

ATLANTA INDEPENDENT SCHOOL SYSTEM

Comprehensive Annual Financial Report for the Fiscal Year Ended **June 30, 2018** Atlanta, Georgia

ATLANTA INDEPENDENT SCHOOL SYSTEM

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2018

Office of the Chief Financial Officer
Lisa Bracken

130 Trinity Avenue, SW

Atlanta, Georgia 30303

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2018

INTRODUCTORY

SECTION

130 Trinity Ave., SW
Atlanta, GA 30303
(404)802-3500
atlantapublicschools.us

February 20, 2019

Dear Citizens of Atlanta:

Atlanta Public Schools ("APS" or "School District") is pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year that ended on June 30, 2018. Atlanta Public Schools' financial management officials prepared this report, and it contains information about the scope and character of the School District's fiscal activities and accomplishments in fiscal year 2018. 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 School 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

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

The School District continues to renew its commitment to APS stakeholders through academic excellence, educational equity, ethics and engagement. The School District remains focused on becoming a high-performing school district where students love to learn, educators inspire, families engage and the community trusts the system.

APS began implementing the Common Core Georgia Performance Standards (CCGPS) at the start of the 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 21st century challenges—

such as strong verbal and written communications, perseverance in problem solving, technical reading and writing, literacy across disciplines, and mathematical proficiency.

In April 2014, the School Board appointed Dr. Meria J. Carstarphen as the APS superintendent, and the District began operating under her leadership on July 7, 2014, on a Journey of Transformation.

As part of that journey, APS is striving for even more equity and transparency – to remedy the past and eliminate barriers for education. APS is working toward autonomy and flexibility with a new operating model where principals and school communities make decisions for the benefit of the child. APS is focused on improving quality while increasing efficiency. Most of all, APS is determined to provide students with choice-filled lives.

As part of a new charter system operating model that went into effect in 2016, APS embraced signature theme programming as a way to instructionally align all schools in a given high school cluster. The model of nine high school clusters with distinct feeder patterns has allowed APS to fully staff and provide more support, opportunity and equity to all schools in the School 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 and it aligns signature academic themes – STEM, International Baccalaureate and College and Career Preparatory – so as to establish a clear academic pathway from Pre-K to 12th grade.

The new operating model has also lead to the creation of GO Teams, school-based governance bodies comprised of parents, educators and community members to assist with decision-making at the school and cluster levels.

This year, Achieve Atlanta – a partnership spearheaded by The Joseph B. Whitehead Foundation and The Community Foundation for Greater Atlanta – will further its college success work at Atlanta Public Schools (APS) with support from a $532,000 Network for School Improvement grant from the Bill and Melinda Gates Foundation. With the grant, Achieve Atlanta will work with the APS data team to build a technical platform that will allow students to identify good "match and fit" colleges while they are in high school.

As a result, APS began fiscal year 2019 (FY19) poised to further prepare students for college and careers.

Students

In the 2017-2018 school year, student enrollment stood at about 52,000 students, and the District expects to serve a similar number of students at 89 schools throughout Atlanta this school year. About 2,400 seniors graduated from APS high schools in 2018, earning more than $143 million in college scholarships. Large numbers of APS students continue to earn awards for academic achievement on the state and national levels.

The School 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:

- English as a Second Language – 3.6%
- Gifted and Talented – 8.2 %
- Homeless – 1.4%
- English Learners – 4.1%
- Low Income Students – 74.8%
- Student Ethnic Distribution: African American – 72.9%; Caucasian – 15.9%; Hispanic – 7.6%; Multi-racial/ Other – 3.7%
- Students with Disabilities – 11.1%

Employees

Of the 6,030 full time APS employees, 4,142 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. There are an additional 1,792 part-time and substitute employees who provide support.

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

- Teacher – 66.2%
- Paraprofessional – 9.9%
- School Bus Driver – 5.5%
- Custodian – 2.6%
- Assistant Principal – 2.1%
- School Counselor – 1.7%
- Instructional Coach – 1.8%
- School Clerk – 1.7%
- School Secretary – 1.0%
- School Principal – 1.1%

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.

STRATEGIC PLANNING

The 2015-2020 Strategic Plan for Atlanta Public Schools – created by the Atlanta Board of Education, School 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. It includes a mission that "with a caring culture

of trust and collaboration, every student will graduate ready for college and career," and a new vision for the School 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 School 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.

In four years, we have established the kinds of school leaders, culture, supports, programs, and partnerships that our students and families need and deserve. We continue to be committed to this work. Although change takes time, our students have demonstrated outstanding, measurable progress. Our work requires us to know the students and families we serve. In 2010, for white Atlanta Public Schools students, the median household income was $167,074. For black students that figure is $23,803. Deep, intergenerational poverty is at the heart of nearly every issue facing our students and schools. A kid born in poverty in Atlanta has only a 4.5% chance of achieving upward economic mobility. In fact, a Bloomberg analysis released in October 2018, ranked Atlanta the most unequal large city in the United States due to its income disparity.

Overcoming these challenges are larger than the school system, but we still work to achieve the vision and mission of the district through targeted goals and strategic initiatives.

2018 DISTRICT HIGHLIGHTS

Student Performance

- Cohort of 2018 reached a district high of 79.9 graduation rate. The APS graduation rate represents a 20.8 percentage point gain in four years and the highest rate the district has received since the state aligned Georgia-wide graduation rates with the national standard in 2012. Additionally, the cohort reported the largest number of APS graduates in recent years with 2,438 students – an increase of 82 students from the year before.
- The number of APS graduates taking the SAT and ACT has been steadily increasing over the past four years with an additional 250 students taking the SAT in 2018 for a total of 1,382 and an additional 52 graduates taking the ACT for a total of 1,753 when compared to the number of test takers in 2017.
- As part of a REACH Statewide Signing Day, APS welcomed 10 eighth grade students into the Realizing Educational Achievement Can Happen (REACH) Georgia scholarship program for the 2018-2019 school year.

Curriculum/School Achievements

- 34 APS Schools scored above 70 on the Georgia Department of Education's redesigned College and Career Ready Performance Index (CCRPI). Of which, 14 schools achieved an overall score at or above 80, 5 schools achieved an overall score above 90, and nine schools scored between 80 and 90. In addition, the District went from 16 schools on the Governor's Office of Student Achievement's Turnaround Eligible Schools List to 13 schools the list.

The list represents the schools that scored in the bottom five percent of schools in Georgia and have a three-year CCRPI average at or below 55.3.

- APS achieved its highest gains to-date in the percentage of students who scored proficient and above across all subjects on the 2018 Georgia Milestones End-of-Grade (EOG) assessments. At the school level, 64 APS schools saw gains overall in the percentage of students scoring proficient and above. All 17 of the District's Turnaround schools receiving targeted or partnership support – that is, those schools among the lowest performing – have improved since the implementation of the initiative two years ago.
- Two APS schools were selected as winners for a statewide award honoring the best schools in Georgia in STEM (Science, Technology, Engineering and Math) Education. Cleveland Avenue Elementary School and South Atlanta High School won in the elementary and high school divisions, respectively, of the Eighth Annual Technology Association of Georgia (TAG) and TAG Education Collaborative (TAG-Ed) STEM Education Awards.

LOCAL ECONOMY

The development of the fiscal year 2018 budget adhered to a consistent and transparent communications process that solicited input from multiple stakeholders. The budget was designed to drive the School District toward higher student outcomes by better aligning resources with the School District's mission.

Our major General Fund revenue stream for operations is property taxes, which generates 71.0% of the General Fund revenue. Property tax revenues for fiscal year 2018 increased by approximately $14.5 million over fiscal year 2017, due primarily to a 4.5% increase in taxable assessed property values (a result of the improved economic conditions in the Atlanta metropolitan area).

Our second major General Fund revenue stream is State revenue through the "Quality Basic Education" Act funding which represents 26.9% of General Fund revenue. In fiscal year 2018, QBE state aid of approximately $198.4 million was up from fiscal year 2017 by $4.4 million.

Despite the improvement in economic conditions in the Atlanta metropolitan area, locally Atlanta Public Schools has faced pressure due to issues with the local tax digest being frozen in 2017 and not approved in 2018. Temporary collection orders were issued each year to collect taxes and 2018 had one of the highest rate of property assessment appeals ever. The School District is actively monitoring the situation and planning for issues associated with this both long and short term.

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.

Voters in the City of Atlanta overwhelmingly approved the renewal of the E-SPLOST for APS, which will yield about $546 million for the School District from June 2017 through June 2022.

APS continues to leverage E-SPLOST dollars to transform our schools into safe and healthy learning environments that promote student attendance and academic success.

The School District will work even harder in fiscal year 2019 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, 2018. 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 $164 million. 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 2017. 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 2017. This is the eighth 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.

CLOSING

Again, we are pleased to present to the Atlanta community the CAFR for fiscal year 2018. 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 2018 – earned more than $143 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,



Meria J. Carstarphen, Ed.D
Superintendent



Lisa Bracken
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Atlanta Independent School District

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

Atlanta Independent School System

for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2017.

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

John D. Musso, CAE
Executive Director

ATLANTA INDEPENDENT SCHOOL SYSTEM

List of Principal Officials
June 30, 2018

SCHOOL SYSTEM BOARD MEMBERS



DISTRICT 1: LESLIE GRANT
lgrant@atlanta.k12.ga.us

Leslie Grant grew up just east of downtown Atlanta in Tucker, GA, graduated from Shamrock High School in DeKalb County, studied at: Berry College, Rome, GA as a charter member of the Chick-Fil-A WinShape Center scholarship program; Laval University, Quebec City, Quebec; the College of Architecture at The Georgia Institute of Technology, Atlanta, GA and The Cooper Union, New York, NY. Leslie worked in the offices of John Portman & Associates, Atlanta, GA, and in New York City for Peter Eisenman and Associates, architect Faruk Yorgancioglu, and Flatiron District photographer, Alan Kaplan.

Upon returning to Atlanta in 1993, Leslie worked in the commercial film industry as a location scout and location manager on various film and video projects including Bud Greenspan's Olympic Official Film in 1996.

Leslie and her husband Don have lived in Historic Grant Park since 1995 and have two children, Lucy and Will who have attended Atlanta Public Schools since kindergarten. Leslie was involved in the startup of both the Neighborhood Charter School in Grant Park (now the K-8, Atlanta Neighborhood Charter School) and the Grant Park Cooperative Preschool and has served on the boards of each school.

Leslie founded, created and Mother-Hen'd a small business focused on raising healthy kids from scratch, that operated from 2007-2012 called Chickin Feed. She has volunteered in schools throughout Georgia, serve as an advocate of eating REAL FOOD, Farm to School programs through work with Georgia Organics, Atlanta Farm to School, the Grant Park Farmers Market and other organizations.

In 2010, Leslie joined with a group of parents to advocate for a more rigorous high school offering for families in southeast Atlanta. This advocacy group, now known as SEACS (Southeast Atlanta Communities for Schools), builds awareness and educational community to better support all of the schools in SE Atlanta.

Leslie's service on the Atlanta Board of Education began in 2014 and continues today with additional service on the board of the Council of Great City Schools, the Audit Committee, the Atlanta Youth Commission, the Beltline Affordable Housing Advisory Board and the Student Attendance Protocol Committee. She currently works part-time at Emory University's Center for Mind, Brain, and Culture.

The Grants are long-time members of Morningside Presbyterian Church.



DISTRICT 2: BYRON D. AMOS bamos@atlanta.k12.ga.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.

His record of service to the community includes leading the community through the West Nile Virus scare of 2001; the Vine City sewage overflow and flood of 2002; investment of over $10 million on new housing in the Vine City area; acquisition of more than $2 million in private and public grant dollars for the community; increase of public greenspace in the neighborhood; improvement of communications among the community, schools and businesses in the area; and collaboration with law enforcement to reduce overall crime in the area. Despite the numerous challenges of the northwest Atlanta community, Byron has had a tremendous record of success by building strong collaborations with local, state and federal officials; educational institutions; businesses; and the philanthropic community. Throughout all of his accomplishments and difficult times, he has always remained accessible to those who have asked him for help. “Building capacity in our neighborhoods is a must, for I believe that the only way to create true and sustainable change in our communities is to become the change you want to see in the world,” says Byron.

In December 2011, Byron won a special election to fill an unexpired term for the Atlanta Educational District 2 seat. As a member of the Atlanta Board of Education, he has pledged to be an advocate for parents, teachers and students. He will also be an advocate to a complete educational system that must include math, science, literature, the arts and the return of vocational education.

Byron is the son of Johnny Amos Sr., a retired United States Postal Service employee, and Marietta G. Amos, who retired after 23 years of service in the Atlanta Public Schools system. Byron is a product of Atlanta Public Schools, attending M.M. Bethune Elementary and J.F. Kennedy Middle, graduating from Booker T. Washington High School, and going on to attend Howard University and Clark Atlanta University. Byron Amos is the proud father of three daughters and one son, and is married to Ms. Aisha Carter. He is a member of Beulah Baptist Church in Vine City, where he is a faithful servant on the trustee board.



DISTRICT 3: MICHELLE D. OLYMPIADIS michelle.olympiadis@atlanta.k12.ga.us

Michelle Olympiadis is the District 3 Representative of the Atlanta Board of Education. From the time Michelle was a preschool room parent, she has been engaged as an active parent, volunteer, and leader to support schools and great experiences for students. In the last three years, her roles have included:

2015 - Present, Member, State Advisory Panel, Georgia Department of Education (GaDOE)
2015 - Present, Member, Student Success Stakeholder Committee, GaDOE
2017 - Present, Inclusion Committee Chair, District 10, Georgia Parent Teacher Association (PTA)
2017-18, Parliamentarian, Morningside Elementary School (MES) PTA
2015 - 17, President, MES PTA
2016 - 17, Vice-President of Communication, District 10 Georgia PTA
2015 - 2017, Grady High School Cluster Advisory, Atlanta Public Schools (APS)
2015 - 2017, Inman Middle School Go Team, APS
2014 - 2017, Special Education Advisory Committee, APS
Michelle is currently employed with the Boys and Girls Clubs of America and previously employed with the Consulate General of France, The Coca-Cola Company and Wachovia Bank.

Michelle is a lifelong member of the Annunciation Greek Orthodox Cathedral of Atlanta and active in the philanthropic organizations affiliated with the Greek Orthodox Church, Philoptochos and the Daughters of Penelope.

A first generation American, her family emigrated from Greece to Atlanta in 1956. Since 1995 she and her family have resided in the city of Atlanta. An APS parent for over 10 years, she has three children, one each in high school, middle school and elementary school.



BOARD VICE-CHAIR DISTRICT 4: NANCY M. MEISTER nmeister@atlanta.k12.ga.us

As a parent and stakeholder, Nancy M. Meister is passionate about the future of 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 the 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).

As a member of the Atlanta Board of Realtors, Nancy is currently a residential real estate agent with Beacham and Company. Prior to joining Beacham, she worked in the Buckhead office of Harry Norman Realtors.

