Deposit Insurance Corporation (FDIC) coverage and / or bank pledges. State statutes require banks holding public funds to secure the funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held. State statutes define acceptable security for collateralization.

Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAf rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the Securities and Exchange Commission (SEC) as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity, and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on a \$1.00 per share value. The fair value of the School System's position in the pool is the same as the value of pool shares (\$1 per share value). The regulatory oversight agency for Georgia Fund 1 is the Office of the State Treasurer of the State of Georgia.

Funds included in this pool are not required to be collateralized. The fair value of the School System's position in the pool approximates the value of the School System's pool shares. Credit risk, value, and interest risk at June 30, 2014 are as follows:

<u>Credit Risk</u>	<u>Value</u>	<u>Interest Risk</u>
AAAF rated	\$20,299,137	62 day WAM

The School System classifies its investment in Georgia Fund 1 as cash and cash equivalents.

### Categorization of Deposits

As of June 30, 2014, all of the School System's deposits were covered either by FDIC or collateralized by the financial institution or a combination of both.

### Categorization of Investments

The School System's investments as of June 30, 2014 are presented in this table. All investments are presented by investment type and debt securities are presented by maturity.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity Less than One Year</u>
Debt Securities		
U.S. Agencies		
Implicitly Guaranteed:		
FNMA, FHLM, FHLB Discount Notes	\$ 57,269,461	\$ 57,269,461
U.S. Government Notes and Bonds	7,003,945	7,003,945
Repurchase Agreements	<u>25,000,000</u>	<u>25,000,000</u>
Subtotal	<u>89,273,406</u>	<u>89,273,406</u>
Other Investments		
Money Market - Cash Equivalents	25,222,407	25,222,407
Georgia Fund 1 - Cash Equivalents	20,299,137	20,299,137
Municipal Securities	10,102,709	10,102,709
Certificates of Deposit	<u>5,000,000</u>	<u>5,000,000</u>
Total Investments	<u>\$ 149,897,659</u>	<u>\$ 149,897,659</u>

### Investment Reconciliation

	<u>Total Investments</u>	<u>Reclass to Cash and Cash Equivalents</u>	<u>Per Balance Sheet As of June 30, 2014</u>
General Fund Investments	\$ 46,193,510	\$ (37,959,829)	\$ 8,233,681
Capital Projects Investments	83,405,012	(27,978,398)	55,426,614
Georgia Fund 1 - Cash Equivalents	<u>20,299,137</u>	<u>(20,299,137)</u>	<u>-</u>
	<u>\$ 149,897,659</u>	<u>\$ (86,237,364)</u>	<u>\$ 63,660,295</u>

### **Interest Rate Risk**

Interest rate risk is the risk that a fixed income investment's value will decrease due to a change in the absolute level of interest rates. The School System's investment management policy limits investment maturities to 3 years as a means of managing its exposure to fair value losses arising from increasing interest rates.

### **Custodial Credit Risk**

Custodial credit risks for investments, is the risk that in the event of the failure of the counterparty, the School System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Because of the collateralization requirements, the School System has no custodial credit risk for its investments.

### **Credit Quality Risk**

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School System's policy for managing credit quality risk related to community bank certificates of deposits and repurchase agreements states such investments will only be purchased through banks having at least an AA rating.

The investment policy states Repurchase Agreements may only be purchased from a financial institution that has short-term ratings of AA or higher by Standard & Poor's (S&P) or Aa2 by Moody's. The U.S. Agencies investments are not required to be rated.

The investments subject to credit quality risk are reflected here:

Rated Debt Instruments	Quality Ratings						
	Fair Value	AAA	AAAf	AA+	AA	A/A1	NR
U.S. Treasury / Money Market Funds	\$ 32,226,352	\$ 25,222,216	\$ -	\$ 7,003,945	\$ -	\$ -	\$ 192
Georgia Fund 1 - Cash Equivalents	20,299,137	-	20,299,137	-	-	-	-
Debt Securities							
U.S. Agencies							
Implicitly Guaranteed							
FNMA, FHLM, FHLB Discount Notes	57,269,461	-	-	57,269,461	-	-	-
Certificates of Deposits	5,000,000	-	-	-	-	-	5,000,000
Municipal Securities	10,102,709	4,290,340	-	2,478,538	3,333,832	-	-
Repurchase Agreements	25,000,000	-	-	-	-	25,000,000	-
Total by Quality Rating	<u>\$ 149,897,659</u>	<u>\$ 29,512,556</u>	<u>\$ 20,299,137</u>	<u>\$ 66,751,944</u>	<u>\$ 3,333,832</u>	<u>\$ 25,000,000</u>	<u>\$ 5,000,192</u>

### **Concentration of Credit Risk**

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The School System has a policy concerning the composition of its investment portfolio and is in compliance with its investment policy.

The investment policy establishes that eligible investments individually are not to exceed the following composition in the portfolios of the General Fund, Capital Projects Fund, and the Education Reform Success Fund:

U.S. Treasury Bills	100%
Federal Agencies (No more than 40% per issuer)	65%
Repurchase Agreements	30%
State of Georgia - Georgia Fund 1	25%
Bank Special Purpose Money Market Funds	25%
Certificates of Deposit	10%
Municipal Securities (No more than 5%)	25%

Investments in any one issuer that represents 5% or more of the total investments were as follows as of June 30, 2014:

Issuer	Investment Type	% of Total Investments
Tri Party Repo Agreement	Repurchase Agreement	16.68%
BOFA Government Reserves Capital	Money Market Funds	16.83%
US Money Market - Georgia Fund 1	Money Market Funds	13.54%
US Treasury Notes & Bonds	US Treasuries	4.67%
Federal National Mortgage Association	Federal Agency Securities	9.34%
Federal Home Loan Mortgage Corporation	Federal Agency Securities	11.77%
Federal Home Loan Bank	Federal Agency Securities	12.10%
Federal Farm Credit Bank	Federal Agency Securities	5.00%
Financial Institutions	Certificates of Deposits	3.34%
Municipal Bonds	Municipal Securities	6.74%

### **Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. Foreign Investments are prohibited by law in Georgia.

### **E. Due from Other Governments**

Due from other governments consists of grant reimbursements due primarily from the Georgia Department of Education for expenditures incurred, but not yet reimbursed and amounts due from City of Atlanta for bonds issued and unspent tax collections, collected and held by the City of Atlanta on behalf of the School System.

### **F. Property Taxes and Other Receivables**

Property taxes are normally levied and billed by July 1, based on property values assessed as of January 1, on all real and personal property located within the City of Atlanta. Property taxes are due by October 15 at which time they become delinquent and penalties and interest may be assessed, and liens may be attached to property. An allowance has been established for estimated amounts that will not be collected. The School System considers revenues to be available if they are collected within 30 days of the end of the current fiscal year.



	<u>Property Tax Receivable</u>	<u>Allowance for Uncollectible</u>	<u>Net Property Tax Receivable</u>
General Fund	\$ 27,019,177	\$ (13,719,386)	\$ 13,299,791
	<u>Other Receivables</u>	<u>Allowance for Uncollectible</u>	<u>Net Other Receivables</u>
General Fund	\$ 566,074	\$ (452,000)	\$ 114,074
	<u>SPLOST Tax Receivable</u>	<u>Allowance for Uncollectible</u>	<u>Net SPLOST Receivable</u>
Capital Projects Fund	\$ 7,500,381	\$ -	\$ 7,500,381

## G. Capital Assets

The following is a summary of changes in capital assets during the fiscal year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases &amp; Transfers to In Service</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Land	\$ 107,065,303	\$ 7,984,623	\$ -	\$ 115,049,926
Construction in Progress	185,086,941	76,774,844	(206,505,714)	55,356,071
Total Non-Depreciable Assets	<u>292,152,244</u>	<u>84,759,467</u>	<u>(206,505,714)</u>	<u>170,405,997</u>
Buildings	1,093,290,005	122,490,370	(17,393,884)	1,198,386,491
Building Improvements	254,522,259	49,674,271	-	304,196,530
Land Improvements	22,832,667	25,299,782	-	48,132,449
Equipment	14,943,415	1,056,668	(1,222,328)	14,777,755
Furniture & Fixtures	56,030	-	-	56,030
Vehicles	28,319,626	2,627,474	(117,166)	30,829,934
Total Depreciable Assets	<u>1,413,964,002</u>	<u>201,148,565</u>	<u>(18,733,378)</u>	<u>1,596,379,189</u>
Total at Historical Cost	<u>1,706,116,246</u>	<u>285,908,032</u>	<u>(225,239,092)</u>	<u>1,766,785,186</u>
Less Accumulated Depreciation				
Buildings	293,470,246	23,441,622	(127,457)	316,784,411
Building Improvements	65,967,371	14,641,506	-	80,608,877
Land Improvements	10,012,267	2,512,946	-	12,525,213
Equipment	9,895,056	2,016,884	(1,222,328)	10,689,612
Furniture & Fixtures	22,879	5,603	-	28,482
Vehicles	19,539,919	3,313,574	(117,166)	22,736,327
Total Accumulated Depreciation	<u>398,907,738</u>	<u>45,932,135</u>	<u>(1,466,951)</u>	<u>443,372,922</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,307,208,508</u>	<u>\$ 239,975,897</u>	<u>\$ (223,772,141)</u>	<u>\$ 1,323,412,264</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 149,000	\$ -	\$ -	\$ 149,000
Less Accumulated Depreciation				
Equipment	7,450	29,800	-	37,250
Business-Type Activities Capital Assets, Net	<u>\$ 141,550</u>	<u>\$ 29,800</u>	<u>\$ -</u>	<u>\$ 111,750</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 39,605,419
Support Services:	
Pupil Services	63,257
Educational Media Services	36,876
Support Services - Business	2,861,240
Maintenance & Operations	71,456
Student Transportation	<u>3,293,887</u>
Total	<u>\$ 45,932,135</u>

Depreciation expense was charged to business-type activities as follows:

School Nutrition Program	<u>\$ 29,800</u>
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## H. Long-term Debt

### *Capital Leases*

The School System has entered into various lease agreements for the purchase of equipment. These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at present value of the future minimum lease payments as of the date of inception. Annual depreciation of these assets is included in depreciation expense.

The capital assets acquired through capital leases are as follow:

Asset	Governmental Activities
Buses	\$ 9,899,536
Less: Accumulated depreciation	<u>(6,956,322)</u>
Net Capital Assets	<u>\$ 2,943,214</u>

The following is a schedule of the future minimum lease payments under capital leases and the total present value:

Fiscal Year Ending	Governmental Activities
2015	\$ 1,412,990
2016	1,413,062
2017	1,092,703
2018	<u>1,102,634</u>
Total minimum payments	5,021,389
Less: Amount representing interest	(268,008)
Present value of minimum payments	<u>\$ 4,753,381</u>

*Intergovernmental Agreement*

Over the years, the City of Atlanta has issued various annual general obligation bonds and general obligation refunding bonds on behalf of the School System. The debt service for the bonds has been funded through the School System's bonded debt portion of the annual tax levy. The maturity date for the bond is December 21, 2027. The bonded debt portion of property taxes collected by the City on behalf of the School System is retained by the City and used to pay the annual debt service on the outstanding bonds. The debt service payments are calculated using assumptions and estimates based on the most current information available. As of June 30, 2014, \$955,364 is available and held by the City.

General Obligation Bonds currently outstanding at the City of Atlanta on behalf of the School System are as follows:

Purpose	Interest Rate	Amount
Governmental Activities	3-5%	\$15,167,625

In prior fiscal years, the City of Atlanta and the School System defeased certain bonds by placing funds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School System's basic financial statements. At June 30, 2014, \$42,885,000 of bonds is outstanding and is considered defeased.

*Education Reform Success, Inc. (ERS)*

In October 2006, ERS issued certificates of participation (COPS) on behalf of the School System in the amount of \$10,115,000. The proceeds from the certificates were used to finance the renovations and improvements to the Instructional Service Center.

In June 2011, ERS issued COPS on behalf of the School System in the amount of \$104,415,000 (Series 2011A, \$72,460,000) and (Series 2011B, \$31,955,000). The proceeds from the certificates were used to finance the construction and renovation of North Atlanta High School. Payments are due on March 1 and September 1 of each year until maturity. Maturity dates for Series 2011A and Series 2011B are March 1, 2027 and March 1, 2017 respectively. Interest rates vary from 5.457% to 5.657% for Series 2011A and from 2% to 5% for Series 2011B.

## I. Long-term Obligations

Changes in long-term obligations during the fiscal year ended June 30, 2014 were as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due within One Year
Governmental activities:					
Long-term debt					
Capital leases	\$ 6,018,646	\$ -	\$ (1,265,265)	\$ 4,753,381	\$ 1,297,777
Intergovernmental agreement-					
City of Atlanta	16,311,250	-	(1,143,625)	15,167,625	1,264,500
ERS, Inc (COPS, Series 2006/2007)	7,135,000	-	(740,000)	6,395,000	812,500
ERS, Inc (COPS, Series 2011A)	72,460,000	-	-	72,460,000	-
ERS, Inc (COPS, Series 2011B)	26,035,000	-	(6,040,000)	19,995,000	6,340,000
Unamortized premium 2011B	1,801,623	-	(703,438)	1,098,185	-
Total long-term debt	<u>129,761,519</u>	<u>-</u>	<u>(9,892,328)</u>	<u>119,869,191</u>	<u>9,714,777</u>
Other long-term liabilities					
Compensated absences	5,184,350	3,847,132	(3,937,477)	5,094,005	3,520,842
Contingent legal liabilities	515,000	980,000	(300,000)	1,195,000	1,156,382
Workers' compensation	5,436,573	3,727,013	(3,351,297)	5,812,289	2,152,729
Total other long-term liabilities	<u>11,135,923</u>	<u>8,554,145</u>	<u>(7,588,774)</u>	<u>12,101,294</u>	<u>6,829,953</u>
Total long-term obligations	<u>\$ 140,897,442</u>	<u>\$ 8,554,145</u>	<u>\$ (17,481,102)</u>	<u>\$ 131,970,485</u>	<u>\$ 16,544,730</u>

The General Fund has been typically used to liquidate the liability for compensated absences, contingent liabilities, and workers' compensation.

Fiscal Year Ending	Intergovernmental Agreements City of Atlanta			
	Capital Leases			
	Principal	Interest	Principal	Interest
2015	\$ 1,297,777	\$ 115,213	\$ 1,264,500	\$ 736,419
2016	1,331,332	81,730	1,325,750	680,609
2017	1,045,535	47,168	1,333,000	621,974
2018	1,078,737	23,897	1,242,625	463,107
2019	-	-	1,306,500	408,188
2020-2024	-	-	6,805,375	1,127,522
2025-2027	-	-	1,889,875	94,298
Total Principal and Interest	<u>\$ 4,753,381</u>	<u>\$ 268,008</u>	<u>\$ 15,167,625</u>	<u>\$ 4,132,117</u>

At June 30, 2014, payments due by fiscal year, which include principal and interest for these items, are as follows:

Fiscal Year Ending	Education Reform Success, Inc. Certificates of Participation 2006/2007		Education Reform Success, Inc. Certificates of Participation 2011A		Education Reform Success, Inc. Certificates of Participation 2011B	
	Principal	Interest	Principal	Interest	Principal	Interest
	2015	\$ 812,500	\$ 293,117	-	\$ 4,029,142	\$ 6,340,000
2016	736,250	230,529	-	4,029,142	6,660,000	682,750
2017	763,750	200,126	-	4,029,142	6,995,000	349,750
2018	797,500	168,587	-	4,029,142	-	-
2019	828,786	135,654	-	4,029,142	-	-
2020-2024	2,456,214	195,842	-	20,145,710	-	-
2025-2027			72,460,000	8,246,892		
Total Principal and Interest	<u>\$ 6,395,000</u>	<u>\$ 1,223,855</u>	<u>\$ 72,460,000</u>	<u>\$ 48,538,312</u>	<u>\$ 19,995,000</u>	<u>\$ 2,031,250</u>

## J. Inter-fund Receivables

Inter-fund Receivables and payables balances as of June 30, 2014 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Food Services Fund	\$ 1,088,056
Capital Projects Fund	General Fund	20,397,578
Nonmajor Governmental Funds	General Fund	7,400,420
General Fund	Capital Projects Fund	11,290,523
General Fund	Nonmajor Governmental Funds	22,634,100
		<u>\$ 62,810,677</u>

During the course of its operations, the School System makes transfers between funds to finance operations, provide services, and acquire assets. To the extent that certain transfers among funds had not been received as of fiscal year-end, balances of inter-fund amounts receivable or payable have been recorded. It is management's intent to repay inter-fund balances within the next fiscal year.