ACHIEVEMENTS

- $50 million-plus in career sales
- Top 15 producer in one of metro Atlanta's highest dollar volume offices
- Recipient of the Miss Emmie Award from Harry Norman, REALTORS for highest ethical and professional standards
- Life member, Million Dollar Club
- 2000 Rookie of the Year for outstanding performance
- Numerous professional designations, including senior marketing consultant (SMC), accredited buyer specialist (ABS), and eco-broker
- Licensed as an associate broker
- Atlanta Board of Realtors "Good Neighbor Award" in 2009 for making exceptional contributions to improve the quality of life in the community

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 then 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: ERIKA MITCHELL erika.mitchell@atlantak.12.ga.us

Atlanta native Erika Mitchell is a multi-talented professional and a highly accomplished athlete and local public servant. As a graduate of Alabama State University, she took advantage of a full athletic scholarship by winning numerous awards for her stellar athletic performance including the Indoor and Outdoor track and field South Western Athletics Conference (SWAC) Championships in 2001, 2002 and 2003.

Mitchell earned her Bachelor's Degree in Business Administration with a concentration in Computer Information Systems yielding her the knowledge and opportunities to work for major global brands such as The Coca-Cola Company, Cbeyond and Kodak as an Information Technology (IT) specialist.

While the scholarly athlete with a sturdy background in IT, she received a full scholarship from Esani Paul Mitchell partner school to become an licensed esthetics educator. Shortly after completing her educators degree, Mitchell began her teaching career at AVEDA Institute, where she taught histology and physiology of skin, created AVEDA first makeup artist curriculum and small business development. Mitchell also provided State Board certified Continue Educational Units to professional cosmetologist and estheticians.

Mitchell's passion for volunteering led her to volunteer her time to international pageants including Miss Africa USA, the Miss Latina US and the Miss Latin America Del Mundo pageant. Through her dedication to volunteer work, she managed to incorporate her business skills and her love for beauty and founded La Reina Pageant Productions in 2010, which also produces Atlanta Latino Fashion Week, Atlanta Caribbean Fashion Week, Miss Georgia Latina™, Miss Teen Georgia Latina™, Miss Alabama Latina and Miss Teen Alabama Latina pageants. As producer and state director, her vision is to mentor and create opportunities for Latinas and Caribbeans to pursue their goals and dreams while impacting the community through culture sharing and, most importantly, culture awareness. As the National Ambassador for the Arthritis Foundation, the President's Volunteer Service Awards, and the program advisor for Fuel Up to Play 60. Mitchell has served on boards and committees for the following organizations: NFL Alumni, Caribbean American Advancement Foundation and the Boys & Girls Club of Greater Atlanta.

Mitchell is committed to bridging the gap with non-profits organizations and for-profit companies to support each other businesses in order to better serve the diverse communities.



DISTRICT 6: ESHÉ P. COLLINS epcollins@atlantapublicschools.us

An Atlanta native and former teacher in Atlanta Public Schools, Eshé P. Collins never wavered from her strong passion for education. Beginning at a young age, she always knew the value of a solid education: a challenging curriculum, a system of great teachers, and strong family and community involvement. 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. Eshé also led the after-school, and summer tutoring programs for the Bowen Homes community and co-founded the "Reaching Back, Bridging Gaps" reading program, a community-based literacy initiative.

Eshé's work within urban settings has been the combination of her classroom, policy and legal experience on issues that address student achievement and equity in education. She analyzed national education issues and advocated for accessible healthcare at the Children's Defense Fund. Also, Eshe' worked in Cape Town, South Africa, where she helped refugee women and children access quality services and enrollment in local schools.

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 this role, she trains adults to teach and lead in their communities; works closely with parents to improve family involvement; and more importantly, inspires children to learn through the love of literacy. Within the program, Eshé has increased community involvement by 150 percent, which has resulted in community members' service of more than 15,000 hours in the classroom and community each year.

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.

Eshé is a woman of many accomplishments and continues to be an avid servant throughout the Atlanta community.



AT-LARGE-SEAT 7, DISTRICTS 1 AND 2: KANDIS WOOD JACKSON
kandis.woodjackson@atlanta.k12.ga.us

Kandis Wood Jackson is the At-Large Seat 7 representative on the Atlanta Board of Education. She also is a practicing attorney at the law firm of Alston & Bird LLP.

An Atlanta native, Kandis graduated from Duke University in 2008 and returned to Atlanta to teach 6th Grade Social Studies at KIPP WAYS Academy. In 2013, Kandis earned her law degree from Harvard Law School and, again, returned to Atlanta to practice law.

Kandis was elected to the Atlanta Board of Education in 2017. She is a member of the Young Lawyers Division Leadership Academy Class of 2016 and the LEAD Atlanta Class of 2017. Kandis also serves as the Vice Chair of the Board of the Atlanta Center for Self Sufficiency and a member of the Board of Trustees of Kenny Leon's True Colors Theatre Company.

Kandis lives in Midtown with her husband Adam and their dog Duke.



AT-LARGE SEAT 8, DISTRICTS 3 AND 4: CYNTHIA BRISCOE BROWN
cbriscoe_brown@atlanta.k12.ga.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. She has assisted several APS schools in forming their own nonprofit foundations and frequently donates her expertise to students with legal issues related to college and scholarship applications.

Cynthia serves or has served on the boards of the Calvin Center, the Atlanta Partnership for Arts in Learning, the Committee for Teaching About the United Nations/Atlanta, and the Alliance Francaise d'Atlanta, creating partnerships with each organization and opportunities for students and teachers across the city to improve their skills and enrich their lives. 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.

During the three terms that she and her husband served as co-presidents of North Atlanta Parents for Public Schools (NAPPS), Cynthia was a unifying force for the North Atlanta cluster of schools and APS as a whole. Cynthia emphasized positive community engagement by supporting APS schools and students, and developing and nurturing strong media relations. She reached out to cluster organizations and community groups across the city to identify common goals and provide a consistent voice for children throughout Atlanta.

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 worked to identify and creatively meet the needs of every student. She developed and ran a successful teacher incentive program to engage teachers, build collegiality and reward them for extraordinary support of their students and colleagues. 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.



CHAIR, AT-LARGE SEAT 9, DISTRICTS 5 AND 6: JASON ESTEVES
jesteves@atlantapublicschools.us

Jason Esteves currently serves as an at-large representative on the Atlanta Public Schools Board of Education. He was elected on December 4, 2013 and has focused his efforts at promoting equity and improving the financial outlook of the school system. As an attorney and former educator, Jason is working to ensure every child in Atlanta Public Schools obtains an education that prepares them for college and career.

After graduating from the University of Miami, Jason devoted himself to teaching at an under-performing school in a low-income neighborhood. He worked countless hours with students, teachers, and parents to ensure his kids had the resources they needed to succeed. This experience gave Jason insights into the challenges our children face and the importance of public schools that help children overcome those challenges.

Today, Jason serves as Assistant General Counsel at Equifax Inc., where he manages litigation matters for the company. He was an associate at the law firm of McKenna Long & Aldridge LLP (now Dentons US LLP) after graduating from Emory University School of Law. Jason also serves on various boards of local non-profits, and believes that partnerships with non-profits are vital to ensuring our children have the wraparound services they need to be able to focus on their education and development.

A native of Georgia, Jason was raised in Columbus, Georgia by his parents, Linda and Fernando, a retired Army veteran. At an early age, his parents instilled in him the importance of public service and a good education. Those values are the foundation upon which Jason serves today.

Jason is married to Ariel, a graduate of Kennesaw State University and Emory University's School of Nursing graduate program. Jason met Ariel while he attended Emory Law School. Ariel is a Director at CareSource, serving low-income families across Georgia. Jason and Ariel are proud parents of their son, Jaeden and reside in northwest Atlanta.

ATLANTA INDEPENDENT SCHOOL SYSTEM

APPOINTED OFFICIALS
JUNE 30, 2018

SUPERINTENDENT

Meria J. Carstarphen, Ed.D

SENIOR CABINET

David Jernigan..…….....Deputy Superintendent

Glenn Brock…….……..General Counsel

Skye Duckett……...……..…….....……..... Chief Human Resources Officer

Lisa Bracken…….……..…….Chief Financial Officer

William (Bill) Caritj.……...Chief Accountability & Information Officer

Larry Hoskins…….Chief Operating Officer

Angela King Smith…….Chief Engagement Officer

ATLANTA INDEPENDENT SCHOOL SYSTEM

Superintendent of Schools
June 30, 2018



Meria Joel Carstarphen, Ed.D., is the superintendent of Atlanta Public Schools (APS) where she leads the district's nearly 52,000 students, 6,000 full-time employees, and 89 schools, and oversees the system's $1 billion annual budget. Prior to serving in Atlanta, she was superintendent in diverse, major metropolitan public school districts, including Austin, Texas and Saint Paul, Minnesota.

In 2014, Dr. Carstarphen was charged with leading the transformation of APS. She has worked to restore organizational integrity and create a student-focused culture not driven by adult agendas. Through her leadership, the District has moved away from an over-reliance on high-stakes testing to emphasize whole-child development.

During her tenure, APS is seeing improvements:

- The District's graduation rate has increased by 20.8 percentage points from 59.1 percent in 2014 to 79.9 percent in 2018, which is the highest graduation rate the District has achieved since the state aligned with the national standard in 2012.
- The school system achieved its highest gains to-date in the percentage of students who scored proficient and above on all subjects on the 2018 Georgia Milestones End-of-Grade assessments (English Language Arts, Mathematics, Science, and Social Studies) and the District narrowed the performance gap with the State on all four End-of-Grade subjects.
- APS achieved year-over-year gains in the percentage of students scoring proficient and above on 18 of 24 (75%) End-of-Grade and End-of-Course assessments compared to gains in just over half (52%) in the previous year, and the District has seen longitudinal gains in the six End-of-Course subjects it has administered since the 2015 baseline year.
- The number of engaged employees increased significantly in 2018 (40%) compared to 2016 (29%), accounting for the largest year-over-year increase that APS has seen since this work began in 2014.
- Through the District's social and emotional learning initiative and its restorative practice efforts, the number of student arrests is down by 34% and student suspension rates have decreased overall.
- For the first time in seven years, APS is no longer disproportionate for the over suspension of African-American students with disabilities.
- The District increased the number of Career Technical and Agricultural Education (CTAE) pathway completers from 876 in 2017 to 1,083 in 2018 with 70.4% of the students earning an industry credential.
- APS' college-going rate has continued to increase, climbing seven percentage points from 2016 to 2017, and 60% of the 2017 on time graduate cohort were enrolled in two or four-year institutions.

As part of her community involvement, she serves on the boards of the Atlanta Ballet and the Woodruff Arts Center, and serves on the President's Council for Tulane University. In addition, she serves on the visiting committee for the Harvard Graduate School of Education, and as a Commissioner with the Aspen Institute's AspenSEAD (Social Emotional and Academic Development). She is an honorary member of the Junior League of Atlanta, a member of Leadership Atlanta, and a member of the Rotary Club of Atlanta.

She is honored and humbled to be the recipient of numerous awards including: the American Federation of State and County Municipal Employees and the Georgia Federation of Public Service Employees Superintendent of the Year (2018); Newcomb Alumnae Association at Tulane University Outstanding Alumna Award (2018); Anti-Defamation League Torch of Liberty Award (2017); Atlanta Magazine's Women Making A Mark (2017); Georgia Trend Magazine Top 100 Most Influential Georgians (2017, 2016); Atlanta Business Chronicle Most Admired CEO Awards (2017, 2016, 2015); Cool Girls, Cool Woman of the Year (2016); YWCA's Academy Of Women Achievers Award (2015); Austin Chapter of the NAACP DeWitty/Overton Freedom Award (2013); Greater Austin Chamber of Commerce Superintendent of the Year Award (2011).

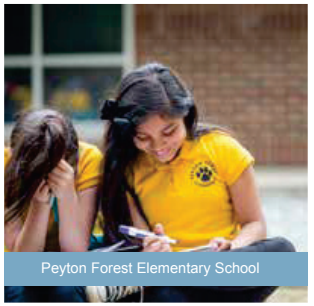
Dr. Carstarphen earned her doctorate from the Harvard Graduate School of Education, master of education degrees from Auburn University and Harvard University, and a bachelor of arts in political science and Spanish from Tulane University. She has also studied at the University of Seville, Spain, and University of Innsbruck, Austria. Dr. Carstarphen began her education career as a middle school teacher in her hometown of Selma, Ala. She also has worked with elementary-level children in Seville, Spain, and Caracas, Venezuela.

Dr. Carstarphen is passionate about public education, leading APS and living its mission every day: With a caring culture of trust and collaboration, every student will graduate ready for college and career.

ATLANTA PUBLIC SCHOOLS

www.atlantapublicschools.us

Organizational Chart


Peyton Forest Elementary School

Public

Board Office

Office of Internal Compliance

Atlanta Board of Education

Superintendent
Dr. Meria J. Carstarphen

Special Assistant to the Superintendent
Erica Long

Deputy Superintendent
David Jernigan

- **Teaching & Learning** — Olivine Roberts
- **School Turnaround** — Raynise Smith
- **Student Programs & Services** — Tammie Workman
- **Federal Programs: Title I & Title II** — Kathleen Yarbrough
- **Associate Superintendents for Schools** — Danielle Battle, Yolanda Brown, Emily Massey, Dan Sims, Tommy Usher
- **Office of Innovation** — Gayle Burnett
- **School Support** — Kelly Day

Chief Operating Officer
Larry Hoskins

- **Facilities Services** — Alvah Hardy
- **Safety & Security** — Marquenta Sands Hall
- **Nutrition** — Marilyn Hughes
- **Transportation** — John Franklin

Chief Financial Officer
Lisa Bracken

- **Procurement & Warehouse Services** — Alisa Morningstar
- **Payroll & Benefits/ Risk Management** — Saundra Burgess
- **Accounting Services**
- **Budget Services**

Chief Engagement Officer
Angela King Smith

- **Partnerships & Development** — Rachel Sprecher
- **Communications & Public Engagement** — Ian Smith
- **Charter System & Governance** — Carolyn Barnett
- **Family Engagement** — Sonya Hunte
- **Strategic Management & Organizational Change** — Ashley Layne, Melvynne Reed, Travis Norvell

Chief Accountability & Information Officer
William Caritj

- **Data & Information Group** — Michael Lamont
- **Information Technology** — Femi Aina
- **Instructional Technology** — Aleigha Henderson-Rosser

Chief Human Resources Officer
Skye Duckett

- **Talent Management** — Nicole Lawson
- **HR Services** — Holly Morales
- **Employee Relations** — George Williams

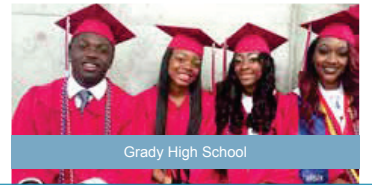
General Counsel
Glenn Brock

- **Deputy Chief** — Laurance Warco


Inman Middle School


Bunche Middle School


Toomer Elementary School


Grady High School



2018

FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

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, 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, 2018, 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Atlanta Independent School System as of June 30, 2018, and the respective changes in financial position 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 Notes I, O, and T, the School System implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of July 1, 2017. This standard significantly changed the accounting for the School System's Total OPEB Liability and the related disclosures. 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 Proportionate Share of the Net Pension Liability (Teachers Retirement System of Georgia), the Schedule of School System's Contributions (Teachers Retirement System of Georgia), the Schedule of Changes in the School System's Net Pension Liability and Related Ratios (City of Atlanta General Employees' Pension Fund), the Schedule of School System's Contributions (City of Atlanta General Employees' Pension Fund), the Schedule of Proportionate Share of the Net OPEB Liability (School OPEB Fund), the Schedule of School System's Contributions – School OPEB Fund, and the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual as listed in the table of contents to 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 other supplementary information section, as listed in the accompanying table of contents, and the schedule of expenditures of federal awards, as required by Title 2, U.S. *Code of Federal Regulations* (CFR), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as well as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Information (Continued)

The other supplementary information section and the schedule of expenditures of federal awards 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 other supplementary information section and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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 February 20, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School System's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 20, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

ATLANTA INDEPENDENT SCHOOL SYSTEM
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

The discussion and analysis of the Atlanta Independent School System's financial performance provides an overview of the fiscal year ended June 30, 2018. 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:

- 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.

- 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.

- Notes to the Basic Financial Statements.

This report also presents the highlights for the fiscal year ended June 30, 2018 and contains other supplementary information.

FINANCIAL HIGHLIGHTS

Overall, net position in fiscal year 2018 increased by 33.2% over fiscal year 2017. This was primarily due to an increase in tax revenues. The key financial highlights for fiscal year 2018 as represented are the following:

- Total net position for the School System increased from approximately $122.80 million in fiscal year 2017 (as restated) to approximately $163.58 million in fiscal year 2018, an increase of approximately $40.78 million or 33.2% due to an increase in revenues.

- Total revenues increased from approximately $919.47 million in fiscal year 2017 to approximately $944.98 million in fiscal year 2018, an increase of approximately $25.51 million or 2.8%.

- Total expenses decreased approximately $6.86 million or .75% from approximately $911.06 million in fiscal year 2017 to approximately $904.20 million in fiscal year 2018.

- Beginning net position was restated by $433,804,723 (a decrease in beginning net position) due to the implementation of GASB 75 related to the recognition of beginning net OPEB liability and related deferred outflows of resources for the first time in fiscal year 2018.

OVERVIEW OF FINANCIAL STATEMENTS

The School System has prepared its annual financial reports according to the Governmental Accounting Standards Board No. 34 financial operating model. The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The Government–wide financial statements are designed to provide 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, deferred outflows and inflows of resources, 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, deferred outflows and inflows of resources, and liabilities, with the difference between these items 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).

The Statement of Net Position and Statement of Activities for the School System has one type of activity, 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, nutrition, and central support.

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

	Primary Government		
	Governmental Activities		
	2018	Restated 2017	Percentage change
Current and other assets	$ 279.23	$ 226.90	23.1%
Net capital assets	1,374.69	1,407.00	-2.3%
Total assets	1,653.92	1,633.90	1.2%
Deferred outflows of resources	165.13	235.83	-30.0%
Long-term debt outstanding	1,491.74	1,638.42	-9.0%
Other liabilities	84.06	82.76	1.6%
Total liabilities	1,575.80	1,721.18	-8.4%
Deferred inflows of resources	79.68	25.75	209.4%
Net position			
Net investment in capital assets	1,294.40	1,322.36	-2.1%
Restricted for debt service	3.14	3.44	-8.7%
Restricted for capital projects	106.15	51.30	106.9%
Restricted for school nutrition program	10.39	9.67	7.4%
Restriced for state and local programs	1.96	1.06	84.9%
Unrestricted (Deficit)	(1,252.46)	(1,265.03)	-1.0%
Total net position	$ 163.58	$ 122.80	33.2%

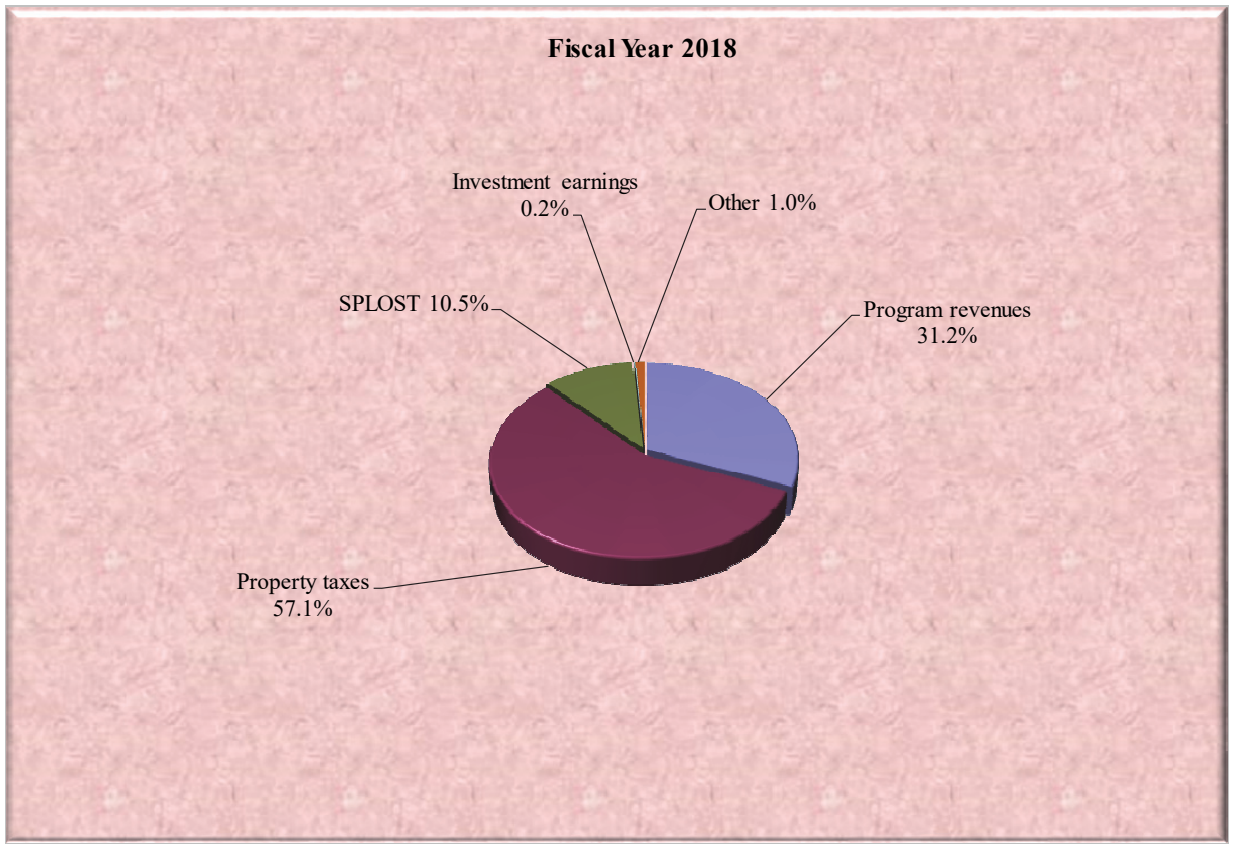
- **Total assets** increased by roughly $20.02 million or 1.2%.
- **Current and other assets** increased by roughly $52.33 million or 23.1%.
- **Capital assets, net of accumulated depreciation** for all governmental activities decreased by roughly $32.31 million. The decrease primarily due to depreciation expenses in the current fiscal year offset by current year additions.
- **Long-term debt outstanding and obligations** decreased by roughly $146.68 million or 9.0%. The decrease was primarily due to a decrease in the net pension liability, net OPEB liability, and scheduled payments of outstanding debt during the current fiscal year.

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

	Primary Government		
	Governmental Activities		
	2018	Restated 2017	Percentage Change
Revenues			
Program revenues			
Charges for services	$ 4.65	$ 6.29	-26.1%
Operating grants and contributions	287.84	289.89	-0.7%
Capital grants and contributions	1.88	4.93	-61.9%
General revenues			
Property taxes, levied for general purposes	539.73	514.30	4.9%
Special Purpose Local Option Sales Tax	99.59	93.79	6.2%
Investment earnings	1.63	1.16	40.5%
Grants and Contributions not restricted to specific programs	9.63	7.53	27.9%
Property taxes levied for debt service	0.03	0.67	-95.5%
Gain on sale of capital assets	-	0.91	0.0%
Total Revenues	944.98	919.47	2.8%
Expenses:			
Instruction	548.54	538.60	1.8%
Support Services:			
Pupil services	53.70	52.33	2.6%
Improvement of instructional services	49.95	49.46	1.0%
Educational media	7.62	8.79	-13.3%
Federal grant administration	2.00	2.24	0.0%
General administration	12.36	11.23	10.1%
School administration	38.90	43.65	-10.9%
Business administration	7.86	9.68	-18.8%
Maintenance and operation of facilities	97.95	105.89	-7.5%
Student transportation	31.62	34.41	-8.1%
Central support	20.98	18.92	10.9%
Nutrition	27.02	30.47	-11.3%
Other support services	1.00	0.98	2.0%
Interest and fiscal charges	4.70	4.41	6.6%
Total Expenses	904.20	911.06	-0.8%
Change in Net Position	$ 40.78	$ 8.41	384.9%
Beginning Net Position, as restated	122.80	114.39	
Ending Net Position	$ 163.58	$ 122.80	

Primary Government

Sources of Revenues



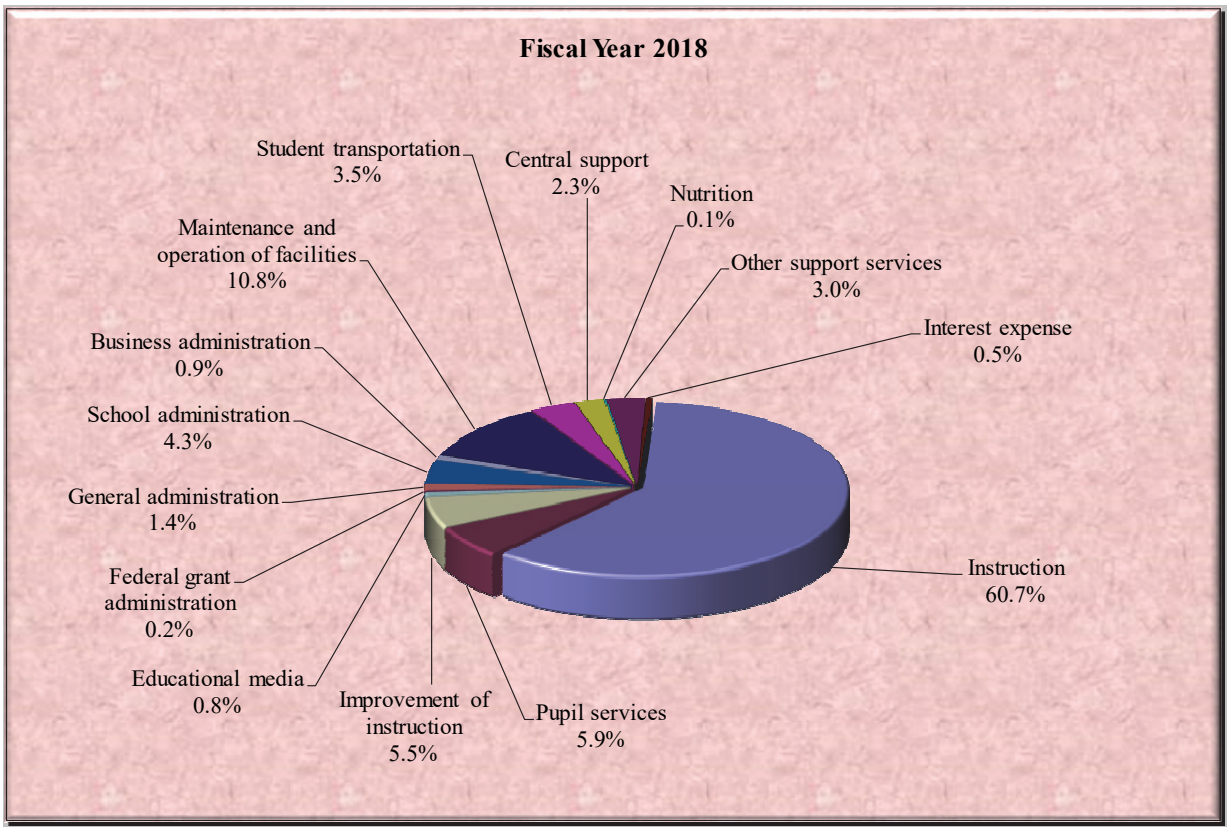
Total revenues, increased $25.51 million or 2.8% from fiscal year 2017 to fiscal year 2018. This change is mainly due to an increase in property and SPLOST taxes.

- Program revenues are primarily grant related and account for approximately $294.37 million or 31.2% of total revenues received and include State Quality Basic Education (QBE) revenue.

- General revenues are composed of property taxes, SPLOST and other revenues and they account for 68.8% or $650.61 million of total revenues received in fiscal year 2018.

Primary Government

Expenses



Total expenses decreased from 2017 to 2018 by 0.8% or $6.86 million. This decrease is primarily due to the decrease in the net pension liability and net OPEB liability.

- Four groups of activities account for 89.5% or $809.26 million of governmental spending: instruction ($548.54 million or 60.7%); pupil services and improvement of instructional services ($103.65 million or 11.5%); administration and business services ($59.12 million or 6.5%); and maintenance and operations ($97.95 million or 10.8%).

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

	Total Cost of Services			Net Cost of Services		
	2018	2017	Percentage Change	2018	2017	Percentage Change
Instruction	$ 548.54	$ 538.60	1.8%	$ 385.98	$ 382.20	1.0%
Support Services :						
Pupil services	53.69	52.33	2.6%	32.60	28.84	13.0%
Improvement of instructional services	49.96	49.46	1.0%	30.30	21.91	38.3%
Educational media	7.62	8.79	-13.3%	5.08	6.43	-21.0%
Federal grant administration	1.99	2.24	-11.2%	0.04	0.10	-60.0%
General administration	12.36	11.23	10.1%	7.50	7.08	5.9%
School administration	38.89	43.65	-10.9%	28.47	32.35	-12.0%
Business administration	7.86	9.68	-18.8%	5.80	7.60	-23.7%
Maintenance and operation of facilities	97.95	105.89	-7.5%	74.90	82.92	-9.7%
Student transportation	31.62	34.41	-8.1%	22.04	24.24	-9.1%
Central support	20.98	18.92	10.9%	14.27	13.00	9.8%
Other support services	1.04	0.98	6.1%	0.72	0.46	56.5%
Nutrition	27.02	30.47	-11.3%	0.85	1.82	-53.3%
Interest and fiscal charges	4.68	4.41	6.1%	1.28	1.00	28.0%
Total Expenses	$ 904.20	$ 911.06	-0.8%	$ 609.83	$ 609.95	0.0%

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 remained approximately the same.