**K. Inter-fund Transfers**

Transfers within the governmental funds for the fiscal year ended June 30, 2014 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
General Fund	\$ -	\$ (1,238,300)
Nonmajor Governmental Funds	<u>1,238,300</u>	<u>-</u>
	<u>\$ 1,238,300</u>	<u>\$ (1,238,300)</u>

Transfers were used to fund grant matching requirements in nonmajor governmental funds.

**L. Risk Management**

The School System is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The School System is self-insured for workers' compensation claim, and unemployment compensation. The School System purchases commercial insurance in amounts deemed prudent by management for other risks of loss.

Unemployment Compensation

The School System is self-insured for unemployment compensation. The State bills the School System quarterly for the outstanding claims and the School System pays the claims at that time. Changes in the unemployment compensation claims liability during the last two fiscal years are as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Fiscal Year Liability</u>
Fiscal year 2013	\$ -	\$ 1,338,999	\$ (1,338,999)	\$ -
Fiscal year 2014	\$ -	\$ 130,962	\$ (130,962)	\$ -

## Workers' Compensation

The School System is fully self-insured for workers' compensation claims of its employees. The School System accounts for claims within the General Fund with expenditures and liabilities being reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. An accrued liability for the estimated costs of claims and related settlement costs incurred but not paid and/or reported as of fiscal year-end is reported on the governmental activities financial statements. The calculation of the present value of future workers' compensation liabilities is based on a discount rate of 3.5%. There have not been any significant changes in insurance coverage from the prior fiscal year.

	<u>Balance at Beginning of Fiscal Year</u>	<u>Claims and Changed in Estimates</u>	<u>Claims paid</u>	<u>Balance at End of Fiscal Year</u>
Fiscal year 2013	\$ 5,728,022	\$ 1,864,975	\$ (2,156,424)	\$ 5,436,573
Fiscal year 2014	\$ 5,436,573	\$ 3,727,013	\$ (3,351,297)	\$ 5,812,289

## **M. Nonmonetary Transactions**

The School System received from the United States Department of Agriculture through the Georgia Department of Education approximately \$1,795,610 in donated food commodities for its lunchroom programs. The federally assigned value of these commodities is reflected as revenue and expensed as used in the Food Services Fund financial statements.

## **N. On-Behalf Payments for Fringe Benefits**

The School System has recognized revenues and expenditures in the amount of \$227,085 for health insurance and pension costs paid by the Georgia Department of Education to the Georgia Department of Community Health for non-certified personnel on the School System's behalf. Additionally, \$26,640,612 was paid by the Georgia Department of Education to the Department of Community Health for group health insurance of the School System.

## **O. Retirement Plans**

### Teachers Retirement System of Georgia (TRS)

#### *Plan Description*

Substantially all teachers, administrative, and clerical personnel employed by local school systems of the State of Georgia are covered by the Teachers Retirement System of Georgia (TRS), which is a cost sharing multiple employer public employee retirement system sponsored by the State of Georgia. Most School Systems' employees participate in TRS.

TRS provides service retirement, disability retirement, and survivor's benefits for its members. A member is eligible for service retirement after 30 years of creditable service, regardless of age, or after 10 years of service, and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service. Early retirement benefits are reduced by the lesser of 1/12 of 7% of each

month the member is below age 60, or by 7% of each year or fraction thereof by which the member has less than 30 years of service.

Normal retirement benefits paid to members are equal to 2% of the average of the member's two consecutive highest paid years of service multiplied by the number of years of creditable service up to 40 years. The normal retirement pension is payable monthly for life. Options are available for distribution of the member's monthly pension at a reduced rate to a designated beneficiary on the member's death.

Retirement benefits also include death and disability benefits whereby the disabled member or surviving spouse is entitled to receive annually an amount equal to the member's service retirement benefit or disability retirement, whichever is greater. The benefit is based on member's creditable service (minimum of 10 years) and compensation up to the date of death.

The TRS Board of Trustees has the authority to establish and amend benefit provisions of the pension plan under Title 47, chapter 3. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by calling 404-352-6500 or by accessing their website at [www.trsga.com](http://www.trsga.com).

*Funding Policy*

Employees of the School System who are covered by TRS are required to pay 6.00% of their gross earnings to TRS. The School System makes monthly employer contributions to TRS at rates adopted by the TRS Board of Trustees as advised by their independent actuary. The employer contribution rate is 12.28% at June 30, 2014.

Total actual and required contributions were as follows (the School System contributed 100% of the annual required contribution):

	<u>2014</u>	<u>2013</u>	<u>2012</u>
School System	\$ 38,496,248	\$ 35,714,946	\$ 33,138,997
Employees	18,930,976	18,819,379	17,584,629
	<u>\$ 57,427,224</u>	<u>\$ 54,534,325</u>	<u>\$ 50,723,626</u>

City of Atlanta General Employee’s Pension Plan

*Plan Description*

All permanent employees of the School System who are not covered under the TRS plan are eligible to participate in the City of Atlanta General Employees’ Pension Plan (the “Plan”). In addition, certain School System employees employed prior to July 1, 1979 also participate in the Plan.

The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is an agent multiple-employer pension plan administered by a Board of Trustees, which includes the Mayor of the City of Atlanta or designee, the City’s Chief Financial Officer, one member of the City Council, one member of the School System, one member elected by eligible employees of the City, one member elected by eligible employees of the School System, one member elected by retired employees of the School System,



and one member elected by retired employees of the City. The Board of Trustees has the authority to establish and amend the benefit provisions of the Plan.

On December 12, 2005, the School System adopted the following changes to the Plan:

1. 10 year vesting;
2. 2.5% benefit multiplier (capped at 80%); and
3. Unreduced retirement at 30 years of service regardless of age.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. The report may be obtained by writing or by calling the Plan at:

GEM Group  
225 Peachtree Street Northeast  
Suite 1460  
Atlanta, Georgia 30303  
404-525-4191

The Plan provides retirement benefits that, initially, are 2% of the employee's highest average monthly base compensation over any 36-month period. A participant may retire at age 65 or, after 15 years of service, at age 60. Cost-of-living increases are awarded annually, up to a 3% maximum increase. Partial vesting percentages based on years of creditable service and provisions for early retirement are included in the Plan. Benefits also may be payable at termination, death, or disability.

The School System's membership in the Plan as of July 1, 2013 is as follows:

Active employees	737
Inactive members	27
Retirees and beneficiaries	<u>2,165</u>
Total membership	<u><u>2,929</u></u>

#### *Method Used to Value Investments*

Investments are stated at fair value. Fair value of Plan assets at July 1, 2013 was \$115,509,000.

#### *Funding Policy and Annual Pension Cost*

The School System's funding policy is to contribute a percentage of covered employee payroll as developed in the actuarial valuation for the Plan. Obligations to contribute to the Plan are established by the Board, subject to minimum financing standards established by the State of Georgia.

Active participants are required to contribute 7% of pay (8% if participant has a covered beneficiary or is married). The School System's contribution percentage is the actuarial determined amount necessary to fund Plan benefits after consideration of employee contributions.

The actuarial determined contribution amount is the sum of the annual normal cost (determined under the entry age normal actuarial cost method) and the amortization of the unfunded actuarial accrued liability as a level percentage of future payrolls. The remaining amortization period is closed 16 years remaining as of July 1, 2013.

The Plan's annual pension cost for the current fiscal year, based on actuarial valuations performed as of July 1, 2013 and related information for the Plan is as follows:

Contribution rates as a percent of covered payroll:

Employee	7.00% - 8.00%
Employer	8.00%
Annual required contribution	\$45,789,797
Employer contributions made	\$48,000,000
Actuarial valuation date	7/1/2013
Actuarial cost method	Entry age normal
Amortization method	Level % of payroll using 3% annual increases
Actuarial assumptions:	
Investment rate of return	7.50% per year
Projected salary increases:	
Inflation	3.00% per year
Merit or seniority and productivity	3.50% per year (plus age related salary scale)
Post retirement benefit increases	N/A

The asset valuation method used is the actuarial value from the prior year plus net new money plus 20% of the asset appreciation/depreciation for the current year and each of the prior four years.

Three-Year Trend Information is as follows:

<b>Fiscal Year</b>	<b>Annual Pension Cost (APC)</b>	<b>% of APC Contributed</b>	<b>Net Pension (Asset) Obligation</b>
2012	\$ 38,714,436	100.74 %	\$ (11,439,420)
2013	43,668,870	98.47	(10,770,550)
2014	46,031,496	104.28	(12,739,054)

Net Pension Asset - The School System's actuarially required contribution, pension cost, and increase in the beginning net pension asset for the fiscal year ended June 30, 2014, were computed as follows:

Actuarially required contribution	\$ 45,789,797
Interest on net pension asset	(820,791)
ARC adjustment	1,062,490
Annual pension cost	46,031,496
Actual contributions made	(48,000,000)
Increase in net pension asset	(1,968,504)
Net pension asset, June 30, 2013	(10,770,550)
Net pension asset, June 30, 2014	<u>\$ (12,739,054)</u>

Plan Funded Status – The School System’s funding status, based upon the most recent actuarial valuation, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL use as a Percentage of Covered Payroll
Date	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c) *
7/1/2013	\$ 115,509,000	\$ 648,514,030	\$ 533,005,030	17.81%	\$ 21,786,097	2446.54%

\*Not less than zero

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2013.

## P. Post-Employment Benefits

### Georgia Retiree Health Benefit Fund

Plan Description - The Georgia School Personnel Post-employment Health Benefit Fund (School OPEB Fund) is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers eligible former employees of public school systems, libraries, and regional educational service agencies. The School OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the State Employees Health Insurance Plan administered by the Georgia Department of Community Health. The Official Code of Georgia Annotated (OCGA) assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Board of Community Health (Board). The Georgia Department of Community Health issues a publicly available financial report that includes financial statements and required supplementary information for the School OPEB Fund. That report may be obtained from the Georgia Department of Community Health at 2 Peachtree Street, Atlanta, Georgia 30303.

Funding Policy - The contribution requirements of Plan members and participating employers are established by the Board in accordance with the current Appropriations Act and may be amended by the Board. Contributions of Plan members or beneficiaries receiving benefits vary based on Plan election, dependent coverage, and Medicare eligibility and election. On average, Plan members pay approximately twenty-five percent (25%) of the cost of health insurance coverage.

Participating employers are statutorily required to contribute in accordance with the employer contribution rate established by the Board. This contribution rate is established to fund all benefits due under the health insurance plans for both the active and retired employees based on projected pay-as-you-go financing requirements. Contributions are not based on the actuarially calculated

annual required contribution (ARC) which represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The employer contribution rates for the combined active and retiree plans for the fiscal year ending June 30, 2014, were as follows:

Certificated Employees

July 2013- June 2014                      \$945.00 per month

Non-Certificated Employees

July 2013- June 2014                      \$596.20 per month

The School System's contribution to the health insurance plans for the fiscal year June 30, 2014, June 30, 2013, and June 30, 2012 were \$50,607,578, \$43,426,063, and \$41,358,812, respectively. These contributions equaled the required contribution/annual OPEB cost.

**Q. Commitments and Contingencies**

*Construction Commitments*

The School System has active construction projects as of June 30, 2014. The projects relate to construction, renovation of school buildings, and other projects. At fiscal year-end, the School System's commitments with contractors were \$59,945,733.

*Litigation and Other Contingencies*

The School System is a defendant in various lawsuits, which arose, in the ordinary course of its activities. The School System believes its liability in these matters is \$1,195,000. In addition, the School System has identified cases that either the outcome is reasonably probable but cannot be reasonably estimated or the amount is reasonably estimable; however, the outcome is still uncertain. The School System has estimated \$1,770,000 in such cases that is not accrued as a contingent liability as of June 30, 2014.

Amounts received or receivable 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. The School System believes that such disallowances, if any, will be immaterial to its overall financial position.

**R. Pollution Remediation Obligations**

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, establishes accounting and financial reporting criteria for liabilities that address current or potential detrimental effects of existing pollution by participating in pollution remediation activities. When one of five obligating events identified by the GASB occurs, the components of the expected pollution remediation outlays must be estimated and a determination made whether the outlays should be accrued as a liability or capitalized when goods and services are acquired, as appropriate. Pollution remediation liabilities must be measured based on the pollution remediation outlays expected to be incurred to settle these liabilities. It must be based on "reasonable and

supportable” assumptions of future events that may affect the eventual settlement of the liability, and should be measured and reported at current value. The current value of the liability should be based on applicable federal, state or local laws or regulations that have been approved, regardless of their effective date, and the technology expected to be used for the cleanup.

Outlays for pollution remediation obligations should be recognized as liabilities if goods and services used for pollution remediation activities are liquidated with expendable available financial resources (modified accrual accounting). However, pollution remediation outlays should be capitalized in the government-wide or proprietary fund statements when goods and services are acquired for certain specific purposes; these amounts are recorded as expenditures at the fund level. In government-wide and proprietary fund financial statements, the liability should be recorded at the current value of the costs the government expects to incur to perform the work. This amount should be estimated using the expected cash flow technique, which measures the liability as the sum of probability-weighted amounts in a range of possible estimated amounts – the estimated mean or average.

The School System paid \$1,166,330 during fiscal year 2014 for remediation activities.

**S. Change in Accounting Principle**

The District no longer uses the consumption method for accounting and reporting prepaid items, but has converted to the purchase method during fiscal year 2014.

Therefore, in conjunction with the change from the consumption to purchase method, the following restatements were required to the beginning net position of the Governmental Activities and beginning fund balances for the General Fund and Capital Projects Fund to expense prepaid costs:

Net position, Governmental Activities, previously reported	\$ 1,413,709,351
Change from consumption to purchase method - prior period prepaid items	<u>(5,057,301)</u>
Beginning net position, as restated	<u>\$ 1,408,652,050</u>

	<u>General Fund</u>	<u>Capital Projects</u>
Fund balances, previously reported	\$ 85,221,934	\$ 131,754,177
Change from consumption to purchase method - prior prepaid items	<u>(2,396,733)</u>	<u>(2,660,568)</u>
Beginning fund balances, as restated	<u>\$ 82,825,201</u>	<u>\$ 129,093,609</u>

**T. Subsequent Event**

The Atlanta Board of Education declared the Carter Facility, located at 80 Joseph Lowery Boulevard, NW, Atlanta, GA 30314, as surplus property and no longer needed for school purposes. The property contains 2.19 acres. The property was marketed using a solicitation for sale. The process did not result in an acceptable offer as of June 30, 2014. The Atlanta Board of Education has subsequently received an offer to purchase the facility from Families First, Inc. The contract closing is contingent on Families First, Inc. receiving a required “Special Use” permit from the City of Atlanta. The District will receive \$2,500,000 for the property.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**ATLANTA INDEPENDENT SCHOOL SYSTEM**

*Required Supplementary Information*

*June 30, 2014*

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded / (Surplus) AAL (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
7/1/2008	\$ 150,876,105	\$ 655,110,071	23.03%	\$ 504,233,966	\$ 28,272,933	1783.45%
7/1/2009	112,295,208	644,788,188	17.42%	532,492,980	29,404,892	1810.90%
7/1/2010	114,615,676	669,032,859	17.13%	554,417,183	26,304,364	2107.70%
7/1/2011	113,553,224	646,444,083	17.57%	532,890,859	24,562,775	2169.51%
7/1/2012	101,272,560	633,671,785	15.98%	532,399,225	22,914,238	2323.44%
7/1/2013	115,509,000	648,514,030	17.81%	533,005,030	21,786,097	2446.54%

Note: See assumptions used for these schedules disclosed in the notes to the financial statements. This schedule of funding progress reflects the Atlanta Independent School System's participation in the City of Atlanta General Employees' Pension Fund and only shows the School System's actuarial value of assets, actuarial accrued liability and etc.