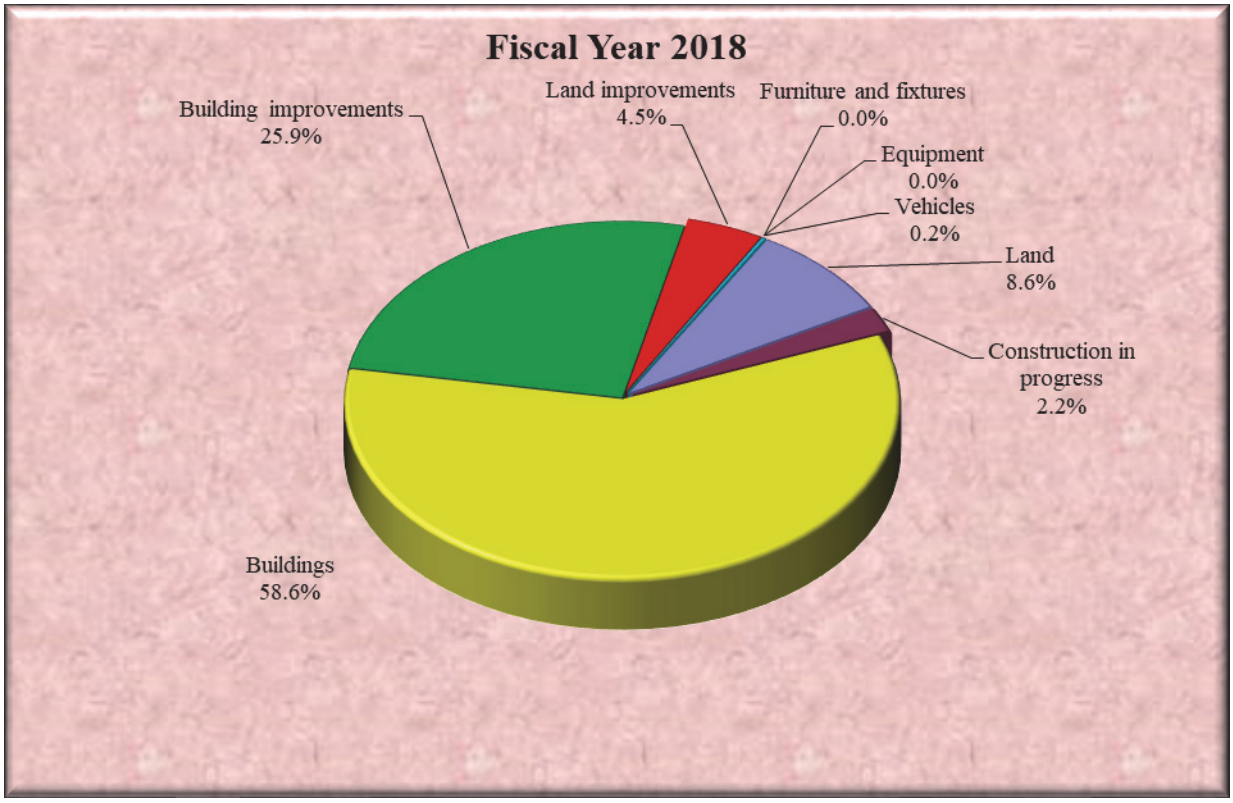
Capital Assets

Capital assets, net of accumulated depreciation for governmental activities for the District was $1.4 billion. The following table provides a summary of capital asset activity:

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

	Primary Government		
	Governmnetal Activities		
	2018	2017	Percentage change
Land	$ 117.79	$ 117.80	0.0%
Construction in progress	30.19	133.28	-77.3%
Buildings	805.77	828.09	-2.7%
Building improvements	356.24	281.68	26.5%
Land Improvements	62.05	42.24	46.9%
Furniture and fixtures	0.01	0.01	0.0%
Equipment	0.37	0.84	-56.0%
Vehicles	2.27	3.06	-25.8%
Total	$ 1,374.69	$ 1,407.00	-2.3%

Construction in Progress and Buildings



SPLOST V 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 approximately $1.5 billion. The following table provides a summary of long term debt activity:

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

	Total School System		
	2018	Restated 2017	Percentage change
Capital leases	$ -	$ 1.07	-100.0%
Intergovernmental agreement-City of Atlanta	3.42	3.61	-5.3%
ERS, Inc (COPS, Series 2006/2007)	3.50	4.28	-18.2%
ERS, Inc (COPS, Series 2011A)	72.46	72.46	0.0%
Net pension liability	987.37	1,097.87	-10.1%
Net OPEB liability	415.13	449.21	-7.6%
Compensated absences	4.62	3.98	16.1%
Contingent Liabilities - Legal	0.01	0.02	-50.0%
Workers' compensation	5.23	5.92	-11.7%
	$ 1,491.74	$ 1,638.42	-9.0%

Outstanding long-term debt and obligations decreased in the current fiscal year due to the decrease in the net pension liability, net OPEB liability and scheduled payments on outstanding debt during the current fiscal year. For more detailed information on the School System's long-term debt, see Note 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 two 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.

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 table presents a summary of the General Fund, Capital Projects Fund, and other non-major governmental funds by type of revenue (including other financing sources but excluding transfers in) for the fiscal year ended June 30, 2018 as compared to June 30, 2017.

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

	Governmental Funds			
	2018	2017	Increase (Decrease)	Percentage Change
Local taxes	$ 532.70	$ 518.22	$ 14.48	2.8%
Sales taxes income	99.59	93.79	5.80	6.2%
State revenues	207.69	202.95	4.74	2.3%
Federal revenues	75.01	86.27	(11.26)	-13.1%
Investment income	1.63	1.16	0.47	40.5%
Facility rental fees	1.25	1.26	(0.01)	-0.8%
Tuition charges	0.02	0.01	0.01	100.0%
Charges for services	3.36	4.98	(1.62)	-32.5%
Other	16.81	12.39	4.42	35.7%
Proceeds from sale of capital assets	0.43	1.20	(0.77)	-64.2%
Total Revenues and other financing sources	$ 938.49	$ 922.23	$ 16.26	1.8%

The following table presents a summary of the General Fund, Capital Projects Fund, Title I Fund, and other governmental funds by type of expenditures for the fiscal year ended June 30, 2018 as compared to June 30, 2017.

Table 7 - Expenditures (in millions of dollars)

	2018	2017	Increase (Decrease)	Percentage Change
Instruction	$ 515.50	$ 498.66	$ 16.84	3.4%
Support services				
Pupil services	52.87	51.03	1.84	3.6%
Improvement of instructional services	49.13	47.97	1.16	2.4%
Educational media	7.46	8.42	(0.96)	-11.4%
Federal grant administration	1.94	2.15	(0.21)	-9.8%
General administration	11.76	11.07	0.69	6.2%
School administration	38.46	41.86	(3.40)	-8.1%
Business administration	7.67	7.68	(0.01)	-0.1%
Maintenance and operation of facilities	87.84	87.97	(0.13)	-0.1%
Student transportation	31.56	34.02	(2.46)	-7.2%
Central support	20.79	18.42	2.37	12.9%
Other support services and nutrition	1.02	0.97	0.05	5.2%
Nutrition	25.82	30.37	(4.55)	-15.0%
Capital outlays	35.78	51.66	(15.88)	-30.7%
Debt service	6.76	13.76	(7.00)	-50.9%
Total Expenditures	894.36	906.01	(11.65)	-1.3%
Excess (deficiency) of revenues over (under) expenditures - See Table 6	44.14	16.23	27.91	
Transfers in	2.71	2.55	0.16	
Transfers out	(2.71)	(2.55)	(0.16)	
Fund Balances, Beginning of Fiscal Year	142.89	126.66	16.23	
Fund Balances, End of Fiscal Year	$ 187.03	$ 142.89	$ 44.14	

Analysis of Major Funds

The School System has three major funds: the General Fund, Capital Projects Fund, and Title I 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. The Title I Fund is use to account for federal grant funds passed through the Georgia Department of Education to provide remedial education in the areas of reading and mathematics.

General Fund

As of June 30, 2018, total fund balance in the General Fund was approximately $71.08 million. This balance includes $0.24 million nonspendable, $3.14 million restricted, $1.42 million committed, $8.67 million assigned, and $57.61 million unassigned fund balance. As a result of operations in fiscal year 2018, the fund balance decreased by approximately $14.53 million. The decrease in fund balance is attributable to an increase in the School District's priorities.

Capital Projects Fund

As of June 30, 2018, total fund balance in the Capital Projects Fund was approximately $101.82 million. This balance includes $101.82 million restricted. The fund balance increased by $57.36 million due primarily to higher SPLOST collections than anticipated and SPLOST IV funds remaining.

Title I Fund

As of June 30, 2018, the Title I Fund has a zero fund balance as the fund is used to account for a reimbursable grant and therefore, revenues equaled expenditures.

Other Governmental Funds

As of June 30, 2018, total fund balance in Nonmajor Governmental Funds was $14.13 million. This balance included approximately $0.32 million in nonspendable, $12.02 million restricted, $1.79 million assigned and -$0.02 million in unassigned. The fund balance increased by $1.31 million due primarily to a decrease in student meal participation which resulted in an overall decrease in nutrition expenditures.

Current Issues

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

The Fulton County Board of Commissioners voted to freeze a portion of the tax digest for reassessed residential properties at 2017 levels, their decision resulted in a delay in payment of tax revenues in the amount of $485 million, greatly impacting operating cash flows prompting the District to issue a Tax Anticipation Note (TAN). In 2018, the 2017 digest had still not been approved when the new one was submitted. The rate of appeals was so high that the Department of Revenue rejected the digest forcing another temporary collection order; however, this year a smaller amount and short duration was needed due to planning efforts.

The Appropriations Act for fiscal year 2019 establishes maintenance of the employer contributions for the Teachers Plan. The fiscal year 2019 annualized teachers plan employer contribution rate is a monthly amount of $945.00 for each certified employee enrolled in the plan and continuing until changed by Board resolution. This was the same amount as fiscal year 2018.

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.

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

Function	Amount	Explanation
Pupil Services	$1,950,534	Amount includes local school activity funds
General Administration	$1,330,773	Actual expenditures exceeded budget due to increase in Purchase Professional & Technical Services
Maintenance and operation of facilities	$85,708	Actual expenditures exceeded budget due to salary and benefits
Other Support Services	$3,377	Actual expenditures exceeded budget due to increase in Residential Facilties
Principal Payments	$1,547,181	Actual payments exceeded budget due to payoff of capital leases.
Interest and fiscal charges	$376,561	Actual expenditures exceeded budget due to unexpected TAN

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

Function	Amount	Explanation
Instruction	$ 5,456,910	Increase for Summer School, Charter Schools, and additional funding from Title I to the Consolidated Fund and other State Grants.
Pupil services	$ 1,658,225	Additional funding from Title I to the Consolidated Fund and additional funding for the Athletics department
Improvement of instructional services	$(2,167,187)	Realignment of funds to other function groups and Charter Schools
Educational media	$ (277,763)	Realignment of funds to other function groups
General administration	$ 726,384	Realignment of funds from other function groups
School administration	$ (710,531)	Realignment of funds to other function groups
Business administration	$ 675,353	Increase for the TAN
Maintenance and operation	$ 567,584	Additional funding from the Charter School Facility Grant
Student transportation	$ 586,065	Transportation Insurance and additional funding for equipment
Central support	$ 1,415,868	Realignment of funds from other function groups
Other support services	$ (138,503)	Reduction of Residential Facility Grant award

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.



2018

BASIC FINANCIAL STATEMENTS

ATLANTA INDEPENDENT SCHOOL SYSTEM

Statement of Net Position

June 30, 2018

	Primary Government
	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	$ 206,594,613
Receivables (net of allowance for uncollectibles):	
Taxes	21,699,609
Other	429,070
Due from other governments	49,946,272
Inventory	323,707
Prepaid items	239,347
Total Current Assets	279,232,618
Noncurrent Assets:	
Capital Assets:	
Nondepreciable capital assets	147,982,098
Depreciable capital assets, net	1,226,711,702
Total Noncurrent Assets	1,374,693,800
TOTAL ASSETS	1,653,926,418
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	150,194,616
OPEB related items	14,939,612
TOTAL DEFERRED OUTFLOWS OF RESOURCES	165,134,228
LIABILITIES	
Current Liabilities:	
Accounts payable	35,375,204
Contracts payable	3,737,250
Accrued liabilities	44,329,448
Retainage payable	601,715
Due to other governments	10,741
Compensated absences payable, current portion	3,955,816
Certificates of participation, current portion	820,000
Claims payable, current portion	2,512,288
Intergovernmental agreement, current portion	227,300
Contingent liabilities, current portion	10,000
Total Current Liabilities	91,579,762
Noncurrent Liabilities:	
Compensated absences payable	664,399
Certificates of participation	75,130,000
Claims payable	2,721,155
Intergovernmental agreement	3,196,999
Net pension liabilities	987,373,935
Net OPEB liability	415,128,962
Total Noncurrent Liabilities	1,484,215,450
TOTAL LIABILITIES	1,575,795,212
DEFERRED INFLOWS OF RESOURCES	
Pension related items	38,476,731
OPEB related items	41,206,306
TOTAL DEFERRED INFLOWS OF RESOURCES	79,683,037
NET POSITION	
Net investment in capital assets	1,294,404,835
Restricted for:	
Debt service	3,141,762
Capital projects	106,154,051
School nutrition program	10,389,160
Other state and local programs	1,956,765
Unrestricted (deficit)	(1,252,464,176)
TOTAL NET POSITION	$ 163,582,397

See accompanying notes to the basic financial statements.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Statement of Activities

For the Fiscal Year Ended June 30, 2018

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
PRIMARY GOVERNMENT:					
Governmental Activities:					
Instruction	$ 548,543,131	$ 16,726	$ 160,660,230	$ 1,882,627	$ (385,983,548)
Support services:					
Pupil services	53,690,214	2,367,520	18,720,540	-	(32,602,154)
Improvement of instructional services	49,949,929	-	19,644,884	-	(30,305,045)
Educational media	7,622,141	-	2,538,834	-	(5,083,307)
Federal grant administration	1,990,551	-	1,944,538	-	(46,013)
General administration	12,355,629	-	4,849,452	-	(7,506,177)
School administration	38,891,016	-	10,413,733	-	(28,477,283)
Business administration	7,862,778	-	2,082,577	-	(5,780,201)
Maintenance and operation of facilities	97,953,163	1,252,305	21,803,899	-	(74,896,959)
Student transportation	31,621,678	-	9,586,627	-	(22,035,051)
Central support	20,976,023	-	6,701,941	-	(14,274,082)
Other support services	1,044,426	-	325,174	-	(719,252)
Nutrition	27,023,594	1,017,616	25,158,104	-	(847,874)
Interest and fiscal charges	4,682,822	-	3,405,852	-	(1,276,970)
Total Governmental Activities	904,207,095	4,654,167	287,836,385	1,882,627	(609,833,916)
Total - Primary Government	$ 904,207,095	$ 4,654,167	$ 287,836,385	$ 1,882,627	(609,833,916)

GENERAL REVENUES:	
Taxes:	
Property taxes levied for general purposes	539,738,290
Property taxes levied for debt service	32,014
Special purpose local option sales tax	99,589,667
Unrestricted grants and contributions	9,626,231
Unrestricted investment earnings	1,630,356
Total General Revenues	650,616,558
Change in Net Position	40,782,642
NET POSITION, beginning of fiscal year, as restated	122,799,755
NET POSITION, end of fiscal year	$ 163,582,397

See accompanying notes to the basic financial statements.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Balance Sheet

Governmental Funds

June 30, 2018

	General Fund	Capital Projects Fund	Title I Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 91,592,850	$ 101,012,813	$ -	$ 13,988,950	$ 206,594,613
Receivables (net of allowance for uncollectibles):					
Taxes	13,333,878	8,365,731	-	-	21,699,609
Other	113,721	-	-	315,349	429,070
Due from other governments	35,796,336	-	10,752,865	3,397,071	49,946,272
Prepaid items	239,347	-	-	-	239,347
Inventory	-	-	-	323,707	323,707
Due from other funds	15,352,303	-	-	3,372,308	18,724,611
TOTAL ASSETS	$ 156,428,435	$ 109,378,544	$ 10,752,865	$ 21,397,385	$ 297,957,229
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 32,982,264	$ 2,345,055	$ -	$ 47,885	$ 35,375,204
Contracts payable	-	3,737,250	-	-	3,737,250
Accrued liabilities	42,800,459	-	-	114,806	42,915,265
Retainage payable	-	601,715	-	-	601,715
Due to other governments	-	-	-	10,741	10,741
Due to other funds	-	879,438	10,752,865	7,092,308	18,724,611
TOTAL LIABILITIES	75,782,723	7,563,458	10,752,865	7,265,740	101,364,786
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	9,462,335	-	-	-	9,462,335
Unavailable revenues - intergovernmental	103,938	-	-	-	103,938
TOTAL DEFERRED INFLOWS OF RESOURCES	9,566,273	-	-	-	9,566,273
FUND BALANCES					
Nonspendable:					
Prepaid items	239,347	-	-	-	239,347
Inventory	-	-	-	323,707	323,707
Restricted:					
School nutrition program	-	-	-	10,065,453	10,065,453
Debt service	3,141,762	-	-	-	3,141,762
Capital projects	-	101,815,086	-	-	101,815,086
Other state and local programs	-	-	-	1,956,765	1,956,765
Committed:					
School based activities	1,421,131	-	-	-	1,421,131
Assigned:					
Instructional and student services	2,673,787	-	-	-	2,673,787
Administration	2,218,544	-	-	-	2,218,544
Facilities and transportation	3,776,707	-	-	-	3,776,707
Local school programs	-	-	-	1,788,459	1,788,459
Unassigned	57,608,161	-	-	(2,739)	57,605,422
TOTAL FUND BALANCES	71,079,439	101,815,086	-	14,131,645	187,026,170
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 156,428,435	$ 109,378,544	$ 10,752,865	$ 21,397,385	$ 297,957,229

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, 2018

TOTAL GOVERNMENTAL FUND BALANCES		$ 187,026,170
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Nondepreciable	$ 147,982,098	
Depreciable, net of accumulated depreciation	1,226,711,702	1,374,693,800
Other assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds.		9,566,273
Deferred outflows of resources and deferred inflows of resources related to the School System's pension and OPEB plans are applicable to future periods and, therefore, are not reported in the governmental funds.		
Contributions subsequent to the measurement date	122,823,885	
Changes in proportion and differences between School System contributions and proportionate share of contributions	10,351,811	
Differences resulting from changes in actuarial assumptions	11,763,688	
Gains or losses resulting from differences between expected and actual experience	20,073,426	
Net difference between projected and actual earnings on pension and OPEB plans' investments	121,418	
Net difference between projected and actual earnings on pension and OPEB plans' investments	(6,263,991)	
Differences resulting from changes in actuarial assumptions	(31,611,011)	
Gains or losses resulting from differences between expected and actual experience	(13,581,593)	
Changes in proportion and differences between School System contributions and proportionate share of contributions	(28,226,442)	85,451,191
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest payable	(1,414,183)	
Certificates of participation	(75,950,000)	
Intergovernmental agreement - City of Atlanta	(3,424,299)	
Compensated absences	(4,620,215)	
Workers compensation claims payable	(5,233,443)	
Contingent liabilities	(10,000)	
Net pension liabilities	(987,373,935)	
Net OPEB liability	(415,128,962)	(1,493,155,037)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 163,582,397

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, 2018

	General Fund	Capital Projects Fund	Title I Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Local taxes	$ 532,696,413	$ -	$ -	$ -	$ 532,696,413
Sales tax income	-	99,589,667	-	-	99,589,667
State revenues	201,961,932	-	-	5,736,939	207,698,871
Federal revenues	1,161,069	3,405,852	30,705,579	39,736,249	75,008,749
Investment income	1,088,289	542,067	-	-	1,630,356
Facility rental fees	1,252,305	-	-	-	1,252,305
Tuition charges	16,726	-	-	-	16,726
Charges for services	2,367,520	-	-	993,988	3,361,508
Other	9,626,231	-	-	7,180,011	16,806,242
TOTAL REVENUES	750,170,485	103,537,586	30,705,579	53,647,187	938,060,837
EXPENDITURES					
Current:					
Instruction	480,845,436	-	19,251,817	15,407,620	515,504,873
Support services:					
Pupil services	46,282,870	-	2,697,226	3,888,098	52,868,194
Improvement of instructional services	39,989,360	-	5,973,166	3,166,233	49,128,759
Educational media	7,197,953	-	-	265,449	7,463,402
Federal grant administration	-	-	1,749,522	195,018	1,944,540
General administration	9,027,405	-	399,339	2,331,887	11,758,631
School administration	38,194,044	-	-	260,969	38,455,013
Business administration	7,606,568	-	-	67,401	7,673,969
Maintenance and operation of facilities	81,048,089	6,513,712	-	280,542	87,842,343
Student transportation	29,926,314	-	258,816	1,373,935	31,559,065
Central support	18,819,746	89,836	-	1,878,367	20,787,949
Other support services	399,881	-	375,693	243,754	1,019,328
Nutrition	365,419	-	-	25,452,874	25,818,293
Capital outlays	-	35,782,804	-	-	35,782,804
Debt service:					
Principal	2,047,181	-	-	-	2,047,181
Interest and fiscal charges	676,561	4,029,142	-	-	4,705,703
TOTAL EXPENDITURES	762,426,827	46,415,494	30,705,579	54,812,147	894,360,047
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(12,256,342)	57,122,092	-	(1,164,960)	43,700,790
OTHER FINANCING SOURCES (USES)					
Transfers in	-	233,327	-	2,472,319	2,705,646
Transfers out	(2,705,646)	-	-	-	(2,705,646)
Proceeds from sale of capital assets	434,519	-	-	-	434,519
TOTAL OTHER FINANCING SOURCES (USES)	(2,271,127)	233,327	-	2,472,319	434,519
NET CHANGE IN FUND BALANCES	(14,527,469)	57,355,419	-	1,307,359	44,135,309
FUND BALANCES - BEGINNING OF FISCAL YEAR	85,606,908	44,459,667	-	12,824,286	142,890,861
FUND BALANCES - END OF FISCAL YEAR	$ 71,079,439	$ 101,815,086	$ -	$ 14,131,645	$ 187,026,170

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, 2018

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 44,135,309
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.		
Depreciation expense	$ (58,067,041)	
Capital outlay	26,203,260	(31,863,781)
In the statement of activities, only the gain or loss on the disposal of capital assets is reported. 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 assets disposed.		
Loss on the sale of capital assets	(13,987)	
Proceeds from the sale of capital assets	(434,519)	(448,506)
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the governmental funds.		
Property taxes	7,073,891	
State revenues	(198,010)	6,875,881
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.		
Principal retirement - capital leases	1,068,805	
Principal retirement - certificates of participation	790,000	
Principal retirement - intergovernmental agreement	188,376	2,047,181
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.		
Compensated absences	(638,938)	
Workers compensation claims payable	682,468	
Contingent legal liabilities	10,000	
Pension expense	27,551,080	
OPEB expense	(7,590,933)	
Accrued interest payable	22,881	20,036,558
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 40,782,642

See accompanying notes to the basic financial statements.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Statement of Fiduciary Assets and Liabilities

June 30, 2018

	Agency Fund Local School Club and Class Funds
ASSETS	
Cash and cash equivalents	$ 752,395
LIABILITIES	
Due to local schools and student groups	$ 752,395

See accompanying notes to the basic financial statements.



2018

NOTES TO THE

BASIC FINANCIAL STATEMENTS

Atlanta Independent School System

Notes to the Basic Financial Statements

June 30, 2018

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.

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 from taxes to be available if they are collected within 30 days of the end of the current fiscal period. Other revenues susceptible to accrual are considered available if they are collected within 180 days of the end of the current fiscal period.

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 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.

Title I Fund - This is a special revenue fund used to account for the use of Title I grant revenues received from the federal government. The revenues must be used in accordance with the requirements of the federal government. The overall goal of the federal program is to help children from low-income families achieve academic success.

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

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 Treasury;

7) Repurchase agreements; and

8) Obligations of other political subdivisions of the State of Georgia.

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

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).

Payments made to vendors for services that will benefit periods beyond June 30, 2018 are recorded as prepaid items in both the government-wide and fund financial statements. In the fund financial statements, these items are recorded as expenditures when consumed (consumption 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 acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend 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:

	Capitalization Policy	Estimated Useful Life
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

Depreciation is computed using the straight-line method over the estimated useful life of the assets.

f. Compensated Absences

The Atlanta Independent School System's Board 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 Debt and 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. Implementation of New GASB Standards

In fiscal year 2018, the School System implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In conjunction with the implementation of GASB Statement No. 75, the School System is required to change its accounting treatment of the Other Postemployment Benefit (OPEB) liabilities and the related OPEB expense. The new standard requires that the School System's proportionate share of the net OPEB liability be recorded on the statement of net position for its governmental activities. Additional information about this new standard can be found in Notes O and T.

i. Pensions

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

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

j. Other Postemployment Benefits

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

k. 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.

Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, 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.

l. Deferred Outflows of Resources and 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 intergovernmental grants as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The School System also has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability and net other postemployment benefits (OPEB) liability. Certain changes in the net pension liability and net OPEB liability are recognized as pension and OPEB expenses over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the School System's actuary which adjust the net pension liability and net OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of Plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and

are amortized into pension and OPEB expenses over the expected remaining service lives of Plan members. Changes in actuarial assumptions, changes in proportion, and the difference between School System contributions and the proportionate share of contributions, which adjust the net pension liability and net OPEB liability, are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension and OPEB expense over the expected remaining service lives of Plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension and OPEB expense over a five-year period. Additionally, any contributions made by the School System to the pension and OPEB plans before fiscal year end but subsequent to the measurement date of the School System's net pension liability and net OPEB liability are reported as deferred outflows of resources.

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.

Workers' 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. The District's 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 Independent School System's Board.

3. Public hearings on the proposed budget are normally held in March and April.

4. The annual budget is legally adopted by the Board in April for the General Fund and Special Revenue Funds (in aggregate).

5. The administrative level of budgetary control upon adoption is at the program level. 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. The Atlanta Independent School System's Board legally adopts 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 and Deficit Fund Equity

GENERAL FUND		
Pupil Services	$	1,950,534
General Administration		1,330,773
Maintenance and Operation of Facilities		85,708
Other Support Services		3,377
Debt Service - Principal		1,547,181
Debt Service - Interest		376,561
Transfers Out		71,665
CAPITAL PROJECTS FUND		
Central Support Services	$	89,836

These expenditures in excess of appropriations were funded by greater than anticipated revenues and available fund balance, as applicable. For financial statement purposes, the General Fund includes revenues of $3,547,807 and expenditures of $3,115,464 resulting from local school activity accounts. The District does not budget for these Pupil Service specific expenditures.

The Lottery Grants Fund had a fund deficit of $2,739 as of June 30, 2018 which will be reduced through General Fund appropriations, as necessary.

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 deposits 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.

At June 30, 2018, all investments of the School System were invested in Georgia Fund 1, the local government investment pool administered by the State of Georgia. The Georgia Fund 1 investment pool is not subject to credit risk classification and the carrying amount of $119,527,331 is reported at fair value. The Georgia Fund 1 was rated AAAf by Standard & Poor's.

Credit risk, value, and interest rate risk at June 30, 2018 are as follows:

Credit Risk	Fair Value	Interest Risk
AAAf rated	$119,527,331	10 day WAM

Categorization of Deposits

State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2018, the financial institution holding all of the School System's deposits is a participant of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of June 30, 2018, all of the School System's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

Categorization of Investments

The School System's investments as of June 30, 2018 are presented in this table. All investments are presented by investment type and debt securities are presented by maturity.

Investment	Fair Value	Investment Maturity Less than One Year
Georgia Fund 1	$ 119,527,331	$ 119,527,331

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.

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 and the Capital Projects Fund:

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

As of June 30, 2018, the District had 100% of its investments invested in the Georgia Fund 1.

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.

Fair Value Measurements

The School System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the School System does not disclose the investment in the Georgia Fund 1 within the fair value hierarchy.

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.

	Property Tax Receivables	Allowance for Uncollectible	Net Property Tax Receivables
General Fund	$ 20,116,401	(6,782,523)	$ 13,333,878

	Other Receivables	Allowance for Uncollectible	Net Other Receivables
General Fund	$ 431,505	$ (317,784)	$ 113,721

	SPLOST Tax Receivables	Allowance for Uncollectible	Net SPLOST Receivables
Capital Projects Fund	$ 8,365,731	$ -	$ 8,365,731

	Other Receivables	Allowance for Uncollectible	Net Other Receivables
Nonmajor governmental funds	$ 315,349	$ -	$ 315,349

G. Capital Assets

The following is a summary of changes in capital assets during the fiscal year ended June 30, 2018:

	Beginning Balance	Increases	Decreases & Transfers to In Service	Ending Balance
Governmental Activities:				
Land	$ 117,802,163	$ 41,901	$ (53,006)	$ 117,791,058
Construction in Progress	133,281,282	24,176,396	(127,266,638)	30,191,040
Total Non-Depreciable Assets	251,083,445	24,218,297	(127,319,644)	147,982,098
Buildings	1,216,190,263	1,819,100	(395,500)	1,217,613,863
Building Improvements	420,066,286	101,797,873	-	521,864,159
Land Improvements	63,987,466	25,468,765	-	89,456,231
Equipment	15,079,199	-	(149,000)	14,930,199
Furniture & Fixtures	56,030	-	-	56,030
Vehicles	30,605,692	165,863	-	30,771,555
Total Depreciable Assets	1,745,984,936	129,251,601	(544,500)	1,874,692,037
Total at Historical Cost	1,997,068,381	153,469,898	(127,864,144)	2,022,674,135
Less Accumulated Depreciation				
Buildings	388,102,962	23,732,100	-	411,835,062
Building Improvements	138,393,887	27,221,455	-	165,615,342
Land Improvements	21,743,314	5,663,342	-	27,406,656
Equipment	14,234,759	489,306	(149,000)	14,575,065
Furniture & Fixtures	45,291	5,603	-	50,894
Vehicles	27,542,081	955,235	-	28,497,316
Total Accumulated Depreciation	590,062,294	58,067,041	(149,000)	647,980,335
Govermental Activities Capital Assets, Net	$ 1,407,006,087	$ 95,402,857	$ (127,715,144)	$ 1,374,693,800

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 53,246,333
Support Services:	
Maintenance & Operations	2,428,168
Student Transportation	1,456,992
Nutrition	935,548
Total	$ 58,067,041

H. Short-term Debt and Obligations

Tax Anticipation Note

On September 8, 2017, the School System issued a tax anticipation note (TAN) with a local financial institution. The note was issued in the face amount of $100,000,000 at a premium of $138,000 less underwriter's fees of $4,500. The TAN was secured by tax revenues to be received by the School System from the Fulton County Tax Commissioner. Interest accrued on the TAN at a rate of 1.50% and was due and payable on December 29, 2017 which was the scheduled maturity date. The School System retired the TAN in full on December 28, 2017, paying interest on the short-term debt in the amount of $329,000.

I. Long-term Debt and Obligations

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.

The capital assets acquired through capital leases are as follows:

Asset		Governmental Activities
Buses	$	9,984,496
Less: Accumulated depreciation		(9,984,496)
	$	-

As of June 30, 2018, all capital lease payments have been made, and there are no outstanding capital leases that are payable as of June 30, 2018.