**ATLANTA INDEPENDENT SCHOOL SYSTEM**

*General Fund*

*Schedule of Revenues, Expenditures, and Changes in*

*Fund Balances - Budget and Actual (GAAP BASIS)*

*For the Fiscal Year Ended June 30, 2014*

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET</b>
<b>REVENUES</b>				
Local taxes	\$ 402,930,629	\$ 402,930,629	\$ 433,996,780	\$ 31,066,151
Investment income	1,000,000	1,000,000	49,168	(950,832)
Tuition charges	10,000	10,000	26,383	16,383
Facility rental fees	1,000,000	1,000,000	988,989	(11,011)
State revenues	146,157,898	145,078,949	153,279,702	8,200,753
Federal revenues	2,050,000	2,050,000	1,297,845	(752,155)
Charges for services	-	-	3,237,092	3,237,092
Other	19,384,854	19,684,854	10,850,630	(8,834,224)
<b>TOTAL REVENUES</b>	<b>\$ 572,533,381</b>	<b>\$ 571,754,432</b>	<b>\$ 603,726,589</b>	<b>\$ 31,972,157</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	\$ 340,069,628	\$ 370,437,150	\$ 374,837,626	\$ (4,400,476)
Support services				
Pupil services	15,400,918	17,930,902	22,987,226	(5,056,324)
Improvement of instructional services	8,026,266	8,410,157	8,850,163	(440,006)
Educational media	9,049,767	8,237,839	8,927,612	(689,773)
General administration	10,339,912	11,667,526	8,134,324	3,533,202
School administration	34,600,349	38,449,774	41,962,518	(3,512,744)
Business administration	18,399,392	13,855,607	9,520,732	4,334,875
Maintenance and operation of facilities	61,459,583	74,973,938	73,066,254	1,907,684
Student transportation	19,270,847	22,291,802	23,648,171	(1,356,369)
Central support	75,493,074	23,574,847	19,682,781	3,892,066
Other support services	970,663	970,663	536,162	434,501
Nutrition	-	382,783	437,029	(54,246)
<b>Debt service:</b>				
Principal	3,222,106	3,181,106	3,148,890	32,216
Interest and fiscal charges	1,830,876	1,368,270	1,157,927	210,343
<b>TOTAL EXPENDITURES</b>	<b>598,133,381</b>	<b>595,732,364</b>	<b>596,897,415</b>	<b>(1,165,051)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(25,600,000)</b>	<b>(23,977,932)</b>	<b>6,829,174</b>	<b>30,807,106</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(1,322,068)	(1,238,300)	83,768
Proceeds from sale of capital assets	-	-	51,385	51,385
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(1,322,068)</b>	<b>(1,186,915)</b>	<b>135,153</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(25,600,000)</b>	<b>(25,300,000)</b>	<b>5,642,259</b>	<b>30,942,259</b>
<b>FUND BALANCES - BEGINNING OF FISCAL YEAR, AS RESTATED</b>	<b>82,825,201</b>	<b>82,825,201</b>	<b>82,825,201</b>	<b>-</b>
<b>FUND BALANCES - END OF FISCAL YEAR</b>	<b>\$ 57,225,201</b>	<b>\$ 57,525,201</b>	<b>\$ 88,467,460</b>	<b>\$ 30,942,259</b>

Note: See footnote 4.B and 4.C of the basic financial statements for budgetary policies.



Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds

Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – All Special Revenue Funds:

Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds Combined:

Title I Fund

Title II Fund

Title VI-B Fund

Lottery Grants Fund

Other Federal Programs Fund

Other Special Projects Fund

Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund

Statement of Changes in Assets and Liabilities - Agency Fund

# NONMAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenues that are legally restricted or committed for specific purposes.

The School System's Special Revenue Funds have been established primarily on the basis of program purpose and include the following funds and primary funding sources:

Title I Fund was established to account for federal grant funds passed through the Georgia Department of Education to provide remedial education in the areas of reading and mathematics and to provide a special education program for children who are physically handicapped.

Title II Fund was established to account for federal grant funds passed through the Georgia Department of Education, for the purpose of improving teacher quality and increasing the number of highly quality teachers, para-professionals, and principals.

Title VI-B Fund was established to account for federal grant funds passed through the Georgia Department of Education, for the purpose of providing special education programs for children in pre-kindergarten through the twelfth grade.

Lottery Grants Fund was established to account for State of Georgia lottery funds passing through the State of Georgia Department of Education for various programs as established by the State.

Other Federal Programs Fund was established to account for other federal funds for which separate presentation is not considered necessary.

Other Special Projects Fund was established to account for other state and local funds for which separate presentation is not considered necessary.

## Capital Projects Funds

Capital Projects Funds are used to account for financial resources restricted, committed or assigned to expenditures for the acquisition or construction of capital assets.

Education Reform Success (ERS) Capital Projects Fund was established by the School System for the purpose of providing financing for some of the School System's buildings and equipment. ERS has issued certificates of participation (COPS) for the acquisition and construction of facilities and equipment.

# ATLANTA INDEPENDENT SCHOOL SYSTEM

*Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2014*

	Special Revenue Funds						Capital Project Fund		Total Nonmajor Governmental Funds
	Title I Fund	Title II Fund	Title VI-B Fund	Lottery Grants Fund	Other Federal Programs Fund	Other Special Projects Fund	Education Reform Success, Inc. Fund		
<b>ASSETS</b>									
Due from other governments	\$ 12,641,658	\$ 1,550,963	\$ 3,583,597	\$ -	\$ 3,606,156	\$ 190,814	\$ -	\$ -	\$ 21,573,188
Due from other funds	427,477	38,609	48,929	337,527	101,086	6,446,792	-	-	7,400,420
<b>TOTAL ASSETS</b>	<b>\$ 13,069,135</b>	<b>\$ 1,589,572</b>	<b>\$ 3,632,526</b>	<b>\$ 337,527</b>	<b>\$ 3,707,242</b>	<b>\$ 6,637,606</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,973,608</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 79,340	\$ 357,565	\$ -	\$ -	\$ 436,905
Due to other governments	-	-	-	2,228	-	-	-	-	2,228
Accrued liabilities	-	-	-	32,169	-	-	-	-	32,169
Due to other funds	13,069,135	1,589,572	3,632,526	303,130	3,627,902	411,835	-	-	22,634,100
<b>TOTAL LIABILITIES</b>	<b>13,069,135</b>	<b>1,589,572</b>	<b>3,632,526</b>	<b>337,527</b>	<b>3,707,242</b>	<b>769,400</b>	<b>-</b>	<b>-</b>	<b>23,105,402</b>
<b>FUND BALANCES</b>									
Restricted:									
Other state and local programs	-	-	-	-	-	2,791,977	-	-	2,791,977
Assigned:									
Local school programs	-	-	-	-	-	3,076,229	-	-	3,076,229
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,868,206</b>	<b>-</b>	<b>-</b>	<b>5,868,206</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 13,069,135</b>	<b>\$ 1,589,572</b>	<b>\$ 3,632,526</b>	<b>\$ 337,527</b>	<b>\$ 3,707,242</b>	<b>\$ 6,637,606</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,973,608</b>

**ATLANTA INDEPENDENT SCHOOL SYSTEM**  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds						Capital Project Fund		Total Nonmajor Governmental Funds
	Title I Fund	Title II Fund	Title VI-B Fund	Lottery Grants Fund	Other Federal Programs Fund	Other Special Projects Fund	Education Reform Success, Inc. Fund		
<b>REVENUES</b>									
State revenues	\$ -	\$ -	\$ -	\$ 2,447,445	\$ -	\$ 11,197,671	\$ -	\$ -	\$ 13,645,116
Federal revenues	39,113,921	4,888,964	11,893,197	-	17,928,910	475,194	-	-	74,300,186
Other	-	-	-	-	-	3,739,805	109	-	3,739,914
<b>TOTAL REVENUES</b>	<b>39,113,921</b>	<b>4,888,964</b>	<b>11,893,197</b>	<b>2,447,445</b>	<b>17,928,910</b>	<b>15,412,670</b>	<b>109</b>	<b>109</b>	<b>91,685,216</b>
<b>EXPENDITURES</b>									
<b>Current:</b>									
Instruction	17,820,695	102,516	5,581,508	2,768,904	4,402,580	912,897	-	-	31,589,100
Support services									
Pupil services	74,185	-	3,582,777	-	713,060	461,897	-	-	4,831,919
Improvement of instructional services	14,507,031	4,308,356	637,797	-	10,353,173	1,712,112	-	-	31,518,469
Educational media services	-	-	-	-	-	91,874	-	-	91,874
Federal grant administration	1,495,751	218,598	27,283	-	476,277	-	-	-	2,217,909
General administration	2,402,640	256,519	768,651	-	952,470	628,694	-	-	5,008,974
School administration	-	-	-	-	3,216	247,952	-	-	251,168
Business administration	-	-	-	-	2,999	217,319	-	-	220,318
Maintenance and operation of facilities	-	-	-	-	-	53,522	-	-	53,522
Student transportation	246,920	-	1,295,181	6,030	166,339	1,259,651	-	-	2,974,121
Central support	-	2,975	-	-	42,714	1,635,091	-	-	1,680,780
Other support services	2,566,699	-	-	-	44,094	10,782,539	-	-	13,393,332
Nutrition	-	-	-	-	771,988	-	-	-	771,988
<b>Capital outlays</b>									
Debt service:									
Interest and fiscal charges	-	-	-	-	-	-	-	519,979	519,979
<b>TOTAL EXPENDITURES</b>	<b>39,113,921</b>	<b>4,888,964</b>	<b>11,893,197</b>	<b>2,774,934</b>	<b>17,928,910</b>	<b>18,003,548</b>	<b>626,394</b>	<b>626,394</b>	<b>95,229,868</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>									
<b>OTHER FINANCING SOURCES</b>									
Transfers in	-	-	-	(327,489)	-	(2,590,878)	(626,285)	-	(3,544,652)
<b>TOTAL OTHER FINANCING SOURCES</b>									
<b>NET CHANGE IN FUND BALANCES</b>									
	-	-	-	327,489	-	910,811	-	-	1,238,300
<b>FUND BALANCES, BEGINNING OF FISCAL YEAR</b>									
	-	-	-	327,489	-	910,811	-	-	1,238,300
<b>FUND BALANCES, END OF FISCAL YEAR</b>									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,868,206	\$ -	\$ -	\$ 5,868,206

**ATLANTA INDEPENDENT SCHOOL SYSTEM**

*All Special Revenue Funds Combined*

*Schedule of Revenues, Expenditures, and Changes in*

*Fund Balances - Budget and Actual*

*For the Fiscal Year Ended June 30, 2014*

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET</b>
<b>REVENUES</b>				
State revenues	\$ 2,522,526	\$ 13,516,560	\$ 13,645,116	\$ 128,556
Federal revenues	91,885,585	189,031,014	74,300,186	(114,730,828)
Other	6,302,685	8,078,522	3,739,805	(4,338,717)
<b>TOTAL REVENUES</b>	<b>100,710,796</b>	<b>210,626,096</b>	<b>91,685,107</b>	<b>(118,940,989)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	39,833,818	66,362,854	31,589,100	34,773,754
Support services:				
Pupil services	3,353,137	6,101,076	4,831,919	1,269,157
Improvement of instructional services	40,404,708	89,508,377	31,518,469	57,989,908
Educational media	-	-	91,874	(91,874)
Federal grant administration	3,238,671	8,797,330	2,217,909	6,579,421
General administration	4,069,451	15,646,801	5,008,974	10,637,827
School administration	39,881	136,518	251,168	(114,650)
Business administration	928,467	915,627	220,318	695,309
Maintenance and operation of facilities	494,263	459,487	53,522	405,965
Student transportation	3,849,976	6,123,172	2,974,121	3,149,051
Central support	669,589	870,463	1,680,780	(810,317)
Other support services	3,323,560	15,771,189	13,393,332	2,377,857
Nutrition	505,275	565,920	771,988	(206,068)
<b>TOTAL EXPENDITURES</b>	<b>100,710,796</b>	<b>211,258,814</b>	<b>94,603,474</b>	<b>116,655,340</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>-</b>	<b>(632,718)</b>	<b>(2,918,367)</b>	<b>(2,285,649)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	632,718	1,238,300	605,582
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>632,718</b>	<b>1,238,300</b>	<b>605,582</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>(1,680,067)</b>	<b>(1,680,067)</b>
<b>FUND BALANCES - BEGINNING OF FISCAL YEAR</b>	<b>7,548,273</b>	<b>7,548,273</b>	<b>7,548,273</b>	<b>-</b>
<b>FUND BALANCES - END OF FISCAL YEAR</b>	<b>\$ 7,548,273</b>	<b>\$ 7,548,273</b>	<b>\$ 5,868,206</b>	<b>\$ (1,680,067)</b>

**ATLANTA INDEPENDENT SCHOOL SYSTEM**

*Title I Special Revenue Fund*

*Schedule of Revenues, Expenditures, and Changes in*

*Fund Balances - Budget and Actual*

*For the Fiscal Year Ended June 30, 2014*

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET</b>
<b>REVENUES</b>				
Federal revenues	\$ 56,872,137	\$ 119,096,028	\$ 39,113,921	\$ (79,982,107)
<b>TOTAL REVENUES</b>	<u>56,872,137</u>	<u>119,096,028</u>	<u>39,113,921</u>	<u>(79,982,107)</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	25,690,577	45,928,648	17,820,695	28,107,953
Support services:				
Pupil services	140,905	162,390	74,185	88,205
Improvement of instructional services	21,044,015	46,853,466	14,507,031	32,346,435
Federal grant administration	2,499,616	7,416,961	1,495,751	5,921,210
General administration	3,132,580	10,959,539	2,402,640	8,556,899
School administration	-	1,221	-	1,221
Student transportation	1,182,889	2,228,354	246,920	1,981,434
Other support services	3,181,555	5,545,449	2,566,699	2,978,750
<b>TOTAL EXPENDITURES</b>	<u>56,872,137</u>	<u>119,096,028</u>	<u>39,113,921</u>	<u>79,982,107</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-
<b>FUND BALANCES - BEGINNING OF FISCAL YEAR</b>	-	-	-	-
<b>FUND BALANCES - END OF FISCAL YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ATLANTA INDEPENDENT SCHOOL SYSTEM**

*Title II Special Revenue Fund*

*Schedule of Revenues, Expenditures, and Changes in*

*Fund Balances - Budget and Actual*

*For the Fiscal Year Ended June 30, 2014*

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET</b>
<b>REVENUES</b>				
Federal revenues	\$ 9,077,055	\$ 9,888,243	\$ 4,888,964	\$ (4,999,279)
<b>TOTAL REVENUES</b>	<u>9,077,055</u>	<u>9,888,243</u>	<u>4,888,964</u>	<u>(4,999,279)</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	1,265,222	499,475	102,516	396,959
Support services:				
Improvement of instructional services	7,434,213	8,654,541	4,308,356	4,346,185
Federal grant administration	377,620	358,880	218,598	140,282
General administration	-	350,347	256,519	93,828
Central support	-	25,000	2,975	22,025
<b>TOTAL EXPENDITURES</b>	<u>9,077,055</u>	<u>9,888,243</u>	<u>4,888,964</u>	<u>4,999,279</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-
<b>FUND BALANCES - BEGINNING OF FISCAL YEAR</b>	-	-	-	-
<b>FUND BALANCES - END OF FISCAL YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ATLANTA INDEPENDENT SCHOOL SYSTEM**

*Title VI-B Special Revenue Fund*

*Schedule of Revenues, Expenditures, and Changes in*

*Fund Balances - Budget and Actual*

*For the Fiscal Year Ended June 30, 2014*

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET</b>
<b>REVENUES</b>				
Federal revenues	\$ 10,376,724	\$ 13,126,202	\$ 11,893,197	\$ (1,233,005)
<b>TOTAL REVENUES</b>	<u>10,376,724</u>	<u>13,126,202</u>	<u>11,893,197</u>	<u>(1,233,005)</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	5,638,567	5,809,144	5,581,508	227,636
Support services:				
Pupil services	2,340,032	4,540,165	3,582,777	957,388
Improvement of instructional services	540,462	551,347	637,797	(86,450)
Federal grant administration	-	-	27,283	(27,283)
General administration	329,910	802,643	768,651	33,992
Business administration	14,625	14,625	-	14,625
Maintenance and operation of facilities	14,000	-	-	-
Student transportation	1,499,128	1,408,278	1,295,181	113,097
<b>TOTAL EXPENDITURES</b>	<u>10,376,724</u>	<u>13,126,202</u>	<u>11,893,197</u>	<u>1,233,005</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-
<b>FUND BALANCES - BEGINNING OF FISCAL YEAR</b>	-	-	-	-
<b>FUND BALANCES - END OF FISCAL YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**ATLANTA INDEPENDENT SCHOOL SYSTEM**

*Lottery Grants Special Revenue Fund*

*Schedule of Revenues, Expenditures, and Changes in*

*Fund Balances - Budget and Actual*

*For the Fiscal Year Ended June 30, 2014*

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET</b>
<b>REVENUES</b>				
State revenues	\$ 2,182,529	\$ 2,297,896	2,447,445	\$ 149,549
<b>TOTAL REVENUES</b>	<u>2,182,529</u>	<u>2,297,896</u>	<u>2,447,445</u>	<u>149,549</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	2,182,529	2,297,896	2,768,904	(471,008)
Support services:				
Student transportation	<u>-</u>	<u>-</u>	<u>6,030</u>	<u>(6,030)</u>
<b>TOTAL EXPENDITURES</b>	<u>2,182,529</u>	<u>2,297,896</u>	<u>2,774,934</u>	<u>(477,038)</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(327,489)</u>	<u>(327,489)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>327,489</u>	<u>327,489</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>-</u>	<u>327,489</u>	<u>327,489</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - BEGINNING OF FISCAL YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - END OF FISCAL YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ATLANTA INDEPENDENT SCHOOL SYSTEM***Other Federal Programs Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2014*

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET</b>
<b>REVENUES</b>				
Federal revenues	\$ 14,658,473	\$ 46,027,925	\$ 17,928,910	\$ (28,099,015)
<b>TOTAL REVENUES</b>	<u>14,658,473</u>	<u>46,027,925</u>	<u>17,928,910</u>	<u>(28,099,015)</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	3,518,736	10,272,095	4,402,580	5,869,515
Support services:				
Pupil services	570,207	1,053,854	713,060	340,794
Improvement of instructional services	8,856,053	30,214,500	10,353,173	19,861,327
Federal grant administration	361,435	1,021,489	476,277	545,212
General administration	443,053	2,052,163	952,470	1,099,693
School administration	7,060	97,976	3,216	94,760
Business administration	12,548	1,708	2,999	(1,291)
Maintenance and operation of facilities	7,180	5,990	-	5,990
Student transportation	329,921	584,465	166,339	418,126
Central support	-	62,025	42,714	19,311
Other support services	47,005	95,740	44,094	51,646
Nutrition	505,275	565,920	771,988	(206,068)
<b>TOTAL EXPENDITURES</b>	<u>14,658,473</u>	<u>46,027,925</u>	<u>17,928,910</u>	<u>28,099,015</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-
<b>FUND BALANCES - BEGINNING OF FISCAL YEAR</b>	-	-	-	-
<b>FUND BALANCES - END OF FISCAL YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ATLANTA INDEPENDENT SCHOOL SYSTEM**  
*Other Special Projects Special Revenue Fund*  
*Schedule of Revenues, Expenditures, and Changes in*  
*Fund Balances - Budget and Actual*  
*For the Fiscal Year Ended June 30, 2014*

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
State revenues	\$ 339,997	\$ 11,218,664	\$ 11,197,671	\$ (20,993)
Federal revenues	901,196	892,616	475,194	(417,422)
Other	6,302,685	8,078,522	3,739,805	(4,338,717)
<b>TOTAL REVENUES</b>	<u>7,543,878</u>	<u>20,189,802</u>	<u>15,412,670</u>	<u>(4,777,132)</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	1,538,187	1,555,596	912,897	642,699
Support services:				
Pupil services	301,993	344,667	461,897	(117,230)
Improvement of instructional services	2,529,965	3,234,523	1,712,112	1,522,411
Educational media services	-	-	91,874	(91,874)
General administration	163,908	1,482,109	628,694	853,415
School administration	32,821	37,321	247,952	(210,631)
Business administration	901,294	899,294	217,319	681,975
Maintenance and operation of facilities	473,083	453,497	53,522	399,975
Student transportation	838,038	1,902,075	1,259,651	642,424
Central support	669,589	783,438	1,635,091	(851,653)
Other support services	95,000	10,130,000	10,782,539	(652,539)
<b>TOTAL EXPENDITURES</b>	<u>7,543,878</u>	<u>20,822,520</u>	<u>18,003,548</u>	<u>2,818,972</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>-</u>	<u>(632,718)</u>	<u>(2,590,878)</u>	<u>(1,958,160)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	632,718	910,811	278,093
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>632,718</u>	<u>910,811</u>	<u>278,093</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>(1,680,067)</u>	<u>(1,680,067)</u>
<b>FUND BALANCES - BEGINNING OF FISCAL YEAR</b>	<u>7,548,273</u>	<u>7,548,273</u>	<u>7,548,273</u>	<u>-</u>
<b>FUND BALANCES - END OF FISCAL YEAR</b>	<u>\$ 7,548,273</u>	<u>\$ 7,548,273</u>	<u>\$ 5,868,206</u>	<u>\$ (1,680,067)</u>

**ATLANTA INDEPENDENT SCHOOL SYSTEM**

*Capital Projects Fund*

*Schedule of Revenues, Expenditures, and Changes in*

*Fund Balances - Budget and Actual*

*For the Fiscal Year Ended June 30, 2014*

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET</b>
<b>REVENUES</b>				
Sales tax income	\$ -	\$ 202,199,794	\$ 88,603,776	\$ (113,596,018)
Federal revenues	-	-	3,368,321	3,368,321
Investment income	-	-	19,264	19,264
<b>TOTAL REVENUES</b>	<b>-</b>	<b>202,199,794</b>	<b>91,991,361</b>	<b>(110,208,433)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	10,099	10,099	-	10,099
Support services:				
General administration	132,956	1,301,657	331,599	970,058
Business administration	913,315	992,934	88,599	904,335
Maintenance and operation of facilities	351,545	6,562,909	4,239,070	2,323,839
Student transportation	493,772	3,030,306	1,777,703	1,252,603
Central support	2,911,511	11,155,193	3,776,467	7,378,726
<b>Debt service:</b>				
Principal retirements	-	6,410,250	6,040,000	370,250
Interest	-	5,340,831	4,810,913	529,918
<b>Capital outlays:</b>				
Facilities acquisition and construction	1,539,780	180,273,646	91,354,947	88,918,699
<b>TOTAL EXPENDITURES</b>	<b>6,352,978</b>	<b>215,077,825</b>	<b>112,419,298</b>	<b>102,658,527</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(6,352,978)</b>	<b>(12,878,031)</b>	<b>(20,427,937)</b>	<b>(7,549,906)</b>
<b>FUND BALANCES - BEGINNING OF FISCAL YEAR</b>	<b>129,093,609</b>	<b>129,093,609</b>	<b>129,093,609</b>	<b>-</b>
<b>FUND BALANCES - END OF FISCAL YEAR</b>	<b>\$ 122,740,631</b>	<b>\$ 116,215,578</b>	<b>\$ 108,665,672</b>	<b>\$ (7,549,906)</b>

**ATLANTA INDEPENDENT SCHOOL SYSTEM**

*Statement of Changes in Assets and Liabilities*

*Agency Fund*

*For the Fiscal Year Ended June 30, 2014*

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	<u>Balance</u> <u>July 01, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 414,935	\$ 1,795,664	\$ (1,727,095)	\$ 483,504
<b>LIABILITIES</b>				
Due to local schools and student groups	\$ 414,935	\$ 1,795,664	\$ (1,727,095)	\$ 483,504

**OTHER SUPPLEMENTARY  
INFORMATION**

Quality Basic Education Programs – Program Expenditures

General Fund – Quality Basic Education Project (QBE) - Schedule of Allotments and Expenditures by Program

Lottery Programs - Schedule of Expenditures by Object

Schedule of Approved Local Options Sales Tax Projects

Schedule of State Revenues

**Atlanta Independent School System  
QUALITY BASIC EDUCATION PROGRAMS -**

**PROGRAM EXPENDITURES  
For the Fiscal Year Ended June 30, 2014**

The Official Code of Georgia Annotated Section 20-2-172 (a) Expenditure Controls for fiscal years 2007 and 2008 state:

For each program identified in Code Section 20-2-161, each local School System shall spend 100 percent of funds designated for direct instructional costs on the direct instructional costs of such program on one or more of the programs identified in Code Section 20-2-161 at the system level, with no requirement that the School System spend any specific portion of such funds at the site where such funds were earned.

The following pages are presented for purposes of additional analysis and reflect overall minimum expenditure requirements compared to overall program expenditures made by the School System as described above and also reflect minimum program expenditure requirements compared to actual expenditures made by the School System on a program basis.



ATLANTA INDEPENDENT SCHOOL SYSTEM BOARD OF EDUCATION  
GENERAL FUND - QUALITY BASIC EDUCATION PROGRAM(QBE)  
SCHEDULE OF ALLOTMENTS AND EXPENDITURES - BY PROGRAM  
FISCAL YEAR ENDED JUNE 30, 2014

DESCRIPTION	ALLOTMENTS FROM GEORGIA DEPARTMENT OF EDUCATION (1)		ELIGIBLE QBE PROGRAM COSTS		TOTAL
		SALARIES	OPERATIONS		
Direct Instructional Programs					
Kindergarten Program	\$ 21,882,570	\$ 21,882,570	-	\$ 21,882,570	
Kindergarten Program-Early Intervention Program	572,897	572,897	-	572,897	
Primary Grades (1-3) Program	54,426,423	52,405,540	2,020,883	54,426,423	
Primary Grades-Early Intervention (1-3) Program	13,840,613	13,840,613	-	13,840,613	
Upper Elementary Grades (4-5) Program	30,720,883	30,720,883	-	30,720,883	
Upper Elem Grades-Early Intervention (4-5) Program	1,939,091	1,939,091	-	1,939,091	
Middle Grades (6-8) Program	26,698,115	26,520,019	178,096	26,698,115	
Middle School (6-8) Program	9,530,275	8,942,159	588,116	9,530,275	
High School General Education (9-12) Program	49,065,952	48,116,221	952,697	49,068,918	
Vocational Laboratory (9-12) Program	6,934,038	6,553,758	380,280	6,934,038	
Students with Disabilities					-
Category I	17,761,375	15,670,809	2,105,747	17,776,556	
Category II	3,794,505	3,794,505	-	3,794,505	
Category III	16,013,742	16,013,742	-	16,013,742	
Category IV	3,355,743	3,355,743	-	3,355,743	
Category V	-	-	-	-	
Gifted Student - Category VI	11,378,500	11,375,598	2,902	11,378,500	
Remedial Education Program	3,396,358	3,161,610	234,748	3,396,358	
Alternative Education Program	979,156	978,061	1,095	979,156	
English Speakers of Other Languages (ESOL)	4,857,453	4,854,611	2,842	4,857,453	
<b>TOTAL DIRECT INSTRUCTIONAL PROGRAMS</b>	<b>277,147,689</b>	<b>270,698,430</b>	<b>6,467,406</b>	<b>277,165,836</b>	
Media Center Program	8,937,884	8,242,205	695,679	8,937,884	
Staff and Professional Development	411,370	298,413	112,957	411,370	
<b>TOTAL QBE FORMULA FUNDS</b>	<b>\$ 286,496,943</b>	<b>279,239,048</b>	<b>7,276,042</b>	<b>573,012,033</b>	
Twenty days additional Instruction		338,856	-	338,856	
Pupil Transportation		14,290,454	6,382,827	20,673,281	
On behalf		-	-	-	
Indirect costs - Central Admin.		-	-	-	
Indirect costs - School Admin.		-	-	-	
Indirect costs - Facilities M&O		-	-	-	
Nurses		1,144,875	-	1,144,875	
		<b>\$ 295,013,233</b>	<b>\$ 13,658,869</b>	<b>\$ 308,672,102</b>	

(1) Comprised of State Funds plus Local Five Mill Share.

**ATLANTA INDEPENDENT SCHOOL SYSTEM**

Lottery Programs

Schedule of Expenditures by Object

For the Fiscal Year Ended June 30, 2014

	<u>Pre-Kindergarten Program</u>
Salaries	\$ 2,025,714
Employee benefits	660,685
Employee travel	76
Other purchased services	14,345
Materials and supplies	<u>74,114</u>
	<u>\$ 2,774,934</u>

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS  
FISCAL YEAR ENDED JUNE 30, 2014**

<u>PROJECT</u>	<u>ORIGINAL ESTIMATED COST (1)</u>	<u>CURRENT ESTIMATED COSTS (2)</u>	<u>AMOUNT EXPENDED IN CURRENT YEAR (3)</u>	<u>AMOUNT EXPENDED IN PRIOR YEARS (4)</u>	<u>PROJECT STATUS</u>
SPLOST III					
Dekalb County					
Capital outlay projects consisting of construction, renovations, modifications, additions and equipment for the following facilities: The Howard School, Lin Elementary School and Whitefoord Elementary School and any future updates: Crim High School, Coan, Springdale	\$ 20,511,000	\$ 24,228,342	\$ 169,065	\$ 24,059,277	Ongoing
Fulton County					
Capital outlay projects including new school construction, classroom additions, renovations, infrastructure improvements, upgrading security system, technology improvements, land acquisition, site preparation, providing staff development and instructional	552,357,776	466,741,223	42,962,721	410,241,628	Ongoing
SPLOST IV					
Fulton County					
Capital outlay projects including new school construction, classroom additions, renovations, infrastructure improvements, upgrading security system, technology improvements, land acquisition, site preparation, providing staff development and instructional	499,962,831	499,962,831	51,281,418	19,425,135	Ongoing
Dekalb County					
Capital outlay projects including new school construction, classroom additions, renovations, infrastructure improvements, upgrading security system, technology improvements, relocations, site preparation, providing staff development and instructional	19,500,463	19,500,463	11,977,990	965,031	Ongoing
<b>Totals</b>	<b>\$ 1,092,332,070</b>	<b>\$ 1,010,432,859</b>	<b>\$ 106,391,194</b>	<b>\$ 454,691,071</b>	

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

Expenditures from above paid for by SPLOST funding	\$ 106,391,194
Expenditures not reflected above that were paid from other local sources of the School System	6,028,104
<b>Total Capital Projects Expenditures</b>	<b>\$ 112,419,298</b>

**Notes:**

- (1) The School System's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.
- (2) The School System's current estimate of total cost for the projects. Includes all cost from project inception to completion.
- (3) The voters of Fulton and Dekalb Counties 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) The School System's amounts expended in prior years related to the above projects.

ATLANTA INDEPENDENT SCHOOL SYSTEM  
SCHEDULE OF STATE REVENUE  
FISCAL YEAR ENDED JUNE 30, 2014

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES		TOTAL
	GENERAL FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	
<b>GRANTS</b>			
Georgia Department of Early Care and Learning			
Bright from the Start (Lottery)			
Pre-Kindergarten Program	\$ -	2,447,445	\$ 2,447,445
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	13,864,461	-	13,864,461
Kindergarten Program - Early Intervention Program	2,649,606	-	2,649,606
Primary Grades (1-3) Program	30,524,709	-	30,524,709
Primary Grades - Early Intervention (1-3) Program	7,345,626	-	7,345,626
Upper Elementary Grades (4-5) Program	12,181,940	-	12,181,940
Upper Elementary Grades - Early Intervention (4-5) Program	4,334,606	-	4,334,606
Middle Grades (6-8) Program	-	-	-
Middle School (6-8) Program	20,745,433	-	20,745,433
High School General Education (9-12) Program	16,749,291	-	16,749,291
Vocational Laboratory (9-12) Program	3,499,985	-	3,499,985
Students with Disabilities - All Categories	17,035,182	-	17,035,182
Gifted Student - Category VI	7,041,499	-	7,041,499
Remedial Education Program	2,439,342	-	2,439,342
Alternative Education Program	1,339,010	-	1,339,010
English Speakers of Other Languages (ESOL)	1,525,434	-	1,525,434
Media Center Program	4,039,435	-	4,039,435
20 Days Additional Instruction	1,223,949	-	1,223,949
Staff and Professional Development	699,791	-	699,791
Principal Staff and Prof Development	19,918	-	19,918
Indirect Cost			
Central Administration	2,831,479	-	2,831,479
School Administration	9,118,147	-	9,118,147
Facility Maintenance and Operations	8,689,053	-	8,689,053
Categorical Grants			
Pupil Transportation			
Regular	3,044,708	-	3,044,708
Nursing Services	995,089	-	995,089
One-Time QBE Adjustment	1,269,570	-	1,269,570
Austerity Reduction	(23,094,250)	-	(23,094,250)
Other State Programs			
Charter Schools - Facilities	666,000	-	666,000
Technology to Support Digital Learning	196,999	-	196,999
Dual Immersion	30,000	-	30,000
CTAE - Apprenticeship	40,425	-	40,425
CTAE - CTE Extended Day	81,832	-	81,832
CTAE - Supervision	52,700	-	52,700
Vocational Construction Related Equipment - State Bonds	501,972	-	501,972
Math and Science Supplement	432,844	-	432,844
Move on When Ready Grant	1,600	-	1,600
Preschool Handicapped State Grant	556,713	-	556,713
Residential Treatment Centers Grant	378,519	-	378,519
Teacher's Retirement	227,085	-	227,085
Georgia SHAPE Grant	-	3,238	3,238
Dept. of Behavioral Health & Developmental Disabilities	-	10,000	10,000
Georgia Department of Natural Resources - EPA	-	849,771	849,771
Technical and Adult Education, Georgia Department of			
Adult Education	-	334,662	334,662
Capital Outlay Grant			
Drew Charter Building Acquisition	-	10,000,000	10,000,000
	<u>\$ 153,279,702</u>	<u>3,645,116</u>	<u>\$ 166,924,818</u>

**STATISTICAL SECTION**  
**(Unaudited)**

# Atlanta Independent School System

## *Introduction to the Statistical Section*

*(Unaudited)*

This part of Atlanta Independent School Systems Comprehensive Annual Financial Report presents detailed information as a context for understanding this fiscal year's financial statements, note disclosures, and supplementary information. This information is unaudited.

### **Contents**

### **Schedule**

#### **Financial Trends**

**1 - 6**

These tables contain trend information that may assist the reader in assessing the School System's current financial performance by placing it in a historical perspective.