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 June 30, 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, 2018, $3,141,762 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%	$	3,424,299

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, 2018, $2,315,000 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. The ERS Series 2006 COPS has principal and interest payments due on March 1 of each year until maturity. The maturity date for this series is March 1, 2022 and has an interest rate of 4%.

In June 2011, ERS issued Series 2011A COPS on behalf of the School System in the amount of $72,460,000. The proceeds from the certificates were used to finance the construction and renovation of North Atlanta High School. For Series 2011A, interest only payments are due on March 1 and September 1 of each year until maturity. The maturity date for this series is March 1, 2027, and interest rates vary from 5.457% to 5.657%.

Changes in long-term debt and obligations during the fiscal year ended June 30, 2018 were as follows:

	Restated Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due within One Year
Governmental activities:					
Long-term debt					
Capital leases	$ 1,068,805	$ -	$ (1,068,805)	$ -	$ -
Intergovernmental agreement-					
City of Atlanta	3,612,675	-	(188,376)	3,424,299	227,300
ERS, Inc (COPS, Series 2006/2007)	4,280,000	-	(790,000)	3,490,000	820,000
ERS, Inc (COPS, Series 2011A)	72,460,000	-	-	72,460,000	-
Total long-term debt	81,421,480	-	(2,047,181)	79,374,299	1,047,300
Other long-term liabilities					
Net pension liabilities	1,097,870,624	121,677,115	(232,173,804)	987,373,935	-
Net OPEB liability	449,210,568	22,530,545	(56,612,151)	415,128,962	-
Compensated absences	3,981,277	3,736,579	(3,097,641)	4,620,215	3,955,816
Contingent legal liabilities	20,000	10,000	(20,000)	10,000	10,000
Workers' compensation	5,915,911	3,180,835	(3,863,303)	5,233,443	2,512,288
Total other long-term liabilities	1,556,998,380	151,135,074	(295,766,899)	1,412,366,555	6,478,104
Total long-term obligations	$ 1,638,419,860	$ 151,135,074	$ (297,814,080)	$ 1,491,740,854	$ 7,525,404

The beginning balances for governmental activities long-term debt and obligations has been restated as a result of the School System implementing GASB 75, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*. For further discussions, see footnotes O and T. The General Fund has been typically used to liquidate the liability for the net pension liabilities, net OPEB liability, compensated absences, contingent liabilities, and workers' compensation.

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At June 30, 2018, payments due by fiscal year, which include principal and interest for the intergovernmental agreement payable and COPS debt are as follows:

Fiscal Year Ending	Intergovernmental Agreements City of Atlanta	
	Principal	Interest
2019	$ 227,300	$ 138,574
2020	864,525	120,764
2021	921,225	84,934
2020	817,175	45,380
2023	101,300	24,280
2024-2027	492,774	46,486
Total Principal and Interest	$ 3,424,299	$ 460,418

Fiscal Year Ending	Education Reform Success, Inc. Certificates of Participation 2006/2007		Education Reform Success, Inc. Certificates of Participation 2011A	
	Principal	Interest	Principal	Interest
2019	$ 820,000	$ 144,120	$ -	$ 4,029,142
2020	855,000	110,258	-	4,029,142
2021	890,000	74,950	-	4,029,142
2022	925,000	38,200	-	4,029,142
2023	-	-	-	4,029,142
2024-2027	-	-	72,460,000	12,276,034
Total Principal and Interest	$ 3,490,000	$ 367,528	$ 72,460,000	$ 32,421,744

J. Inter-fund Receivables

Inter-fund Receivables and payables balances as of June 30, 2018 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Funds	$ 4,599,438
General Fund	Title I Fund	10,752,865
Nonmajor Funds	Capital Projects Fund	879,438
Nonmajor Funds	Nonmajor Funds	2,492,870
		$ 18,724,611

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, 2018 are as follows:

	Transfers In	Transfers Out
Governmental funds:		
General Fund	$ -	$ (2,705,646)
Capital Projects Fund	233,327	-
Nonmajor Governmental Funds	2,472,319	-
	$ 2,705,646	$ (2,705,646)

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 claims and unemployment compensation. The School System purchases commercial insurance in amounts deemed prudent by management for all other risks of loss. Settled claims have not yet exceeded purchased commercial insurance coverage in any of the past three fiscal years.

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:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claims Paid	End of Fiscal Year Liability
Fiscal year 2017	$ -	$ 224,653	$ (224,653)	$ -
Fiscal year 2018	$ -	$ 185,603	$ (185,603)	$ -

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.

	of Fiscal Year	Changes in Estimates	Claims Paid	End of Fiscal Year
Fiscal year 2017	$ 6,536,309	$ 3,576,465	$ (4,196,863)	$ 5,915,911
Fiscal year 2018	$ 5,915,911	$ 3,180,835	$ (3,863,303)	$ 5,233,443

M. On-Behalf Payments for Fringe Benefits

The School System has recognized revenues and expenditures in the amount of $137,636 for pension costs paid by the Georgia Department of Education to the Teachers' Retirement System of Georgia on the School System's behalf.

N. Retirement Plans

General Information about the Teachers Retirement System

Plan description: All teachers of the School System as defined in §47-3-60 of the *Official Code of Georgia Annotated* (O.C.G.A.) and certain other support personnel as defined by §47-3-63 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00 % of their annual pay during fiscal year 2018. The School System's contractually required contribution rate for the fiscal year ended June 30, 2018 was 16.81 % of annual payroll. School System contributions to TRS were $54,605,691 for the fiscal year ended June 30, 2018.

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

At June 30, 2018, the School System reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the School System by the State of Georgia for certain public school support personnel. The amount recognized by the School System as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School System were as follows:

School System's proportionate share of the net pension liability	$	536,634,228
State of Georgia's proportionate share of the net pension liability		2,085,643
Total	$	538,719,871

The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2016. An expected total pension liability as of June 30, 2017 was determined using standard roll-forward techniques. The School System's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2017. At June 30 2017, the School System's proportion was 2.887411%, which was a decrease of 0.036123% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the School System recognized pension expense of $60,369,183 and revenue of $53,018 for support provided by the State of Georgia for certain support personnel. At June 30, 2018, the School System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 3,692,941
Differences between expected and actual experience	20,073,426	2,025,201
Changes of assumptions	11,763,688	-
Changes in proportion and differences between School System contributions and proportionate share of contributions	10,351,811	18,631,147
School System contributions subsequent to the measurement date	54,605,691	-
Total	$ 96,794,616	$ 24,349,289

School System contributions subsequent to the measurement date of $54,605,691 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending June 30:	
2019	$ (1,946,556)
2020	25,410,034
2021	9,762,844
2022	(15,588,918)
2023	202,232
Total	$ 17,839,636

Actuarial assumptions: The total pension liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions on the following page, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25 - 9.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

Postretirement mortality rates were based on the RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males) for service requirements and dependent beneficiaries. The RP-2000 Disabled Mortality table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB (set forward two years for males and four years for females) was used for the death after disability retirement. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB. There is a margin for future mortality improvements in the tables used by the School System. Based on the results of the most recent experience study adopted by the Board on November 18, 2015, the numbers of expected future deaths are 8-11% less than the actual number of deaths that occurred during the study period for healthy retirees and 9-11% less than expected under the selected table for disabled retirees.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	-0.50%
Domestic large equities	39.80	9.00
Domestic mid equities	3.70	12.00
Domestic small equities	1.50	13.50
International developed market equities	19.40	8.00
International emerging market equities	5.60	12.00
Total	100.00%	

* Rates shown are net of the 2.75% assumed rate of inflation

Discount rate: The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School System's proportionate share of the net pension liability to changes in the discount rate: The following presents the School System's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the School System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current discount rate (7.5%)	1% Increase (8.5%)
School System's proportionate share of the net pension liability	$ 880,679,730	$ 536,634,228	$ 253,218,062

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publically available at www.trsga.com/publications.

Payables to the pension plan: As of June 30, 2018, the School System reports a payable to TRS in the amount of $1,701,300. This amount is included in the accounts payable balance reported by the General Fund and is comprised of employer and employee contributions owed to TRS but not yet remitted as of the end of the fiscal year.

General Information about the City of Atlanta General Employee's Pension Plan

Plan Description: All permanent employees of the School System who are not covered under the Teachers' Retirement System of Georgia (TRS) 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 who participate in TRS may also be eligible to participate in the Plan. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive, initially, 2% of the employee's highest average monthly base compensation over any 36-month period. A participant in the Plan 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.

The Plan is an agent multiple-employer plan administered by a Board of Trustees which includes the Mayor of the City of Atlanta or his/her designee, the City's Chief Financial Officer, one member of the Atlanta 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. The Plan issues a publicly available financial report that includes all financial statements and required supplementary information for the Plan. The report may be obtained from the following address:

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

Plan Membership. As of July 1, 2017, the date of the most recent actuarial valuation, the pension plan membership consisted of the following:

Retired participants and beneficiaries currently receiving benefits	2,005
Terminated participants entitled to but not receiving benefits	148
Active Plan members	663
Total	2,816

Contributions. Obligations to contribute to the Plan are subject to minimum funding standards of the Georgia Public Retirement Systems Standards law and are established by the Board of Trustees. Previously, the School System's policy was to contribute to the Plan based on a level percent of payroll amortization method using a closed amortization period with 12.5 years remaining. By resolution adopted by the Atlanta Independent School System's Board on June 2, 2014, the School System changed its funding policy whereby each year's employer contribution will be equal to the prior year's amount, increased by 3%, until the Plan is fully funded. In addition, active participants are required to contribute 7% of pay to the Plan (8% if a participant is married or elects to name a covered beneficiary). For the fiscal year ended June 30, 2018, the School System's contributions to the Plan were $53,400,000.

Net Pension Liability of the School System. The School System's net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2016 with update procedures performed by the actuary to roll forward to the total pension liability measured as of June 30, 2017.

Actuarial assumptions. The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50% plus age-related salary scale
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Healthy mortality rates were based on the sex-distinct RP-2000 Combined Healthy Mortality Table, set back one year for males only. No provision was made for future mortality improvement after the valuation date as the current tables were determined to contain provision appropriate to reasonably reflect future mortality improvement based on the review of mortality experience for the 2003 through 2011 period.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2003 to June 30, 2011.

Benefits are adjusted annually on January 1 of each year based on the change in the Consumer Price Index from November 1 through October 31 of the preceding year. Such annual adjustments cannot exceed 3%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Domestic equity	50%	6.70%
Fixed income	25%	2.10
International equity	20%	8.10
Alternative investments	5%	6.20
Cash	—%	—
Total	100%	

Discount rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that School System contributions will be made in accordance with the Board of Education's funding policy. For this purpose, only employer contributions that are intended to fund benefits of current Plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future Plan members and their beneficiaries, as well as projected contributions from future Plan members, are not included. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments for current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the School System. The changes in the components of the net pension liability of the School System for the fiscal year ended June 30, 2018, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/17	$ 618,588,962	$ 123,876,000	$494,712,962
Changes for the fiscal year:			
Service cost	4,757,232	-	4,757,232
Interest	44,352,297	-	44,352,297
Differences between expected and actual experience	(23,112,784)	-	(23,112,784)
Contributions—employer	-	52,000,000	(52,000,000)
Contributions—employee	-	1,441,000	(1,441,000)
Net investment income	-	16,735,000	(16,735,000)
Benefit payments, including refunds of employee contributions	(54,450,000)	(54,450,000)	-
Administrative expense	-	(206,000)	206,000
Net changes	(28,453,255)	15,520,000	(43,973,255)
Balances at 6/30/18	$ 590,135,707	$ 139,396,000	$450,739,707

The required schedule of changes in the School System's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of Plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.5%, as well as what the School System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
School System's net pension liability	$ 505,289,893	$ 450,739,707	$ 403,936,509

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 June 30, 2017 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the fiscal year ended June 30, 2018, the School System recognized pension expense of $20,138,445. At June 30, 2018, the School System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 2,571,050
Differences between expected and actual experience	-	11,556,392
School System contributions subsequent to the measurement date	53,400,000	-
Total	$ 53,400,000	$ 14,127,442

School System contributions subsequent to the measurement date of $53,400,000 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown in the following table:

Fiscal Year ending June 30:	
2019	$ (13,679,181)
2020	836,648
2021	213,063
2022	(1,497,972)
Total	$ (14,127,442)

O. Other Postemployment Benefits

Georgia School Employees Postemployment Benefit Fund

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

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

***Contributions*:** As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the School System were $14,818,194 for the fiscal year ended June 30, 2018. Active employees are not required to contribute to the School OPEB Fund.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. Effective July 1, 2017, the School System implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* which significantly changed the School System's accounting for OPEB amounts. The information disclosed in this note is presented in accordance with this new standard.

At June 30, 2018, the School System reported a liability of $415,128,962 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2016. An expected total OPEB liability as of June 30, 2017 was determined using standard roll-forward techniques. The School System's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2017. At June 30 2017, the School System's proportion was 2.954663%, which was a decrease of 0.076389% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the School System recognized OPEB expense of $22,409,127. At June 30, 2018, the School System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	$ 121,418	$ -
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	9,595,295
Changes in plan assumptions	-	31,611,011
District contributions subsequent to the measurement date	14,818,194	-
Total	$ 14,939,612	$ 41,206,306

School System contributions subsequent to the measurement date of $14,818,194 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year ending June 30:	
2019	$ (7,380,851)
2020	(7,380,851)
2021	(7,380,851)
2022	(7,380,851)
2023	(7,411,206)
2024	(4,150,278)
Total	$ (41,084,888)

***Actuarial assumptions*:** The total OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017:

Inflation	2.75%
Salary increases	TRS - 3.25 – 9.00%, including inflation
	PSERS – N/A
Long-term expected rate of return	3.88%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate:	
Pre-Medicare Eligible	7.75%
Medicare Eligible	5.75%
Ultimate trend rate	
Pre-Medicare Eligible	5.00%
Medicare Eligible	5.00%
Year of Ultimate trend rate	2022

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

- For TRS Members: The RP-2000 White Collar Mortality Table projected to 2025 with projection scale BB (set forward 1 year for males) was used for death after service retirement and beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward 2 years for males and four years for females) was used for death after disability retirement.
- For PSERS Members: The RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) was used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward 5 years for both males and females) was used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the pension system, which covered the five-year period ending June 30, 2014.

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

Additionally, there was a change that affected measurement of the total OPEB liability since the prior measurement date. The methodology used to determine employee and retiree participation in the School OPEB Fund is based on their current or last employer payroll location. Current and former employees of public school districts, libraries, regional educational service agencies, and community colleges are allocated to the School OPEB Fund irrespective of retirement system affiliation.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Local Government Investment Pool	100%	3.88%

***Discount rate*:** The discount rate has changed since the prior measurement date from 3.07% to 3.58%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.58% was used as the discount rate. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.56% per the Bond Buyer Index). The projection of cash flows used to determine the discount rate assumed that the current sharing of costs between the employer and the member will continue and that contributions from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2115. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make OPEB payments for inactive employees through year 2029. Therefore, the long-term expected rate of return on OPEB plan investments was applied to discount projected benefit payments until 2029. The discount rate

of 3.58% was the single rate which, when applied to all projected benefit payments, resulted in the same present value of benefit payments when the above discussed calculations are combined. The calculated discount rate of 3.58% was applied to all periods of projected benefit payments to determine the total OPEB liability.