#### **Operating Information**

**7 - 13**

These tables contain service indicators that can inform ones' understanding how the information in the School System's financial statements relates to the services the School System provides and the activities it performs.

#### **Demographic and Economic Information**

**14 - 22**

These tables present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which the School System operates and (2) to provide information that facilitates comparisons of financial statement information over time.

#### ***Data Source:***

Unless otherwise noted, the information in these tables is derived from the Comprehensive Annual Financial Report for the applicable fiscal year.

ATLANTA INDEPENDENT SCHOOL SYSTEM  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
Schedule 1

Fiscal Year Ended June 30,	2005	2006	2007	2008	2009	2010	2011	2012	Restated 2013	2014
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 803,563,172	\$ 831,829,656	\$ 893,683,701	\$ 854,305,957	\$ 959,621,519	\$ 1,056,744,474	\$ 1,104,601,221	\$ 1,171,493,160	\$ 1,187,165,191	\$ 1,215,512,729
Restricted	3,988,606	26,478,370	106,980,587	182,517,605	152,371,189	111,943,417	112,855,070	116,028,486	119,946,096	103,222,132
Unrestricted	115,840,477	125,881,509	157,963,991	191,270,394	168,743,024	128,194,970	147,834,977	95,879,455	101,540,763	96,220,509
Total Governmental Activities Net Position	<u>923,392,255</u>	<u>984,189,535</u>	<u>1,158,628,279</u>	<u>1,228,093,956</u>	<u>1,280,735,732</u>	<u>1,296,882,861</u>	<u>1,365,291,268</u>	<u>1,383,401,101</u>	<u>1,408,652,050</u>	<u>1,414,955,370</u>
<b>Business-Type Activities</b>										
Net investment in capital assets	5,055,963	5,776,388	8,504,052	-	-	-	-	-	141,550	111,750
Unrestricted	(25,805,372)	(26,121,644)	(9,964,379)	484,935	1,972,799	2,038,487	2,183,644	4,893,181	5,481,550	7,038,771
Total Business-Type Activities Net Position	<u>(20,749,409)</u>	<u>(20,345,256)</u>	<u>(1,460,327)</u>	<u>484,935</u>	<u>1,972,799</u>	<u>1,972,799</u>	<u>2,183,644</u>	<u>4,893,181</u>	<u>5,623,100</u>	<u>7,150,521</u>
<b>Primary Government Activities</b>										
Net investment in capital assets	808,619,135	837,606,044	902,187,753	854,305,957	959,621,519	1,056,744,474	1,104,601,221	1,171,493,160	1,187,306,741	1,215,624,479
Restricted	3,988,606	26,478,370	106,980,587	182,517,605	152,371,189	111,943,417	112,855,070	116,028,486	119,946,096	103,222,132
Unrestricted	90,035,105	99,759,865	147,999,612	191,755,329	170,715,823	130,233,457	150,018,621	100,772,636	107,022,313	103,259,280
Total Primary Government Activities Net Position	<u>\$ 902,642,846</u>	<u>\$ 963,844,279</u>	<u>\$ 1,157,167,952</u>	<u>\$ 1,228,578,891</u>	<u>\$ 1,282,708,531</u>	<u>\$ 1,298,921,348</u>	<u>\$ 1,367,474,912</u>	<u>\$ 1,388,294,282</u>	<u>\$ 1,414,275,150</u>	<u>\$ 1,422,105,891</u>

Source: Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2014

Note: All restatement are due to prior period adjustments for change in accounting principle for fiscal year 2013. See Footnote S for more information

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS**

Schedule 2

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Fiscal Year Ended June 30,</b>										
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction	\$ 435,332,357	\$ 393,121,077	\$ 384,275,604	\$ 442,325,531	\$ 427,131,947	\$ 438,036,127	\$ 377,491,180	\$ 405,995,101	\$ 426,037,447	\$ 463,069,508
Pupil Services	20,009,140	29,201,941	20,424,786	36,915,697	36,130,943	37,303,898	39,024,421	29,543,231	25,105,338	27,826,272
Improvement of instructional services	20,011,373	31,910,382	27,779,791	42,180,829	38,598,585	40,427,290	50,496,694	38,215,985	42,917,654	40,341,847
Educational media	7,087,158	11,226,263	8,112,792	11,637,527	9,220,728	8,994,083	9,616,559	8,988,197	8,869,786	9,096,362
Federal grant administration	18,908,200	22,344,328	22,613,568	18,659,059	15,698,105	14,110,681	14,514,905	17,882,230	14,324,803	13,480,517
General administration	23,247,406	36,313,409	25,103,296	34,558,215	26,425,185	28,239,428	33,287,126	30,826,584	40,648,067	42,089,001
School administration	6,685,755	12,973,297	14,960,540	11,483,553	24,150,131	17,889,836	22,610,577	15,157,828	12,480,379	12,880,379
Business administration	48,321,284	60,098,358	57,871,414	91,600,184	88,484,674	90,747,017	96,333,469	97,084,662	80,783,550	89,278,591
Maintenance and operation of facilities	14,678,214	21,658,991	42,709,556	53,662,233	39,593,169	28,898,209	29,770,071	24,892,766	30,987,580	30,987,580
Student transportation	26,204,018	26,764,937	25,086,693	32,899,945	38,798,862	48,566,805	36,729,914	28,379,529	28,361,651	25,040,308
Central support		(13,721)								
Community services	423,301	837,701	2,267,033	9,330,309	3,707,098	3,350,291	4,382,181	13,035,152	3,011,547	13,929,445
Other support services										
Interest and fiscal charges	538,613	1,855,674	1,031,588	1,788,213	2,295,941	2,022,585	2,258,183	6,418,786	5,851,816	5,603,226
Nutrition	625,466,819	648,306,358	609,378,726	776,088,617	764,304,432	766,118,965	710,938,335	730,196,992	718,846,068	776,579,962
Total Governmental Activities Expenses	25,772,181	21,711,551	19,204,656	30,519,130	21,752,821	23,222,029	23,800,532	22,705,598	23,680,487	23,898,174
Business-Type Activities	25,772,181	21,711,551	19,204,656	30,519,130	21,752,821	23,222,029	23,800,532	22,705,598	23,680,487	23,898,174
Food services										
Total Business-Type Activities Expenses										
<b>Total Primary Government Activities Expenses</b>	<b>\$ 651,239,000</b>	<b>\$ 670,017,909</b>	<b>\$ 628,583,382</b>	<b>\$ 806,607,747</b>	<b>\$ 786,057,253</b>	<b>\$ 789,340,994</b>	<b>\$ 734,738,867</b>	<b>\$ 752,902,590</b>	<b>\$ 742,526,555</b>	<b>\$ 808,478,136</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Services										
Instruction	\$ -	\$ -	\$ -	\$ 114,350	\$ 140,047	\$ 90,084	\$ 31,492	\$ 3,490	\$ 2,591	\$ 26,383
Pupil services										
School administration										
Maintenance and operation of facilities										
Other support services										
Nutrition										
Operating Grants and Contributions										
Instruction	170,977,158	176,215,716	156,075,020	168,958,774	108,327,712	110,873,809	111,426,958	110,219,318	113,724,544	120,464,226
Pupil services	8,414,003	7,400,136	14,951,701	18,133,132	20,282,835	14,470,057	18,641,247	11,780,166	8,489,114	10,715,721
Improvement of instructional services	16,447,379	11,712,590	16,073,230	16,110,597	20,193,588	27,647,132	33,328,056	30,489,786	34,826,333	32,986,455
Educational media	182,646	1,491,330	2,424,655	3,745,884	2,899,356	1,404,768	2,000,787	-	2,233,907	2,389,577
Federal grant administration										
General administration	4,151,612	4,516,383	3,336,077	3,104,288	5,788,541	3,705,087	5,053,926	7,689,306	6,213,208	7,024,079
School administration	238,704	355,600	6,065,020	3,498,951	5,874,998	6,841,227	7,958,215	7,325,735	10,237,170	11,077,536
Business administration	366,225	1,115,379	1,102,416	9,106,449	3,933,403	2,925,304	4,077,543	4,105,440	3,227,896	2,653,498
Maintenance and operation of facilities	27,511	261,388	8,740,838	9,262,487	17,293,612	15,521,798	20,416,518	22,290,143	18,353,454	18,959,112
Student transportation	1,409,015	1,960,211	5,206,251	5,337,639	8,537,786	8,286,759	6,735,023	8,218,788	6,767,808	8,914,204
Central support	1,105,539	104,874	984,451	660,429	7,680,398	9,984,164	9,260,421	7,961,419	5,947,248	6,540,388
Community services										
Other support services	1,444,714	677,385	7,365,780	1,307,102	2,811,038	2,116,177	2,845,306	4,210,388	2,467,522	11,980,412
Nutrition										
Interest and fiscal charges										
Capital Grants and Contributions										
Instruction	2,230,799	8,927								
Improvement of instructional services										
Maintenance and operation of facilities										
Student transportation										
Total Governmental Activities Program Revenues	206,995,305	209,611,500	225,654,541	246,176,956	205,789,588	205,616,181	248,612,781	228,816,108	227,229,116	252,160,501
Business-Type Activities										
Charges for Services										
Food Services										
Operating Grants and Contributions										
Operating Grants and Contributions	3,566,337	2,580,828	2,534,746	2,187,375	2,291,777	1,836,912	1,695,061	1,658,841	1,279,087	958,435
Food Services	18,088,139	18,265,689	19,068,852	20,877,018	20,948,908	21,442,603	22,233,560	23,131,319	23,131,319	24,467,160
Food Services	21,654,476	20,846,517	21,603,598	23,064,393	23,240,685	23,279,515	23,928,021	25,413,728	24,410,406	25,425,592
Total Business-Type Activities Program Revenues	<b>\$ 228,649,781</b>	<b>\$ 230,658,017</b>	<b>\$ 247,258,139</b>	<b>\$ 260,241,349</b>	<b>\$ 229,030,273</b>	<b>\$ 228,895,096</b>	<b>\$ 272,541,402</b>	<b>\$ 254,229,836</b>	<b>\$ 251,659,522</b>	<b>\$ 277,586,096</b>

Continued on next page



**ATLANTA INDEPENDENT SCHOOL SYSTEM  
CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS  
Schedule 2**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Fiscal Year Ended June 30, Net (Expense)/Revenue Governmental Activities</b>									Restated	
Instruction	\$ (262,144,400)	\$ (216,896,434)	\$ (227,196,067)	\$ (273,252,407)	\$ (318,664,187)	\$ (327,072,234)	\$ (240,665,044)	\$ (286,968,985)	\$ (308,406,084)	\$ (335,310,788)
Pupil Services	(15,595,137)	(21,801,805)	(5,473,085)	(18,782,565)	(15,848,107)	(22,833,841)	(20,383,174)	(17,763,065)	(13,242,341)	(13,873,459)
Improvement of instructional services	(3,563,994)	(20,197,792)	(11,706,561)	(26,070,232)	(18,404,997)	(12,780,158)	(17,168,638)	(7,726,199)	(7,955,821)	(6,778,892)
Educational media	(6,904,512)	(9,834,933)	(5,688,137)	(7,851,643)	(6,321,372)	(7,615,772)	(6,989,315)	(8,958,197)	(6,645,879)	(6,666,785)
General administration	(14,756,588)	(17,727,945)	(19,027,491)	(15,554,771)	(9,909,564)	(10,405,594)	(9,460,979)	(10,192,924)	(8,111,595)	(6,426,438)
School administration	(23,008,702)	(33,860,685)	(19,038,276)	(31,059,264)	(20,550,187)	(21,398,201)	(25,328,911)	(23,500,849)	(30,410,897)	(31,011,465)
Business administration	(6,319,530)	(11,857,918)	(13,858,124)	(2,377,104)	(20,216,730)	(12,402,287)	(13,812,293)	(18,505,137)	(11,929,932)	(9,826,881)
Maintenance and operation of facilities	(48,293,773)	(59,836,970)	(48,063,172)	(80,130,092)	(69,944,826)	(74,230,177)	(75,132,962)	(73,797,788)	(61,135,720)	(69,330,490)
Student transportation	(13,269,199)	(18,058,136)	(13,467,461)	(36,718,870)	(45,124,446)	(31,306,410)	(22,163,186)	(21,551,283)	(18,124,958)	(22,073,376)
Central support	(25,098,479)	(26,660,063)	(24,102,242)	(32,239,516)	(31,118,464)	(38,582,641)	(27,469,493)	(20,418,110)	(22,414,403)	(18,499,920)
Community Services	-	-	79,272	(8,023,207)	2,811,038	2,116,177	-	-	-	-
Other support services	1,021,413	(106,503)	5,098,747	226,806	(3,707,098)	(3,350,291)	(865,957)	(8,100,364)	(544,025)	(1,949,033)
Nutrition	-	-	-	3,749,416	780,038	754,773	(961)	-	(502,711)	(437,029)
Interest and fiscal charges	(538,613)	(1,855,674)	(1,031,588)	(1,788,213)	(2,295,941)	(2,022,585)	(2,258,183)	(3,897,983)	(2,192,586)	(2,234,905)
Total Governmental Activities Net (Expenses)/Revenues	(418,471,514)	(438,694,858)	(383,724,185)	(529,911,661)	(558,514,843)	(560,502,784)	(462,325,554)	(501,380,884)	(491,616,952)	(524,419,461)
Business-Type Activities										
Food Services	(4,117,705)	(865,034)	2,398,942	(7,454,737)	1,487,864	57,486	128,089	2,708,130	729,919	1,527,421
Total Business-Type Activities Net (Expenses)/Revenues	(4,117,705)	(865,034)	2,398,942	(7,454,737)	1,487,864	57,486	128,089	2,708,130	729,919	1,527,421
<b>Total Primary Government Activities Net Expense</b>	<b>\$ (422,589,219)</b>	<b>\$ (439,559,892)</b>	<b>\$ (381,325,243)</b>	<b>\$ (537,366,398)</b>	<b>\$ (557,026,979)</b>	<b>\$ (560,445,298)</b>	<b>\$ (462,197,465)</b>	<b>\$ (498,672,754)</b>	<b>\$ (490,887,033)</b>	<b>\$ (522,892,040)</b>
General Revenues and Other Charges in Net Position										
Governmental Activities	\$ 377,215,701	\$ 361,839,014	\$ 436,902,846	\$ 470,036,120	\$ 479,629,504	\$ 498,921,379	\$ 469,310,346	\$ 414,313,637	\$ 416,364,236	\$ 429,448,006
Property Taxes levied for general purposes	-	-	1,036,250	1,153,847	1,262,460	1,271,739	1,174,306	1,111,471	1,910,601	2,385,690
Property Taxes levied for debt Services	-	-	121,568,835	115,735,907	108,957,224	63,438,076	52,901,075	93,699,732	85,376,919	88,603,776
Special Local Option Sales Tax & Other Taxes	91,202,366	117,933,347	9,411,373	1,347,241	4,328,538	1,310,441	1,310,441	11,613,166	20,946,374	10,216,768
Grants and Contributions not restricted to specific programs	4,658,043	7,319,327	13,315,151	13,648,335	6,419,960	230,484	124,833	134,088	198,096	68,541
Investment Earnings	5,900,535	6,316,574	15,129,339	6,855,522	15,296,550	10,583,834	5,298,494	-	-	-
Other	(1,796,292)	(1,036,966)	(16,416,074)	3,129,377	528,432	897,453	614,466	-	-	-
Gain on sale of capital assets	-	-	-	(9,400,000)	-	-	-	-	-	-
Transfers	-	-	(1,981,811)	-	-	-	-	-	(7,928,325)	-
Extra ordinary items	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	477,180,353	504,288,656	572,683,913	599,376,972	616,422,668	576,649,912	530,733,961	520,872,094	516,867,901	530,722,781
Business-Type Activities										
Investment Earnings	-	59,711	(9,535)	-	-	8,202	17,068	1,407	-	-
Transfers	1,796,292	1,036,966	16,416,074	9,400,000	-	-	-	-	-	-
Other	-	-	79,445	-	-	-	-	-	-	-
Total Business-Type Activities	1,796,292	1,096,677	16,485,984	9,400,000	-	8,202	17,068	1,407	-	-
<b>Total Primary Government Activities</b>	<b>\$ 478,976,645</b>	<b>\$ 505,385,333</b>	<b>\$ 589,169,897</b>	<b>\$ 608,776,972</b>	<b>\$ 616,422,668</b>	<b>\$ 576,658,114</b>	<b>\$ 530,751,029</b>	<b>\$ 520,873,501</b>	<b>\$ 516,867,901</b>	<b>\$ 530,722,781</b>
Change in Net Position										
Governmental Activities	58,708,839	65,593,798	188,959,728	69,465,311	57,907,825	16,147,128	68,408,407	19,491,818	25,250,949	6,303,320
Business-Type Activities	(2,521,413)	251,643	18,884,926	1,945,263	1,487,864	65,688	145,157	2,709,537	729,919	1,527,421
<b>Total Primary Government</b>	<b>\$ 56,387,426</b>	<b>\$ 65,825,441</b>	<b>\$ 207,844,654</b>	<b>\$ 71,410,574</b>	<b>\$ 59,395,689</b>	<b>\$ 16,212,816</b>	<b>\$ 68,553,564</b>	<b>\$ 22,201,355</b>	<b>\$ 25,980,868</b>	<b>\$ 7,830,741</b>

Source: Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2014

Notes:  
 In fiscal year 2008, change in pension expense allocation.  
 In fiscal year 2007, change in allocation of capital assets.  
 Changes in Instruction support 2007 to 2008 due to proper allocation of salary and benefits in 2008.  
 In fiscal year 2010, sales tax decreased due to sales tax refund/repayment.  
 Decrease in Sales Tax revenue in fiscal years 2011 and 2012 due in part to the economic downturn.  
 All restatements are due to prior period adjustments for change in accounting principle for fiscal year 2013. See Footnote S for more information.

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
GOVERNMENTAL FUND BALANCES  
LAST TEN FISCAL YEARS**  
Schedule 3

	2005	2006	2007	2008	2009	2010
Fiscal Year Ended June 30,						
Pre-GASB 54 General Fund						
Reserved	\$ 7,325,684	\$ 13,692,102	\$ 21,785,030	\$ 20,198,038	\$ 72,359,684	\$ 33,799,205
Unreserved	68,098,575	73,372,473	91,809,975	131,566,427	85,541,272	75,928,012
Total General Fund	<u>\$ 75,424,259</u>	<u>\$ 87,064,575</u>	<u>\$ 113,595,005</u>	<u>\$ 151,764,465</u>	<u>\$ 157,900,956</u>	<u>\$ 109,727,217</u>
All Other Governmental Funds						
Reserved	\$ 70,078	\$ 22,216,154	\$ 103,139,827	\$ 168,623,662	\$ 149,939,551	\$ 136,951,993
Unreserved, reported in:						
Capital Project Funds	30,060,165	39,512,697	34,183,429	23,702,646	-	-
Special Revenue Funds	11,868,263	12,177,524	12,652,472	14,193,822	11,995,289	11,767,769
Total All Other Governmental Funds	<u>41,998,506</u>	<u>73,906,375</u>	<u>149,975,728</u>	<u>206,520,130</u>	<u>161,934,840</u>	<u>148,719,762</u>
Total	<u>\$ 117,422,765</u>	<u>\$ 160,970,950</u>	<u>\$ 263,570,733</u>	<u>\$ 358,284,595</u>	<u>\$ 319,835,796</u>	<u>\$ 258,446,979</u>
Restated						
GASB 54						
General Fund						
Nonspendable	\$ 456,347	\$ 1,023,447	\$ -	\$ -	-	-
Restricted	1,104,717	299,867	395,553	955,364	-	-
Committed	16,995,134	1,589,097	1,139,666	1,124,458	-	-
Assigned	16,000,000	28,351,208	25,300,000	25,000,000	-	-
Unassigned	46,711,357	50,754,070	55,989,982	61,387,638	-	-
Total General Fund	<u>\$ 81,267,555</u>	<u>\$ 82,017,689</u>	<u>\$ 82,825,201</u>	<u>\$ 88,467,460</u>	<u>\$ -</u>	<u>\$ -</u>
All Other Governmental Funds						
Capital Projects						
Restricted	\$ 56,905,042	\$ 112,372,048	\$ 113,874,603	\$ 99,474,791	-	-
Assigned	28,898,894	21,363,504	15,219,006	9,190,881	-	-
Special Revenue Funds						
Restricted	54,845,311	49,926,602	5,810,236	2,791,977	-	-
Assigned	2,210,361	2,129,346	2,364,322	3,076,229	-	-
Total All Other Governmental Funds	<u>\$ 142,859,608</u>	<u>\$ 185,791,500</u>	<u>\$ 137,268,167</u>	<u>\$ 114,533,878</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ 224,127,163</u>	<u>\$ 267,809,189</u>	<u>\$ 220,093,368</u>	<u>\$ 203,001,338</u>	<u>\$ -</u>	<u>\$ -</u>

**Source:** Atlanta Independent School System Financial Report for previous years and fiscal year ended June 30, 2014

**Note:** GASB Statement number 54 established a hierarchy of fund balance classifications based primarily on the extent to which governments are bound by constraints placed on resources. The effective date for implementation of GASB 54 was for periods beginning after June 15, 2010. Presentation for years 2005-2010 is pre-GASB 54. Fiscal Year 2011 is when the standard was implemented.

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
CHANGES IN GOVERNMENTAL FUND BALANCES  
LAST TEN FISCAL YEARS**

Schedule 4

Fiscal Year Ended June 30,	Restated									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Local Taxes	\$ 370,256,829	\$ 369,492,043	\$ 415,687,665	\$ 471,313,094	\$ 507,895,487	\$ 493,825,791	\$ 445,986,671	\$ 445,177,849	\$ 413,467,525	\$ 433,996,780
Sales taxes income	91,202,366	115,953,787	122,980,958	106,562,802	103,765,261	95,443,229	57,678,243	93,097,083	85,979,568	88,603,776
State revenues	137,310,665	141,640,201	151,924,389	163,747,188	129,106,908	110,942,787	132,033,597	142,661,322	146,333,340	166,924,818
Federal revenues	65,118,135	66,535,863	71,658,231	71,651,548	70,336,278	82,463,268	84,046,858	75,794,627	67,825,396	78,966,352
Investment income	4,658,043	7,319,327	13,315,151	13,648,335	6,419,960	410,218	282,686	134,088	198,096	68,541
Facility rental fees	876,965	949,298	-	1,604,301	1,246,236	995,042	783,989	996,731	1,158,726	988,989
Tuition charges	11,707	243,698	-	114,350	140,047	90,084	31,492	3,490	2,591	26,383
Charges for services	-	904,128	2,071,921	3,749,416	767,348	754,773	670,918	724,400	3,373,883	3,237,092
Other	9,578,369	15,066,259	15,884,882	13,512,915	23,817,861	22,081,274	13,897,009	20,717,752	31,594,799	14,590,435
<b>Total Revenues</b>	<b>679,013,079</b>	<b>718,104,604</b>	<b>793,523,197</b>	<b>845,903,950</b>	<b>843,495,386</b>	<b>807,006,466</b>	<b>735,411,463</b>	<b>779,307,342</b>	<b>749,933,924</b>	<b>787,403,166</b>
<b>Expenditures</b>										
Current Expenditures										
Instruction	395,383,620	358,003,139	405,189,908	373,703,960	394,246,196	403,804,829	373,889,853	369,977,089	384,975,252	406,426,726
Support Services:										
Pupil Services	23,972,046	28,296,328	23,654,225	33,795,599	35,859,316	36,234,070	38,474,947	29,461,159	25,023,266	27,819,145
Improvement of instructional services	20,071,788	31,811,061	31,501,828	38,823,821	38,318,666	39,447,284	49,820,431	38,215,985	42,917,654	40,368,632
Educational media	7,080,214	11,128,439	9,119,001	10,507,784	9,081,715	8,145,710	9,446,870	8,916,740	8,828,329	9,019,486
Federal grant administration	-	-	15,833,120	17,134,640	15,572,414	13,763,790	14,320,518	1,118,206	1,973,342	2,217,909
General administration	9,832,227	15,066,526	28,207,534	32,147,765	26,227,397	27,509,235	32,841,337	17,882,230	14,324,803	13,474,897
School administration	23,525,692	35,579,029	15,632,317	23,625,597	17,182,008	15,934,176	16,837,414	30,826,584	40,648,067	42,213,686
Business administration	6,795,841	12,959,536	18,202,421	84,456,521	89,297,173	90,301,296	96,145,841	16,653,106	12,509,036	9,829,649
Maintenance and operation of facilities	48,442,054	59,941,395	60,202,421	37,822,559	51,723,141	36,256,980	26,016,620	98,718,040	77,738,813	77,358,846
Student transportation	12,815,478	19,331,040	17,344,114	29,586,277	38,517,074	47,399,446	36,238,019	27,596,737	22,567,164	28,399,995
Central Support	26,393,782	26,567,407	28,680,154	983,284	3,676,062	-	4,323,494	28,294,967	28,361,651	25,140,028
Other support services	220,262	-	-	49,014	12,500	-	15,657	13,035,152	3,011,547	13,929,494
Nutrition	-	-	-	-	-	-	-	358,681	910,473	1,209,017
Other	-	796,364	2,386,576	-	-	3,274,650	-	-	-	-
Food Services Operation	-	-	-	-	-	-	-	-	-	-
Other Operations of Non-Instructional Services	-	48,270	-	7,974,781	-	-	-	-	-	-
Capital Outlays	107,635,321	78,371,573	56,735,237	67,911,787	151,389,516	139,770,104	170,374,153	46,053,815	117,779,131	91,461,362
Debt Service:										
Principal	4,386,236	2,700,668	3,840,761	2,387,590	6,800,416	2,022,585	5,934,366	7,904,791	9,538,823	9,188,890
Interest and fiscal charges	538,613	403,266	-	1,788,213	2,295,941	5,755,506	1,803,937	5,331,323	6,684,960	6,488,819
Bond issuance cost	-	-	-	-	-	-	1,466,547	-	-	-
<b>Total Expenditures</b>	<b>687,093,174</b>	<b>681,004,041</b>	<b>698,327,196</b>	<b>762,699,192</b>	<b>880,199,535</b>	<b>869,619,661</b>	<b>877,950,004</b>	<b>740,344,605</b>	<b>797,792,311</b>	<b>804,546,581</b>

**Continued on next page**

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
CHANGES IN GOVERNMENTAL FUND BALANCES  
LAST TEN FISCAL YEARS**

Schedule 4

Fiscal Year Ended June 30,	2005	2006	2007	2008	2009	2010	2011	2012	Restated 2013	2014
Excess / (Deficiency) of Revenues over (under) Expenditures	(8,080,095)	37,100,563	95,196,001	83,204,756	(36,704,149)	(62,613,195)	(142,538,541)	38,962,737	(47,858,387)	(17,143,415)
Other Financing Sources (Uses)										
Proceeds from Bonds	11,875,815	3,907,884	3,921,678	-	-	-	104,415,000	-	-	-
Premium on bonds	-	-	-	-	-	-	3,097,709	-	-	-
Proceeds from Capital Leases	-	-	2,638,066	20,000,000	-	-	-	4,467,505	-	-
Proceeds from sale of capital assets	-	3,131,798	3,169,238	909,104	932,980	1,224,378	706,016	251,784	142,566	51,385
Proceeds from issuance of notes payable	-	40,000	10,115,000	-	-	-	-	-	-	-
Transfers in	18,128,500	19,874,172	27,635,695	25,307,215	34,055,410	44,664,147	10,974,126	600,090	5,925,802	1,238,300
Transfers out	(19,924,792)	(19,874,172)	(44,051,769)	(34,707,215)	(34,055,410)	(44,664,147)	(10,974,126)	(600,090)	(5,925,802)	(1,238,300)
Total Other Financing Sources/(Uses)	<b>10,079,523</b>	<b>7,079,682</b>	<b>3,427,908</b>	<b>11,509,104</b>	<b>932,980</b>	<b>1,224,378</b>	<b>108,218,725</b>	<b>4,719,289</b>	<b>142,566</b>	<b>51,385</b>
Extraordinary Items	-	-	(1,981,811)	-	-	-	-	-	-	-
Net Change in Fund Balances	1,999,428	44,180,245	96,642,098	94,713,862	(35,771,169)	(61,388,817)	(34,319,816)	43,682,026	(47,715,821)	(17,092,030)
Fund Balance at Beginning of Fiscal Year	115,423,338	116,292,413	166,928,634	263,570,733	355,606,965	323,846,887	258,446,979	224,127,163	267,809,189	220,093,368
Prior Period Corrections	-	498,296	-	-	-	-	-	-	-	-
Change in accounting practice	-	-	-	-	-	(4,011,091)	-	-	-	-
<b>FUND BALANCE AT END OF FISCAL YEAR</b>	<b>\$ 117,422,766</b>	<b>\$ 160,970,954</b>	<b>\$ 263,570,733</b>	<b>\$ 358,284,596</b>	<b>\$ 319,835,796</b>	<b>\$ 258,446,979</b>	<b>\$ 224,127,163</b>	<b>\$ 267,809,189</b>	<b>\$ 220,093,368</b>	<b>\$ 203,001,338</b>
FUND BALANCE AT END OF FISCAL YEAR	117,422,766	160,970,954	263,570,733	358,284,596	319,835,796	258,446,979	224,127,163	267,809,189	220,093,368	203,001,338
Debt service as a percentage of noncapital expenditures	0.72%	0.46%	0.60%	0.60%	1.26%	1.08%	1.30%	1.94%	2.44%	2.21%

Source: Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2014.

Notes: Extraordinary item in 2007 closing of two charter schools.  
 Changes in Instruction support 2007 to 2008 due to proper allocation of salary and benefits in 2008.  
 In fiscal year 2008 change in pension expenditure.  
 Large fluctuations in expenditures due to reclasses within functions in FY2009-2011.  
 Decrease in Sales tax income between FY10 and FY11 was due in part to the adjustment for overpayment of SPLOST proceeds.  
 All restatements are due to prior period adjustment for change in accounting principle for fiscal year 2013. See Footnote S for more information.

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
GENERAL FUND EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS**

Schedule 5

Fiscal Year	Instruction <sup>1</sup>	Pupil Services	General and School Admin. Services	Business Services <sup>2</sup>	Capital Outlay	Other <sup>3</sup>	Total	total current expenditures % of change from prior year	total capital outlay % of change from prior year	total expenditures % of change from prior year
2005	\$360,922,790	\$15,635,773	\$ 23,265,642	\$ 65,285,140	\$ 3,029,090	\$ 34,293,523	\$502,431,958	-6.21%	100.00%	-5.78%
2006	328,733,992	20,886,301	42,964,459	85,768,267	-	31,105,339	509,458,358	2.85%	0.00%	1.40%
2007	371,030,700	10,491,218	34,463,418	87,064,138	2,638,066	31,071,989	536,759,529	5.16%	100.00%	5.36%
2008	346,276,544	16,742,092	41,041,883	140,274,918	8,257,558	39,184,963	591,777,958	8.21%	68.05%	10.25%
2009	385,984,855	20,045,172	36,636,052	133,410,584	-	42,590,714	618,667,377	5.83%	0.00%	4.54%
2010 <sup>4</sup>	397,022,707	19,336,072	36,787,333	136,817,366	-	40,770,273	630,733,751	2.41%	0.00%	1.95%
2011 <sup>4</sup>	370,061,246	24,014,862	42,918,150	133,081,824	-	39,937,929	610,014,011	-3.37%	0.00%	-3.29%
2012	354,658,932	23,126,330	43,942,259	136,262,413	-	46,644,887	604,634,821	-2.12%	0.00%	-0.88%
2013 <sup>5</sup>	375,555,820	22,019,608	49,946,736	105,425,858	-	25,836,983	578,785,005	-0.90%	0.00%	-4.28%
2014	392,615,401	22,987,226	50,096,842	106,235,157	-	24,962,789	596,897,415	3.43%	0.00%	3.13%

**Source:** Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2014.

- Notes:**
- <sup>1</sup> Instruction includes Improvement of Instructional Services and Educational Media.
  - <sup>2</sup> Business Services includes Business Administration, Maintenance and Facilities, and Student Transportation.
  - <sup>3</sup> Other includes Central Support, Community Services, Other Operations, Principal and Interest.
  - <sup>4</sup> Expenditures for Charter Schools were reclassified to Instruction in fiscal year 2010 and 2011.
  - <sup>5</sup> Restated - See footnote S

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
GENERAL FUND REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

Schedule 6

Fiscal Year	Taxes	State Grants	Federal Grants	Other	Total	Local	% of total		
							State	Federal	Other
2005	\$ 370,256,829	\$ 124,113,881	\$ 1,326,039	\$ 13,084,964	\$ 508,781,713	73%	24.39%	0.26%	2.57%
2006	384,221,179	133,943,879	3,870,753	15,437,607	537,473,418	71%	24.92%	0.72%	2.87%
2007	430,844,808	145,105,716	1,112,951	19,069,158	596,132,633	72%	24.34%	0.19%	3.20%
2008	480,152,929	154,892,058	1,347,241	17,353,301	653,745,529	73%	23.69%	0.21%	2.65%
2009	514,075,346	122,514,004	4,328,538	16,548,410	657,466,298	78%	18.63%	0.66%	2.52%
2010	493,825,791	107,237,545	15,452,007	9,262,323	625,777,666	79%	17.14%	2.47%	1.48%
2011	445,986,671	127,235,844	10,747,543	7,841,900	591,811,958	75%	21.50%	1.82%	1.33%
2012	445,177,849	140,134,932	1,409,596	14,525,430	601,247,807	74%	23.31%	0.23%	2.42%
2013	413,467,525	143,710,200	1,315,257	26,882,771	585,375,753	71%	24.55%	0.22%	4.59%
2014	433,996,780	153,279,702	1,297,845	15,152,262	603,726,589	72%	25.39%	0.21%	2.51%