***Sensitivity of the School System's proportionate share of the net OPEB liability to changes in the discount rate*:** The following presents the School System's proportionate share of the net OPEB liability calculated using the discount rate of 3.58%, as well as what the School System's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current rate:

	1% Decrease (2.58%)	Current discount rate (3.58%)	1% Increase (4.58%)
School System's proportionate share of the net OPEB liability	$ 492,891,281	$ 415,128,962	$ 353,758,744

Sensitivity of the School System's proportionate share of the net OPEB liability to changes in the healthcare cost trend rate: The following presents the School System's proportionate share of the net OPEB liability calculated using the healthcare cost trend rates of 5.00% to 7.75%, as well as what the School System's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.00% to 6.75%) or 1-percentage-point higher (6.00% to 8.75%) than the current rates:

	1% Decrease (4.00% to 6.75%)	Current discount rate (5.00% to 7.75%)	1% Increase (6.00% to 8.75%)
School System's proportionate share of the net OPEB liability	$ 344,094,615	$ 415,128,962	$ 507,615,574

P. Commitments and Contingencies

Construction Commitments

The School System has active construction projects as of June 30, 2018. The projects relate to construction, renovation of school buildings, and other projects. At fiscal year-end, the School System's commitments with contractors were $64,075,039.

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 $10,000. 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 $11,240,000 in such cases that is not accrued as a contingent liability as of the June 30, 2018.

In December 2016, the School System received a letter from the City of Atlanta claiming that the School System owes the City related to the City's defeasement of certain City bonds, which included bonds issued by the City for school purposes. The bonds were defeased in 2014 and 2015 with accumulated balances in the City's bond sinking fund. The letter claims that the City disproportionately contributed to the accumulated balances in the debt sinking funds used to defease the bonds and asks the School System to pay to the City $11,146,937. The School System disputes this liability and contends that it is not legally obligated to pay the sums requested by the City. As a result, the School System considers this to be a contingent liability where the amount is reasonably estimable however, the outcome is still uncertain and, therefore, the School System has disclosed this amount that is not accrued in its financial statements as of June 30, 2018.

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.

Q. 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 $1,332,476 during fiscal year 2018 for remediation activities which included removal of mold, asbestos, and other waste from various sites owned by the School System. Each of these activities were undertaken on an as needed basis and completed and thus there is no further liability for remediation activities at these sites.

R. Tax Abatements

For the fiscal year ended June 30, 2018, School System tax revenues were reduced by $8,090,204 and $5,504,451 as a result of agreements entered into by the Development Authority of Fulton County and the City of Atlanta, respectively. Under these agreements, taxes on both real and personal property are reduced based on incentives and economic development programs offered by the Development Authority of Fulton County and the City of Atlanta, respectively.

S. Subsequent Event

On August 29, 2018, the School System issued a short-term Tax Anticipation Note (TAN), Series 2018 in the par amount of $60,000,000. The TAN carries an interest rate of 2.06% and must be repaid prior to December 31, 2018.

T. Restatements

In conjunction with the implementation of Governmental Accounting Standards (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* the School System is required to change its accounting treatment of the net OPEB liabilities and the related OPEB expense. The new standard requires that the School System's proportionate share of the net OPEB liability be recorded on the statement of net position for its governmental activities. Therefore, in conjunction with the implementation of statement No. 75, the following restatement was required to the beginning net position of governmental activities to properly recognize the District's net OPEB liability and related deferred outflows of resources for contributions subsequent to the measurement date as of the end of the prior period.

	Governmental Activities
Net position, as previously reported	$ 556,604,478
Restatement for implementation of GASB Statement No. 75:	
Net OPEB liability as of June 30, 2017	(449,210,568)
Deferred outflows of resources - OPEB contributions	15,405,845
Net position, as restated	$ 122,799,755



2018

REQUIRED

SUPPLEMENTARY INFORMATION

ATLANTA INDEPENDENT SCHOOL SYSTEM

Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Teachers Retirement System of Georgia
For the Fiscal Years Ended June 30

	2018	2017	2016	2015
School System's proportion of the net pension liability	2.887411%	2.923534%	3.025601%	3.069435%
School System's proportionate share of the net pension liability	$ 536,634,228	$ 603,157,662	$ 460,617,707	$ 387,782,626
State of Georgia's proportionate share of the net pension liability associated with the District	2,085,643	4,133,857	2,567,833	2,346,201
Total	$ 538,719,871	$ 607,291,519	$ 463,185,540	$ 390,128,827
School System's covered payroll	$ 331,541,794	$ 320,682,313	$ 319,369,924	$ 313,487,362
School System's proportionate share of the net pension liability as a percentage of its covered payroll	161.86%	188.09%	144.23%	123.70%
Plan fiduciary net position as a percentage of the total pension liability	79.33%	76.06%	81.44%	84.03%

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

ATLANTA INDEPENDENT SCHOOL SYSTEM

Required Supplementary Information
Schedule of School System's Contributions
Teachers Retirement System of Georgia
For the Fiscal Years Ended June 30

	2018	2017	2016	2015	2014
Contractually required contributions	$ 54,605,691	$ 47,311,014	$ 45,761,366	$ 41,997,145	$ 38,496,248
Contributions in relation to the contractually required contributions	54,605,691	47,311,014	45,761,366	41,997,145	38,496,248
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School System's covered payroll	324,840,518	331,541,794	320,682,313	319,369,924	313,487,362
Contributions as a percentage of covered payroll	16.81%	14.27%	14.27%	13.15%	12.28%

	2013	2012	2011	2010	2009
Contractually required contributions	$ 35,714,946	$ 33,138,997	$ 32,515,502	$ 32,863,759	$ 30,872,725
Contributions in relation to the contractually required contributions	35,714,946	33,138,997	32,515,502	32,863,759	30,872,725
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School System's covered payroll	313,014,426	322,363,784	316,298,658	337,410,257	332,680,226
Contributions as a percentage of covered payroll	11.41%	10.28%	10.28%	9.74%	9.28%

Changes of assumptions: In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables from the 1994 Group Annuity Mortality Table. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males).

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported (June 30, 2017 employer contributions were determined in the June 30, 2014 valuation). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Reporting date	June 30, 2018
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	29 years
Asset valuation method	5-year smoothed market
Inflation rate	2.75%
Salary increases	3.25 - 9.00%, including inflation.
Investment Rate of Return	7.50%, net of pension plan investment expense including inflation.
Post-Retirement Benefit Increases	1.50% semi-annually

ATLANTA INDEPENDENT SCHOOL SYSTEM

Required Supplementary Information
Schedule of Changes in the School System's
Net Pension Liability and Related Ratios
City of Atlanta General Employees' Pension Fund

	2018	2017	2016	2015
Total pension liability				
Service cost	$ 4,757,232	$ 4,617,642	$ 4,306,062	$ 4,432,230
Interest	44,352,297	45,347,072	46,057,856	46,411,606
Differences between expected and actual experience	(23,112,784)	(8,914,878)	(5,223,539)	-
Benefit payments, including refunds of employee contributions	(54,450,000)	(54,177,000)	(55,058,000)	(56,063,000)
Net change in total pension liability	(28,453,255)	(13,127,164)	(9,917,621)	(5,219,164)
Total pension liability - beginning	618,588,962	631,716,126	641,633,747	646,852,911
Total pension liability - ending (a)	$ 590,135,707	$ 618,588,962	$ 631,716,126	$ 641,633,747
Plan fiduciary net position				
Contributions - employer	$ 52,000,000	$ 50,400,000	$ 48,905,000	$ 48,000,000
Contributions - employee	1,441,000	1,663,000	1,684,000	1,554,000
Net investment income	16,735,000	765,000	819,000	21,358,000
Benefit payments, including refunds of employee contributions	(54,450,000)	(54,177,000)	(55,058,000)	(56,063,000)
Administrative expense	(206,000)	(202,000)	(278,000)	(1,003,000)
Net change in plan fiduciary net position	15,520,000	(1,551,000)	(3,928,000)	13,846,000
Plan fiduciary net position - beginning	123,876,000	125,427,000	129,355,000	115,509,000
Plan fiduciary net position - ending (b)	$ 139,396,000	$ 123,876,000	$ 125,427,000	$ 129,355,000
School System's net pension liability - ending (a) - (b)	$ 450,739,707	$ 494,712,962	$ 506,289,126	$ 512,278,747
Plan fiduciary net position as a percentage of the total pension liability	23.62%	20.03%	19.85%	20.16%
Covered payroll	$ 21,585,554	$ 20,072,615	$ 21,786,097	$ 22,914,238
School System's net pension liability as a percentage of covered payroll	2088.15%	2464.62%	2323.91%	2235.64%

Notes to the Schedule:
This schedule will present 10 years of information once it is accumlated

ATLANTA INDEPENDENT SCHOOL SYSTEM

Required Supplementary Information
Schedule of School System's Contributions
City of Atlanta General Employees' Pension Fund

	2018	2017	2016	2015
Actuarially determined contribution	$ 53,400,000	$ 51,900,000	$ 50,400,000	$ 48,900,000
Contributions in relation to the actuarially determined contribution	53,400,000	52,000,000	50,400,000	48,900,000
Contribution deficiency (excess)	$ -	$ (100,000)	$ -	$ -
Covered payroll	$ 20,240,951	$ 21,585,554	$ 20,072,615	$ 21,786,097
Contributions as a percentage of covered payroll	263.82%	240.90%	251.09%	224.46%

Notes to the Schedule

(1) Actuarial Assumptions:

Valuation Date	July 1, 2016 Actuarial determined contribution rate was calculated using a July 1, 2013 valuation for the fiscal year beginning July 1, 2014. Subsequent contributions are based on increasing the prior year's contribution amount 3% per year until the Plan is fully funded.
Measurement Date	June 30, 2017
Reporting Date	June 30, 2018
Cost Method	Entry Age Actuarial Cost Method
Actuarial Asset Valuation Method	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.
Assumed Rate of Return on Investments	7.50%, net of pension plan investment expense (including inflation)
Projected Salary Increases	3.50% plus age-related salary scale
Cost-of-living Adjustment	3.00%, compounded annually
Amortization Method	Closed level percent of payroll
Remaining Amortization Period	14.1 years remaining
Inflation	2.75%
Retirement Rates	Rates vary from age 50 to 70 for service greater or less than 30 years.
Mortality	Healthy: RP-2000 Combined Healthy Mortality Table. Disabled: RP-2000 Disabled Retiree Mortality Table, set back one year for males only.

(2) This schedule will present 10 years of information once it is accumulated.

ATLANTA INDEPENDENT SCHOOL SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION
SCHOOL OPEB FUND
SCHEDULE OF THE SCHOOL SYSTEM'S PROPORTIONATE SHARE
OF NET OPEB LIABILITY

	2018
School System's proportion of the net OPEB liability (%)	2.954663%
School System's proportion of the net OPEB liability ($)	415,128,962
School System's covered-employee payroll	359,737,162
School System's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	115%
Plan fiduciary net position as a percentage of the net OPEB liability	39.41%

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

ATLANTA INDEPENDENT SCHOOL SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION
SCHOOL OPEB FUND
SCHEDULE OF SCHOOL SYSTEM'S CONTRIBUTIONS

	2018	2017
Contractually required contribution	$ 14,818,194	$ 15,405,845
Contributions in relation to the contractually required contribution	14,818,194	15,405,845
Contribution deficiency (excess)	$ -	$ -
School System's covered-employee payroll	350,619,661	359,737,162
Contributions as a percentage of covered-employee payroll	4.23%	4.28%

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

ATLANTA INDEPENDENT SCHOOL SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION
SCHOOL OPEB FUND
NOTES TO THE SCHEDULE

Changes of benefit terms : In the June 30, 2010 actuarial valuation, there was a change of benefit terms to require Medicare-eligible recipients to enroll in a Medicare Advantage plan to receive the State subsidy.

Changes in assumptions: In the revised June 30, 2017 actuarial valuation, there was a change relating to employee allocation. Employees were previously allocated based on their Retirement System membership, and currently employees are allocated based on their current employer payroll location.

In the June 30, 2015 actuarial valuation, decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.

In the June 30, 2012 actuarial valuation, a data audit was performed and data collection procedures and assumptions were changed.

Valuation Date	June 30, 2015
Measurement Date	June 30, 2017
Reporting Date	June 30, 2018
Inflation	2.75%
Salary Increases (TRS)	3.25 - 9.00%, including inflation
Long-term investment rate of return	3.88% compounded annually, net of investment expense and including inflation
Municipal Bond Index Rate	3.56%
Year FNP is projected to be depleted	2029
Single Equivalent Interest Rate	3.58%
Healthcare cost trend rate:	
Pre-Medicare Eligible	7.75%
Medicare Eligible	5.75%
Ultimate trend rate:	
Pre-Medicare Eligible	5.00%
Medicare Eligible	5.00%
Year of Ultimate trend rate:	2022
Mortality	For TRS members: The RP-2000 White Collar Mortality Table projected to 2025 with projection scale BB (set forward 1 year for males) is used for death after service retirement and beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward two years for males and four years for females) is used for death after disability retirement. For PSERS members: The RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) is used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disabled Mortality projected to 2025 with projection scale BB (set forward 5 years for both males and females) is used for the period after disability retirement.

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, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Local taxes	$ 544,264,850	$ 540,264,850	$ 532,696,413	$ (7,568,437)
Investment income	1,280,573	1,280,573	1,088,289	(192,284)
Tuition charges	-	-	16,726	16,726
Facility rental fees	1,326,711	1,326,711	1,252,305	(74,406)
State revenues	197,539,352	197,921,763	201,961,932	4,040,169
Federal revenues	1,000,000	17,765,166	1,161,069	(16,604,097)
Charges for services	-	-	2,367,520	2,367,520
Other	11,236,486	12,013,826	9,626,231	(2,387,595)
TOTAL REVENUES	$ 756,647,972	$ 770,572,889	$ 750,170,485	$ (20,402,404)
EXPENDITURES				
Current:				
Instruction	$ 484,284,882	$ 489,741,792	$ 480,845,436	$ 8,896,356
Support services				
Pupil services	42,674,111	44,332,336	46,282,870	(1,950,534)
Improvement of instructional services	49,896,555	47,729,368	39,989,360	7,740,008
Educational media	9,150,793	8,873,030	7,197,953	1,675,077
General administration	6,970,248	7,696,632	9,027,405	(1,330,773)
School administration	39,810,758	39,100,227	38,194,044	906,183
Business administration	7,701,832	8,377,185	7,606,568	770,617
Maintenance and operation of facilities	80,394,797	80,962,381	81,048,089	(85,708)
Student transportation	31,906,574	32,492,639	29,926,314	2,566,325
Central support	20,427,145	21,843,013	18,819,746	3,023,267
Other support services	535,007	396,504	399,881	(3,377)
Nutrition	376,521	376,521	365,419	11,102
Debt service:				
Principal	500,000	500,000	2,047,181	(1,547,181)
Interest and fiscal charges	300,000	300,000	676,561	(376,561)
TOTAL EXPENDITURES	774,929,223	782,721,628	762,426,827	20,294,801
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(18,281,251)	(12,148,739)	(12,256,342)	(107,603)
OTHER FINANCING SOURCES (USES)				
Transfers in	9,582,151	-	-	-
Transfers out	-	(2,633,981)	(2,705,646)	(71,665)
Proceeds from sale of capital assets	250,000	250,000	434,519	184,519
TOTAL OTHER FINANCING SOURCES (USES)	9,832,151	(2,383,981)	(2,271,127)	112,854
NET CHANGE IN FUND BALANCES	(8,449,100)	(14,532,720)	(14,527,469)	5,251
FUND BALANCES - BEGINNING OF FISCAL YEAR	85,606,908	85,606,908	85,606,908	-
FUND BALANCES - END OF FISCAL YEAR	$ 77,157,808	$ 71,074,188	$ 71,079,439	$ 5,251

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



2018

OTHER

SUPPLEMENTARY INFORMATION

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds

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

Title II Fund

Title VI-B Fund

School Food Service 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

Combining Statement of Changes in Fiduciary 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 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.