**Source:** Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2014.

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
ASSESSED AND ESTIMATED ACTUAL VALUE OF  
TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**  
Schedule 7

Fiscal Year Ended <sup>4</sup>	Residential Property	Commercial Property	Industrial Property	Other Property <sup>1</sup>	Less		Total Taxable Assessed Value <sup>3</sup>	Total Direct Tax Rate
					Tax-Exempt Property <sup>2</sup>	Property <sup>2</sup>		
December 31, 2005	10,842,205,309	7,255,025,020	618,322,584	1,590,005,363	186,756,118		20,118,802,158	30.09%
June 30, 2006	11,954,278,920	8,069,483,015	699,409,813	1,621,488,855	1,720,017,791		20,624,642,812	32.13%
June 30, 2007	13,202,618,136	9,744,120,546	776,908,905	1,595,456,173	1,887,341,520		23,431,762,240	31.61%
June 30, 2008	13,980,076,949	13,067,992,615	1,031,326,231	1,615,241,347	2,093,949,974		27,600,687,168	30.49%
June 30, 2009	13,611,726,261	11,379,465,585	801,084,215	1,758,938,922	2,409,353,965		25,141,861,018	30.49%
June 30, 2010	12,749,326,810	11,746,535,282	806,421,455	1,542,422,321	2,831,876,995		24,012,828,873	33.63%
June 30, 2011	12,609,751,900	10,924,151,062	775,954,220	1,525,316,851	2,731,195,758		23,103,978,275	33.63%
June 30, 2012	11,506,413,986	11,148,297,009	758,400,890	1,528,992,043	2,880,803,214		22,061,300,714	33.63%
June 30, 2013	10,896,664,314	10,752,062,104	723,400,082	1,658,974,465	2,660,010,749		21,371,090,216	33.68%
June 30, 2014	11,183,385,556	10,556,075,940	687,309,657	1,671,292,251	2,430,432,837		21,667,630,567	33.49%

**Source:** Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2014.

**Notes:** <sup>1</sup> Other Property consist of Historical, Agricultural, Conservation, Utility, Motor Vehicle, Heavy Equipment, Timber, Motor Homes, etc.

<sup>2</sup> Tax Exempt Property consist of Basic Homestead, Elderly, Disabled Veteran, Freeport, etc.

<sup>3</sup> Assessed values are established by the Fulton & DeKalb Counties Board of Tax Assessors on January 1 of each year at 40% of the market value as required by State Law.

<sup>4</sup> The City of Atlanta changed from a December 31 fiscal year to a June 30 fiscal year in 2006.

**ATLANTA INDEPENDENT SCHOOL SYSTEM**  
**PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS**  
(Per \$1,000 Assessed Value) LAST TEN FISCAL YEARS  
Schedule 8

Fiscal Year Ended <sup>4</sup>	City Direct Rates						Overlapping Rates					
	General Levy	School Levy	Parks Levy	City Bond Levy	School Bond Levy	Total Direct Tax Rate <sup>2</sup>	Atlanta/DeKalb County Special Tax District	Downtown Improvement District Special Tax District <sup>1</sup>	County Levy <sup>3</sup>	Fulton County Bond Levy	Georgia State Levy	Total
	December 31, 2005	7.64	20.42	0.50	1.43	0.10	30.09	2.05	5.00	11.58 (3)	0.06	0.25
June 30, 2006	7.53	22.64	0.50	1.41	0.05	32.13	0.99	5.00	11.40 (3)	0.06	0.25	11.72
June 30, 2007	7.09	22.64	0.50	1.33	0.05	31.61	0.96	5.00	10.28 (3)	0.06	0.25	10.58
June 30, 2008	7.12	21.64	0.50	1.18	0.05	30.49	0.83	5.00	10.28 (3)	0.06	0.25	10.59
June 30, 2009	7.12	21.64	0.50	1.18	0.05	30.49	0.83	5.00	10.28 (3)	-	0.25	10.53
June 30, 2010	10.24	21.64	0.50	1.20	0.05	33.63	1.00	5.00	10.28 (3)	-	0.25	10.53
June 30, 2011	10.24	21.64	0.50	1.20	0.05	33.63	0.88	5.00	10.28 (3)	-	0.25	10.53
June 30, 2012	10.24	21.64	0.50	1.20	0.05	33.63	0.88	5.00	10.28 (3)	-	0.25	10.80
June 30, 2013	10.24	21.64	0.50	1.20	0.10	33.68	1.224	5.00	10.21 (3)	-	0.25	10.46
June 30, 2014	10.05	21.64	0.50	1.20	0.10	33.49	1.220	5.00	10.21 (3)	-	0.10	10.31

Source: Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014.

Notes:

- 1 Tax imposed by property owners in the district pursuant to state authorization.
- 2 Reduced by debt service payment of \$3,052,000 by the Atlanta Board of Education using its existing resources.
- 3 Hospital levy included in County levy.
- 4 The City of Atlanta changed from a December 31 fiscal year to a June 30 fiscal year in 2006.



ATLANTA INDEPENDENT SCHOOL SYSTEM  
 PRINCIPAL PROPERTY TAXPAYERS  
 JUNE 30, 2013 AND NINE YEARS AGO <sup>1</sup>  
 Schedule 9

2013

Tax Payer	Type of Business	Taxable Assessed Value <sup>1</sup>	Rank	Percentage of Total City Taxable Assessed Value
Bell South	Communication Service			
Coca-Cola Company	Marketing and Manufacturing	\$ 154,658,325	4	0.76%
Georgia Pacific Company	Pulp and Paper Manufacturing	287,889,088	2	1.41%
Post Apartment Homes	Residential Real Estate	164,277,960	3	0.80%
Sun Trust Plaza Association	Commercial Real Estate	96,130,950	7	0.47%
Development Authority of Fulton	Government	708,697,642	1	3.47%
Corporate Property Corporation	Commercial Real Estate	87,232,240	8	0.43%
IEP PEACHTREE, LLC	Unclassified	72,222,920	10	0.35%
AT & T	Communication Service	144,069,022	5	0.70%
Google Inc	Information Technology	99,021,890	6	0.48%
JP Morgan Chase	Financial Institution/ Consulting	80,772,360	9	0.39%
<b>Total</b>		<b>\$ 1,894,972,397</b>		<b>9.26%</b>

2004

Tax Payer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Bell South	Communication Service			
Coca-Cola Company	Marketing and Manufacturing	\$ 155,936,542	1	0.79%
Georgia Power Company	Utility Service	154,860,290	2	0.79%
Post Apartment Homes	Residential Real Estate	57,103,706	10	0.29%
Georgia Pacific Company	Pulp and Paper Manufacturing	120,304,178	3	0.61%
CSC Associates	Commercial Real Estate	97,673,647	4	0.50%
Sun Trust Plaza Association	Commercial Real Estate	87,321,645	6	0.44%
One Ninety One Peachtree Association	Commercial Real Estate	81,513,618	9	0.41%
Peachtree TSG Associates LLC	Commercial Real Estate	82,035,928	8	0.42%
Trizec Alliance	Commercial Real Estate	93,540,108	5	0.48%
<b>Total</b>		<b>\$ 1,014,246,948</b>		<b>5.16%</b>

Sources: 2013 - Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report for the Fiscal Year

Notes: <sup>1</sup> Information for FY2014 not available

<sup>2</sup> Development Authority of Fulton does not pay taxes but does temporarily hold property for others who pay taxes

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Schedule 10

Fiscal Year Ended <sup>3</sup>	Taxes Levies for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
		Amount <sup>1</sup>	Percentage of Levy		Amount	Percentage of Levy
December 31, 2005	178,703,068	160,301,279	89.70%	17,909,963 <sup>2</sup>	178,211,242	99.72%
June 30, 2006	6,750,195	6,750,195	100.00%	-	6,750,195	100.00%
June 30, 2007	179,606,933	164,976,460	91.85%	13,929,773 <sup>2</sup>	178,906,233	99.61%
June 30, 2008	182,020,745	173,030,142	95.06%	7,984,231	181,014,373	99.45%
June 30, 2009	198,377,854	190,475,498	96.02%	6,292,394	196,767,892	99.19%
June 30, 2010	264,371,198	257,062,077	97.24%	4,473,563	261,535,640	98.93%
June 30, 2011	240,585,957	234,894,781	97.63%	2,379,716	237,274,497	98.62%
June 30, 2012	222,632,704	218,471,864	98.13%	1,394,434	219,866,298	98.76%
June 30, 2013	219,176,582	214,493,637	97.86%	2,638,428	217,132,065	99.07%
June 30, 2014	222,103,322	218,184,468	98.24%	-	218,184,468	98.24%

**Source:** Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014.

**Notes:** **1** Does not include tax revenues retained by Fulton and DeKalb County for administrative expenditures, therefore the collection rate shown is slightly less than actual.

**2** Adjusted to collection in subsequent year.

**3** The City of Atlanta changed from a December 31 fiscal year to a June 30 fiscal year in 2006.

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
COMPARISON OF PROPERTY TAX MILLAGE RATES  
AS OF JUNE 30, 2014  
Last Ten Fiscal Years  
Schedule 11**

	<u>TOTAL RATE</u>	<u>MAINTENANCE AND OPERATION</u>	<u>DEBT SERVICE</u>
Atlanta Public Schools	21.74	21.64	0.10
Clayton County Schools	20.00	20.00	0.00
Cobb County Schools	18.90	18.90	0.00
DeKalb County Schools	23.98	23.98	0.00
Douglas County Schools	21.65	19.85	1.80
Fulton County Schools	18.50	18.50	0.00
Gwinnett County Schools	21.85	19.80	2.05
Rockdale County Schools	26.00	26.00	0.00

**Sources:** Department of Revenue, Tax Digest Millage Rates

**Note:** All tax rates are per \$1000 assessed valuation.

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
TAX MILLAGE RATES  
LAST TEN TAX YEARS**  
Schedule 12

<u>Tax Year</u>	<u>Maintenance and Operations</u>	<u>Sinking Bond Fund</u>	<u>Total Levy</u>	<u>Comments</u>
2005	20.42	0.10	20.524	No change from 2004
2006	22.64	0.054	22.694	Increase of 2.17 mills
2007	22.64	0.054	22.694	No change from 2006
2008	21.64	0.054	21.694	Decrease of 1.000 mills
2009	21.64	0.054	21.694	No change from 2008
2010	21.64	0.054	21.694	No change from 2009
2011	21.64	0.054	21.694	No change from 2010
2012	21.64	0.100	21.740	Increase of .046 mills
2013	21.64	0.100	21.740	No change from 2012
2014	21.64	0.100	21.740	No change from 2013

**Sources:** Atlanta Public Schools June 2010 Tax Levy Board Resolutions for tax year 2011  
Georgia Department of Revenue for tax years 2005-2010, 2012, 2013

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
RATIOS OF TOTAL DEBT OUTSTANDING BY TYPE ( UNAUDITED)  
GOVERNMENTAL ACTIVITIES  
FOR THE LAST TEN FISCAL YEARS**

Schedule 13

Fiscal Year Ended June 30,	Education Reform Success ( COPS)	Intergovernmental Agreement	Capital Leases	Fund Balance		Net Total Debt (2)	Estimated Actual Value of Taxable Property (3)	Ratio of Net Total Debt to Est.		Ratio of Net Total Debt to Personal Income
				Restricted to Debt Service	Debt (1)			Actual Value	Income (4)	
2005 (1)	-	-	6,862,557	-	6,862,557	20,118,802,158	0.03%	173,159,000	3.96%	
2006	-	18,697,134	4,219,951	(4,396,505)	18,520,580	20,624,642,812	0.09%	184,186,000	10.06%	
2007	10,115,000	22,112,675	5,159,414	(3,840,761)	33,546,328	23,431,762,240	0.14%	184,186,000	18.21%	
2008	10,115,000	21,385,800	23,618,868	(3,205,377)	51,914,291	27,600,687,168	0.19%	196,683,000	26.39%	
2009	9,565,000	20,488,750	18,255,388	(2,579,052)	45,730,086	25,823,713,882	0.18%	198,580,000	23.03%	
2010	8,995,000	19,461,875	13,998,496	(1,868,740)	40,586,631	24,012,828,873	0.17%	206,462,000	19.66%	
2011	115,912,709	18,439,000	9,682,005	(1,104,717)	142,928,997	22,061,300,714	0.65%	203,137,000	70.36%	
2012	115,114,094	17,398,125	7,905,594	(299,867)	140,117,946	22,061,300,714	0.64%	202,577,000	69.17%	
2013	107,431,623	16,311,250	6,018,646	(395,553)	129,365,966	21,371,090,216	0.61%	212,830,000	60.78%	
2014	99,948,185	15,167,625	4,753,381	(955,364)	118,913,827	21,667,630,567	0.55%	223,569,000	53.19%	

**Source:** Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2014.

**Notes:** 1 The City of Atlanta changed from a December 31 fiscal year to a June 30 fiscal year in 2006.

2 See the schedule of Long Term Debt in the Notes for each year for more information on the debt.

3 See schedule 7 - Assessed and Estimated Actual Value of Taxable Property .

4 See schedule 15 - Demographics Statistics.

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
SCHOOL BUILDINGS, ACREAGE, AND CAPACITY**

**June 30, 2014**

Schedule 14

**School Acreage, Square Footage, Planning Capacity, Area per Student, Effective Age**

Elementary Schools	Region	Acres	Sq.Ft.	Planning Capacity @ 25/1	SF per Student	Core Classrooms	Original Construction	Renovation	Actual Age (2014 basis)	Effective Age Basis	Effective Age (2014 basis)	
1	Adamsville	W	4.9	75,058	750	100	30	1970	2001	44	2001	13
2	Beecher Hills	W	9.5	49,925	525	95	21	1959	1999	55	1999	15
3	Benteen	E	4.0	79,633	600	133	24	1957	2000	57	2000	14
4	Bethune	W	4.5	78,561	825	95	33	1949	1999	65	1999	15
5	Bolton Academy	N	4.0	83,653	900	93	36	2003		11	2003	11
6	Boyd	N	19.7	72,405	575	126	23	1971		43	1971	43
7	Brandon	N	10.0	76,672	875	88	35	1947	1994	67	1994	20
8	Brandon Primary	N	9.8	59,941	625	96	25	1954	2009	60	2009	5
9	Burgess-Peterson	E	8.3	85,836	875	98	35	2004		10	2004	10
10	Cascade	W	8.7	70,101	625	112	25	1995		19	1995	19
11	Centennial Place	E	5.0	63,806	650	98	26	1998		16	1998	16
12	Cleveland	S	15.8	75,286	675	112	27	1996		18	1996	18
13	Connally	W	3.7	88,417	1,000	88	40	1975	2000	39	2000	14
14	Continental Colony	W	8.7	85,562	600	143	24	1963	2011	51	2011	3
15	Deerwood Academy	W	21.0	91,566	900	102	36	2004		10	2004	10
16	Dobbs	S	19.6	86,907	900	97	36	2003		11	2003	11
17	Dunbar	E	5.3	98,959	500	198	20	1969	2009	45	2009	5
18	Fain	N	8.0	83,782	700	120	28	1987		27	1987	27
19	Fickett	W	12.0	86,490	900	96	36	1972	1994	42	1994	20
20	Finch	S	4.1	95,024	950	100	38	2005		9	2005	9
21	Garden Hills	N	8.0	82,176	775	106	31	1938	2003	76	2003	11
22	Gideons	S	4.5	72,402	825	88	33	1958	2000	56	2000	14
23	Grove Park	N	7.0	88,921	725	123	29	1967	2000	47	2000	14
24	Heritage Academy	S	7.0	80,864	850	95	34	2002		12	2002	12
25	Hone - Hill	E	2.4	75,631	700	108	28	2002		12	2002	12
26	Humphries	S	8.2	66,228	650	102	26	1940	1998	74	1998	16
27	Hutchinson	S	8.5	70,797	825	86	33	1956	1994	58	1994	20
28	Jackson	N	12.5	96,639	850	114	34	1967	1994	47	1994	20
29	Jackson Primary	N	7.2	48,982	500	98	20	1959	2008	55	2008	6
30	Jones, M. A.	W	7.5	92,272	875	105	35	2005		9	2005	9
31	Kimberly	W	7.2	63,379	825	77	33	1958	1999	56	1999	15
32	Lin, Mary	E	5.2	60,115	600	100	24	1930	1994	84	1994	20
33	Miles	W	15.0	82,211	900	91	36	2003		11	2003	11
34	Morningside	E	5.2	98,037	900	109	36	1930	1994	84	1994	20
35	Parkside	E	8.3	80,836	775	104	31	2001		13	2001	13
36	Perkerson	S	9.0	75,297	700	108	28	1994		20	1994	20
37	Peyton Forest	W	25.0	64,300	625	103	25	1968	1999	46	1999	15
38	Rivers (@ fmr Sutton MS)	N	12.5	160,667	1,000	161	40	1950	1999	64	1999	15
39	Scott	N	8.0	72,891	800	91	32	1960	2006	54	2006	8
40	Slater	S	13.0	78,232	800	98	32	1952	2002	62	2002	12
41	Smith, Sarah	N	10.3	70,545	750	94	30	1952	1994	62	1994	20
42	Smith Intermediate	N	6.2	78,173	750	104	30	2009		5	2009	5
43	Springdale Park	E	5.5	95,555	625	153	25	2009		5	2009	5
44	Stanton, D. H.	E	6.0	75,646	825	92	33	1959	2000	55	2000	14
45	Stanton, F. L.	N	5.2	57,910	425	136	17	1928	2000	86	2000	14
46	Thomasville Heights	S	11.2	83,023	950	87	38	1971	2001	43	2001	13
47	Toomer	E	10.6	70,012	700	100	28	1967	1998	47	1998	16
48	Towns	N	8.9	70,084	675	104	27	1963	2000	51	2000	14
49	Usher - Collier	N	14.0	102,962	900	114	36	1969	2003	45	2003	11
50	Venetian Hills	W	9.3	60,924	600	102	24	1954	1994	60	1994	20
51	West Manor	W	10.8	37,150	400	93	16	1956	2000	58	2000	14
52	Whitefoord	E	2.3	59,438	650	91	26	1928	1994	86	1994	20
53	Woodson	N	4.1	76,708	675	114	27	1971	1998	43	1998	16
<b>Elementary School Totals</b>		<b>472.2</b>	<b>4,136,591</b>	<b>39,375</b>	<b>106</b>	<b>1,575</b>	<b>1971</b>			<b>43</b>	<b>2000</b>	<b>14</b>

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
SCHOOL BUILDINGS, ACREAGE, AND CAPACITY**

**June 30, 2014**

Schedule 14

**School Acreage, Square Footage, Planning Capacity, Area per Student, Effective Age**

Middle Schools		Region	Acres	Sq.Ft.	Planning Capacity @ 25/1	SF per Student	Core Classrooms	Original Construction	Renovation	Actual Age (2014 basis)	Effective Age Basis	Effective Age (2014 basis)
1	BEST (see HS)	N										
2	Brown	W	15.6	151,081	975	155	39	1928	2001	86	2001	13
3	Bunche (@ fmr Archer HS)	W	19.5	266,648	1,625	164	65	1957	1972	57	1972	42
4	Harper - Archer	N	18.1	229,745	1,100	209	44	1963	2002	51	2002	12
5	Inman	E	4.2	146,035	875	167	35	1923	2005	91	2005	9
6	King, C.S. (see HS)	N										
7	King, M.L. (@ fmr Coan MS)	E	16.1	167,169	1,025	163	41	1967	2003	47	2003	11
8	Long	S	15.6	125,237	900	139	36	1958	2006	56	2006	8
9	Price	S	19.0	167,168	975	171	39	1954	2002	60	2002	12
10	Sutton (@ fmr N. Atlanta HS)	N	17.5	301,386	1,625	185	65	1951	2011	63	2011	3
11	Sylvan (@ fmr Parks MS)	S	5.8	79,630	625	127	25	1966	1996	48	1996	18
12	Young	W	15.0	172,980	975	177	39	1951	2009	63	2009	5
<b>Middle School Totals</b>			<b>146.4</b>	<b>1,807,079</b>	<b>10,700</b>	<b>166</b>	<b>428</b>	<b>1952</b>		<b>62</b>	<b>2001</b>	<b>13</b>
High Schools		Region	Acres	Sq.Ft.	Planning Capacity @ 25/1	SF per Student	Core Classrooms	Original Construction	Renovation	Actual Age (2014 basis)	Effective Age Basis	Effective Age (2014 basis)
1	BEST (includes MS)	N	15.1	217,578	1,750	124	70	2009		5	2009	5
2	Carver	S	35.4	271,429	1,525	178	61	1920	2005	94	2005	9
3	Crim	E	17.9	203,949	925	220	37	1940	2007	74	2007	7
4	Douglass	N	32.0	336,101	1,950	172	78	1968	2004	46	2004	10
5	Forrest Hill	S	5.8	69,254	750	92	30	2008		6	2008	6
6	Grady	E	19.5	253,095	1,275	199	51	1924	2005	90	2005	9
7	Jackson, M.H.	E	25.0	314,251	1,500	210	60	1985	2014	29	2014	0
8	King, C.S. (includes MS)	N	21.2	264,874	1,750	151	70	2009		5	2009	5
9	Mays	W	70.0	339,758	2,000	170	80	1981	2011	33	2011	3
10	North Atlanta (New)	N	56.6	507,093	2,425	209	97	1978	2013	36	2013	1
11	South Atlanta	S	50.2	277,779	1,950	142	78	1973	2008	41	2008	6
12	Therrell	W	17.3	249,830	1,500	167	60	1960	2011	54	2011	3
13	Washington	W	21.1	261,269	1,625	161	65	1924	2005	90	2005	9
<b>High School Totals</b>			<b>387.1</b>	<b>3,566,260</b>	<b>20,925</b>	<b>169</b>	<b>837</b>	<b>1968</b>		<b>46</b>	<b>2008</b>	<b>6</b>
DISTRICT TOTALS & AVERAGES			Acres	Sq.Ft.	Planning Capacity @ 25/1	SF per Student	Core Classrooms	Original Construction		Actual Age (2014 basis)	Effective Age Basis	Effective Age (2014 basis)
			<b>1,005.7</b>	<b>9,509,930</b>	<b>71,000</b>	<b>147</b>	<b>2,840</b>	<b>1968</b>		<b>46</b>	<b>2001</b>	<b>13</b>

Other Facilities / Programs		Region	Acres	Sq.Ft.	Planning Capacity @ 25/1	SF per Student	Core Classrooms	Original Construction	Renovation	Actual Age (2014 basis)	Effective Age Basis	Effective Age (2014 basis)
	North Metro (Oglethorpe)	W	3.8	52,909	550	96	22	1958	1999	56	1999	15
	West End Academy (Blalock)	W	16.4	78,332	875	90	35	1971	2002	43	2002	12

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS**

Schedule 15

<b>Fiscal Year Ended <sup>1</sup></b>	<b>Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
December 31, 2005	442,100	\$ 173,159	\$ 34,825	34.7	50,188	5.9%
June 30, 2006	451,600	184,186	35,846	34.7	49,924	5.3%
June 30, 2007	451,600	184,186	35,846	34.7	49,707	4.5%
June 30, 2008	461,956	196,683	36,309	32.0	51,377	5.9%
June 30, 2009	477,300	198,580	37,744	35.0	48,093	10.3%
June 30, 2010	480,700	206,462	38,336	35.0	48,696	10.0%
June 30, 2011	420,003	203,137	37,101	34.0	49,874	10.5%
June 30, 2012	432,427	202,577	38,321	32.9	49,474	8.9%
June 30, 2013	443,775	212,830	39,713	33.0	48,831	8.6%
June 30, 2014	447,841	223,569	40,963	33.2	49,384	7.6%

**Sources:** Statistical section of the City of Atlanta, Georgia 2013 Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014.

**Note:** 1 The City of Atlanta changed from a December 31 fiscal year to a June 30 fiscal year in 2006.



ATLANTA INDEPENDENT SCHOOL SYSTEM  
 PRINCIPAL EMPLOYERS  
 JUNE 30, 2013 AND NINE YEARS AGO  
 Schedule 16

2013

Employer	Type Of Business	Employees	Percentage of Total City Employment
Delta Air Lines, Inc.	Transportation	4,357	2.20%
The Coca-Cola Company	Marketing and Manufacturing	3,498	1.77%
Accenture LLP	Consulting	2,200	1.11%
AT & T Services Inc.	Telecommunication	2,179	1.10%
Turner Broadcasting System, Inc.	Media/Entertainment	2,057	1.04%
Cable News network	Media	1,823	0.92%
Air Service Corp	Transportation	1,733	0.88%
Allied Barton Security Services	Security Services	1,467	0.74%
Tenet Health System , Inc.	Healthcare	1,359	0.69%
Deloitte Consulting LLP	Consulting	1,195	0.60%
<b>Total</b>		<b><u>21,868</u></b>	<b><u>11.06%</u></b>

2004

Employer	Type Of Business	Employees	Percentage of Total City Employment
International Business Machine Corp.	Technology Services	3,864	1.97%
Georgia-Pacific Corporation	Pulp and Paper Manufacturing	3,358	1.71%
The Coca-Cola Company	Marketing and Manufacturing	3,062	1.56%
Cable News Network, Inc.	Media	1,953	0.99%
Atlanta Journal and Constitution	Media	1,407	0.72%
Tenet Healthsystem, Inc.	Healthcare	1,377	0.70%
Turner Entertainment Networks	Entertainment	1,067	0.54%
Turner Broadcasting System, Inc.		974	0.50%
Atlanta Spirit, Inc.	Sports	797	0.41%
Air Serv Corp.	Transportation	767	0.39%
<b>Total</b>		<b><u>18,626</u></b>	<b><u>9.49%</u></b>

Source: 2013 - Statistical section of the City of Atlanta, Georgia 2014 Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2013.  
 2014 - Information not Available

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
GENERAL FUND PER PUPIL COST  
LAST TEN FISCAL YEARS**

Schedule 17

<u>Fiscal Year</u>	<u>Expenditures<sup>1</sup></u>	<u>Active Enrollment<sup>2</sup></u>	<u>Cost Per Pupil Enrolled</u>	<u>Average Daily Attendance<sup>3</sup></u>	<u>Cost Per Pupil Attended</u>
2005	502,432	51,377	9,779	49,138	10,225
2006	509,458	50,631	10,062	44,534	11,440
2007	536,734	50,631	10,601	48,720	11,017
2008	591,778	49,991	11,838	44,935	13,170
2009	618,667	49,032	12,618	51,449	12,025
2010	630,734	48,909	12,896	52,368	12,044
2011	610,014	49,796	12,250	52,925	11,526
2012	604,635	50,009	12,091	47,192	12,812
2013	578,785	49,558	11,631	46,403	12,421
2014	596,900	49,842	11,976	47,068	12,682

**Sources:**

- 1** Atlanta Independent School System General Fund Expenditures by Function schedule for fiscal year ended June 30, 2014 (amounts expressed in thousands).
- 2** GA Department of Education, Enrollment by Grade report, based on the October count of each fiscal year.
- 3** Average daily attendance figures from the APS Attendance/Membership Summary Report as of June 30 of each fiscal year.
- 4** Restated - See footnote S

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
SCHOOL BREAKFAST PROGRAM  
LAST TEN FISCAL YEARS  
MEALS SERVED**  
Schedule 18

<u>Fiscal Year</u>	<u>Total</u>	<u>Free</u>	<u>Reduced</u>	<u>Paid</u>
2005	2,788,851	2,499,934	83,064	205,853
2006	2,707,493	2,435,219	85,014	187,260
2007	2,782,559	2,490,514	105,082	186,963
2008	2,854,746	2,597,420	85,533	171,793
2009	2,884,599	2,634,544	78,887	171,168
2010	3,077,775	2,822,180	77,739	177,856
2011	3,499,392	3,173,080	78,260	248,052
2012	3,869,946	3,487,626	86,082	296,238
2013	3,718,353	3,368,341	77,277	272,735
2014	3,528,648	3,403,721	27,543	97,384

**Source:** Nutrition Department of APS

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
SCHOOL LUNCH PROGRAM  
LAST TEN FISCAL YEARS  
MEALS SERVED**  
Schedule 19

<u>Fiscal Year</u>	<u>Total</u>	<u>Free</u>	<u>Reduced</u>	<u>Paid</u>
2005	6,040,086	4,929,194	283,294	827,598
2006	5,980,314	4,924,894	289,292	766,128
2007	5,938,199	4,886,222	314,070	737,907
2008	5,894,475	4,943,800	272,290	678,385
2009	5,919,633	4,961,606	252,189	705,838
2010	5,835,665	4,968,698	223,230	643,737
2011	5,840,231	5,032,509	168,063	639,659
2012	5,803,075	5,043,598	158,924	600,553
2013	5,426,460	4,799,240	126,324	500,896
2014	5,328,409	4,964,636	59,466	304,307

**Source:** Nutrition Department of APS

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
NUMBER OF SCHOOLS  
LAST TEN FISCAL YEARS  
Schedule 20**

<u>Fiscal Year</u>	<u>Total</u>	<u>Elementary</u>	<u>Middle</u>	<u>High</u>
2005	85	59	16	10
2006	89	59	16	14
2007	94	58	16	20
2008	93	57	17	19
2009	95	57	19	19
2010	96	55	18	23
2011	96	55	16	25
2012	100	58	18	24
2013	86	50	15	21
2014	88	53	14	21

**Source:** Atlanta Public Schools - The District- Fast Facts

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
ENROLLMENT BY GRADE LEVEL ( UNAUDITED)  
LAST TEN FISCAL YEARS**

Schedule 21

<b>Grade Level</b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
PK	841	805	858	890	885	965	991	1,111	1,098	1,108
KK	4,562	4,762	4,758	4,476	4,351	4,501	4,598	4,795	4,822	4,911
Grade 1	4,530	4,501	4,739	4,711	4,503	4,377	4,601	4,609	4,698	4,816
Grade 2	4,290	4,284	4,348	4,545	4,543	4,431	4,248	4,379	4,417	4,602
Grade 3	4,351	4,264	4,286	4,330	4,337	4,431	4,481	4,269	4,289	4,341
Grade 4	3,930	4,086	3,992	4,065	4,040	4,168	4,221	4,266	3,962	4,008
Grade 5	4,261	3,921	3,948	3,874	3,903	3,904	4,177	4,172	4,094	3,963
Grade 6	3,979	3,807	3,526	3,509	3,314	3,451	3,623	3,563	3,603	3,591
Grade 7	3,757	3,794	3,622	3,309	3,347	3,204	3,490	3,503	3,471	3,505
Grade 8	3,815	3,597	3,739	3,580	3,190	3,303	3,242	3,465	3,379	3,404
Grade 9	4,253	4,332	4,073	4,204	4,309	4,420	4,412	4,475	4,395	4,741
Grade 10	3,380	3,268	3,291	3,197	2,948	2,873	2,982	3,003	2,928	2,822
Grade 11	2,885	2,925	2,900	2,854	2,893	2,354	2,299	2,352	2,346	2,378
Grade 12	2,543	2,424	2,551	2,447	2,469	2,527	2,431	2,047	2,056	1,941
<b>Totals</b>	<b>51,377</b>	<b>50,770</b>	<b>50,631</b>	<b>49,991</b>	<b>49,032</b>	<b>48,909</b>	<b>49,796</b>	<b>50,009</b>	<b>49,558</b>	<b>50,131</b>

**Source:** GA Department of Education, Enrollment by Grade report, based on the October count of each fiscal year.

**ATLANTA INDEPENDENT SCHOOL SYSTEM  
EMPLOYEES BY FUNCTION ( Unaudited)  
FOR THE LAST TEN FISCAL YEARS**

Schedule 22

<b>Function</b>	<b>Fiscal Year Ended June 30, 2014</b>									
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Instruction	5,464	5,300	5,212	5,298	5,137	5,170	4,892	4,743	4,568	4,020
Pupil Services	386	335	297	341	365	348	350	303	224	193
Improvement of Instructional Services	110	97	272	265	303	327	314	387	318	329
Educational Media Services	123	122	127	126	124	121	123	118	116	112
General Administration	64	65	46	47	68	79	84	57	64	45
School Administration	453	443	429	453	449	434	438	431	440	443
Business Administration	91	75	159	162	189	188	199	187	161	85
Maintenance and Operations	733	639	564	540	632	628	630	667	578	401
Student Transportation Services	415	412	425	421	424	439	446	431	444	396
Central Services	174	168	132	136	129	128	136	132	142	153
Other Supporting Services	55	56	52	79	81	86	93	180	91	67
Nutrition Operations	218	175	154	143	136	122	119	108	101	88
Facilities, Acquisition and Construction	5	3	0	0	1	1	2	2	2	3
<b>Totals</b>	<b>8,291</b>	<b>7,890</b>	<b>7,869</b>	<b>8,011</b>	<b>8,038</b>	<b>8,071</b>	<b>7,826</b>	<b>7,746</b>	<b>7,249</b>	<b>6,335</b>

**Source:** Information Technology Department of APS