School Food Service Fund was established to account for the operation of the School System's school nutrition program and includes federal grant funds from the U.S. Department of Agriculture passed through the Georgia Department of Education as well as the charges for services related to meals served at each of the schools.

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 in not considered necessary.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Title II Fund	Title VI-B Fund	School Food Service Fund	Lottery Grants Fund	Other Federal Programs Fund	Other Special Projects Fund	Total Nonmajor Governmental Funds
ASSETS							
Cash and cash equivalents	$ -	$ -	$ 13,988,950	$ -	$ -	$ -	$ 13,988,950
Other receivables	-	-	315,349	-	-	-	315,349
Due from other governments	66,020	1,632,841	259,614	-	902,312	536,284	3,397,071
Due from other funds	-	-	-	10,741	-	3,361,567	3,372,308
Inventory	-	-	323,707	-	-	-	323,707
TOTAL ASSETS	$ 66,020	$ 1,632,841	$ 14,887,620	$ 10,741	$ 902,312	$ 3,897,851	$ 21,397,385
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ -	$ 47,885	$ -	$ -	$ -	$ 47,885
Accrued liabilities	-	-	114,806	-	-	-	114,806
Due to other governments	-	-	-	10,741	-	-	10,741
Due to other funds	66,020	1,632,841	4,335,769	2,739	902,312	152,627	7,092,308
TOTAL LIABILITIES	66,020	1,632,841	4,498,460	13,480	902,312	152,627	7,265,740
FUND BALANCES (DEFICITS)							
Nonspendable:							
Inventories	-	-	323,707	-	-	-	323,707
Restricted:							
School nutrition program	-	-	10,065,453	-	-	-	10,065,453
Other state and local programs	-	-	-		-	1,956,765	1,956,765
Assigned:							
Local school programs	-	-	-	-	-	1,788,459	1,788,459
Unassigned	-	-	-	(2,739)	-	-	(2,739)
TOTAL FUND BALANCES (DEFICITS)	-	-	10,389,160	(2,739)	-	3,745,224	14,131,645
TOTAL LIABILITIES AND FUND BALANCES	$ 66,020	$ 1,632,841	$ 14,887,620	$ 10,741	$ 902,312	$ 3,897,851	$ 21,397,385

ATLANTA INDEPENDENT SCHOOL SYSTEM

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2018

	Title II Fund	Title VI-B Fund	School Food Service Fund	Lottery Grants Fund	Other Federal Programs Fund	Other Special Projects Fund	Total Nonmajor Governmental Funds
REVENUES							
State revenues	$ -	$ -	$ 639,050	$ 4,674,993	$ -	$ 422,896	$ 5,736,939
Federal revenues	1,950,596	9,798,490	23,690,281	-	3,677,190	619,692	39,736,249
Charges for services	-	-	993,988	-	-	-	993,988
Other	-	-	23,628	-	-	7,156,383	7,180,011
TOTAL REVENUES	1,950,596	9,798,490	25,346,947	4,674,993	3,677,190	8,198,971	53,647,187
EXPENDITURES							
Current:							
Instruction	41,759	6,036,882	-	5,400,414	1,956,963	1,971,602	15,407,620
Support services							
Pupil services	3,703	2,283,686	-	1,238	118,820	1,480,651	3,888,098
Improvement of instructional services	1,523,777	146,445	-	46,643	343,063	1,106,305	3,166,233
Educational media services	1,344	-	-	-	124,800	139,305	265,449
Federal grant administration	43,581	42,225	-	-	109,212	-	195,018
General administration	-	111,618	-	-	17,742	2,202,527	2,331,887
School administration	-	-	-	-	17,734	243,235	260,969
Business administration	-	-	-	-	-	67,401	67,401
Maintenance and operation of facilities	-	-	-	-	-	280,542	280,542
Student transportation	129	1,177,634	-	17,775	130,403	47,994	1,373,935
Central support	336,303	-	-	-	-	1,542,064	1,878,367
Other support services	-	-	-	-	29,680	214,074	243,754
Nutrition	-	-	24,624,101	-	828,773	-	25,452,874
TOTAL EXPENDITURES	1,950,596	9,798,490	24,624,101	5,466,070	3,677,190	9,295,700	54,812,147
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	722,846	(791,077)	-	(1,096,729)	(1,164,960)
OTHER FINANCING SOURCES							
Transfers in	-	-	-	788,338	-	1,683,981	2,472,319
TOTAL OTHER FINANCING SOURCES	-	-	-	788,338	-	1,683,981	2,472,319
NET CHANGE IN FUND BALANCES	-	-	722,846	(2,739)	-	587,252	1,307,359
FUND BALANCES, BEGINNING OF FISCAL YEAR	-	-	9,666,314	-	-	3,157,972	12,824,286
FUND BALANCES (DEFICITS), END OF FISCAL YEAR	$ -	$ -	$ 10,389,160	$ (2,739)	$ -	$ 3,745,224	$ 14,131,645

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, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
State revenues	$ 6,881,194	$ 6,860,359	$ 5,736,939	$ (1,123,420)
Federal revenues	83,597,153	96,181,309	70,441,828	(25,739,481)
Charges for services	-	-	993,988	993,988
Other	10,217,379	14,692,544	7,180,011	(7,512,533)
TOTAL REVENUES	100,695,726	117,734,212	84,352,766	(33,381,446)
EXPENDITURES				
Current:				
Instruction	25,017,657	43,602,739	34,659,437	8,943,302
Support services:				
Pupil services	6,051,960	8,890,230	6,585,324	2,304,906
Improvement of instructional services	12,723,988	16,702,271	9,139,399	7,562,872
Educational media	120,000	853,000	265,449	587,551
Federal grant administration	5,168,749	4,065,259	1,944,540	2,120,719
General administration	3,897,443	4,873,805	2,731,226	2,142,579
School administration	174,788	292,912	260,969	31,943
Business administration	35,146	452,740	67,401	385,339
Maintenance and operation of facilities	1,238,269	1,483,105	280,542	1,202,563
Student transportation	2,217,340	3,059,048	1,632,751	1,426,297
Central support	591,025	2,619,613	1,878,367	741,246
Other support services	783,329	683,312	619,447	63,865
Nutrition	32,790,159	32,790,159	25,452,874	7,337,285
TOTAL EXPENDITURES	90,809,853	120,368,193	85,517,726	34,850,467
DEFICIENCY OF REVENUES UNDER EXPENDITURES	9,885,873	(2,633,981)	(1,164,960)	1,469,021
OTHER FINANCING SOURCES				
Transfers in	2,454,551	2,633,981	2,472,319	(161,662)
Transfers out	(12,340,424)	-	-	-
TOTAL OTHER FINANCING SOURCES	(9,885,873)	2,633,981	2,472,319	(161,662)
NET CHANGE IN FUND BALANCES	-	-	1,307,359	1,307,359
FUND BALANCES - BEGINNING OF FISCAL YEAR	12,824,286	12,824,286	12,824,286	-
FUND BALANCES - END OF FISCAL YEAR	$ 12,824,286	$ 12,824,286	$ 14,131,645	$ 1,307,359

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, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal revenues	$ 35,133,331	$ 45,286,959	$ 30,705,579	$ (14,581,380)
TOTAL REVENUES	35,133,331	45,286,959	30,705,579	(14,581,380)
EXPENDITURES				
Current:				
Instruction	6,752,536	24,868,824	19,251,817	5,617,007
Support services:				
Pupil services	2,000,296	3,957,213	2,697,226	1,259,987
Improvement of instructional services	7,276,476	10,412,913	5,973,166	4,439,747
Federal grant administration	4,784,078	3,681,155	1,749,522	1,931,633
General administration	556,708	553,522	399,339	154,183
Student transportation	996,328	1,420,547	258,816	1,161,731
Other support services	499,485	392,785	375,693	17,092
TOTAL EXPENDITURES	22,865,907	45,286,959	30,705,579	14,581,380
EXCESS OF REVENUES OVER EXPENDITURES	12,267,424	-	-	-
OTHER FINANCING USES				
Transfers Out	(12,267,424)	-	-	-
TOTAL OTHER FINANCING USES	(12,267,424)	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - BEGINNING OF FISCAL YEAR	-	-	-	-
FUND BALANCES - END OF FISCAL YEAR	$ -	$ -	$ -	$ -

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, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal revenues	$ 4,618,038	$ 5,212,635	$ 1,950,596	$ (3,262,039)
TOTAL REVENUES	4,618,038	5,212,635	1,950,596	(3,262,039)
EXPENDITURES				
Current:				
Instruction	-	130,000	41,759	88,241
Support services:				
Pupil services	-	-	3,703	(3,703)
Improvement of instructional services	4,043,586	4,211,241	1,523,777	2,687,464
Educational media services	-	-	1,344	(1,344)
Federal grant administration	174,452	179,888	43,581	136,307
Student transportation	-	-	129	(129)
Central support	327,000	691,506	336,303	355,203
TOTAL EXPENDITURES	4,545,038	5,212,635	1,950,596	3,262,039
EXCESS OF REVENUES OVER EXPENDITURES	73,000	-	-	-
OTHER FINANCING USES				
Transfers Out	(73,000)	-	-	-
TOTAL OTHER FINANCING USES	(73,000)	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - BEGINNING OF FISCAL YEAR	-	-	-	-
FUND BALANCES - END OF FISCAL YEAR	$ -	$ -	$ -	$ -

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, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal revenues	$ 10,387,684	$ 10,433,868	$ 9,798,490	$ (635,378)
TOTAL REVENUES	10,387,684	10,433,868	9,798,490	(635,378)
EXPENDITURES				
Current:				
Instruction	6,809,653	6,162,773	6,036,882	125,891
Support services:				
Pupil services	2,390,031	2,817,273	2,283,686	533,587
Improvement of instructional services	133,706	154,816	146,445	8,371
Federal grant administration	83,918	52,363	42,225	10,138
General administration	2,900	111,853	111,618	235
Student transportation	967,476	1,134,790	1,177,634	(42,844)
TOTAL EXPENDITURES	10,387,684	10,433,868	9,798,490	635,378
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - BEGINNING OF FISCAL YEAR	-	-	-	-
FUND BALANCES - END OF FISCAL YEAR	$ -	$ -	$ -	$ -

ATLANTA INDEPENDENT SCHOOL SYSTEM

School Food Service Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal revenues	$ 28,398,805	$ 28,398,805	$ 23,690,281	$ (4,708,524)
State revenues	904,144	904,144	639,050	(265,094)
Charges for services	-	-	993,988	993,988
Other	2,575,562	2,575,562	23,628	(2,551,934)
TOTAL REVENUES	31,878,511	31,878,511	25,346,947	(6,531,564)
EXPENDITURES				
Current:				
Support services:				
Nutrition	31,878,511	31,878,511	24,624,101	7,254,410
TOTAL EXPENDITURES	31,878,511	31,878,511	24,624,101	7,254,410
NET CHANGE IN FUND BALANCES	-	-	722,846	722,846
FUND BALANCES - BEGINNING OF FISCAL YEAR	9,666,314	9,666,314	9,666,314	-
FUND BALANCES - END OF FISCAL YEAR	$ 9,666,314	$ 9,666,314	$ 10,389,160	$ 722,846

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, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
State revenues	$ 5,113,982	$ 5,278,800	4,674,993	$ (603,807)
TOTAL REVENUES	5,113,982	5,278,800	4,674,993	(603,807)
EXPENDITURES				
Current:				
Instruction	5,952,781	6,083,721	5,400,414	683,307
Support services:				
Pupil services	-	3,600	1,238	2,362
Improvement of instructional services	62,701	76,479	46,643	29,836
Student transportation	48,500	65,000	17,775	47,225
TOTAL EXPENDITURES	6,063,982	6,228,800	5,466,070	762,730
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(950,000)	(950,000)	(791,077)	158,923
OTHER FINANCING SOURCES				
Transfers in	950,000	950,000	788,338	(161,662)
NET CHANGE IN FUND BALANCES	-	-	(2,739)	(2,739)
FUND BALANCES - BEGINNING OF FISCAL YEAR	-	-	-	-
FUND BALANCES (DEFICITS) - END OF FISCAL YEAR	$ -	$ -	$ (2,739)	$ (2,739)

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, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal revenues	$ 4,412,115	$ 5,907,708	$ 3,677,190	$ (2,230,518)
TOTAL REVENUES	4,412,115	5,907,708	3,677,190	(2,230,518)
EXPENDITURES				
Current:				
Instruction	2,627,075	2,961,571	1,956,963	1,004,608
Support services:				
Pupil services	182,867	230,472	118,820	111,652
Improvement of instructional services	290,089	520,233	343,063	177,170
Federal grant administration	126,301	151,853	109,212	42,641
Educational media services	-	720,500	124,800	595,700
General administration	18,519	19,840	17,742	2,098
School administration	-	31,974	17,734	14,240
Student transportation	184,046	298,407	130,403	168,004
Other support services	71,570	61,210	29,680	31,530
Nutrition	911,648	911,648	828,773	82,875
TOTAL EXPENDITURES	4,412,115	5,907,708	3,677,190	2,230,518
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - BEGINNING OF FISCAL YEAR	-	-	-	-
FUND BALANCES - END OF FISCAL YEAR	$ -	$ -	$ -	$ -

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, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
State revenues	$ 863,068	$ 677,415	$ 422,896	$ (254,519)
Federal revenues	647,180	941,334	619,692	(321,642)
Other	7,641,817	12,116,982	7,156,383	(4,960,599)
TOTAL REVENUES	9,152,065	13,735,731	8,198,971	(5,536,760)
EXPENDITURES				
Current:				
Instruction	2,875,612	3,395,850	1,971,602	1,424,248
Support services:				
Pupil services	1,478,766	1,881,672	1,480,651	401,021
Improvement of instructional services	917,430	1,326,589	1,106,305	220,284
Educational media services	120,000	132,500	139,305	(6,805)
General administration	3,319,316	4,188,590	2,202,527	1,986,063
School administration	174,788	260,938	243,235	17,703
Business administration	35,146	452,740	67,401	385,339
Maintenance and operation of facilities	1,238,269	1,483,105	280,542	1,202,563
Student transportation	20,990	140,304	47,994	92,310
Central support	264,025	1,928,107	1,542,064	386,043
Other support services	212,274	229,317	214,074	15,243
TOTAL EXPENDITURES	10,656,616	15,419,712	9,295,700	6,124,012
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,504,551)	(1,683,981)	(1,096,729)	587,252
OTHER FINANCING SOURCES				
Transfers in	1,504,551	1,683,981	1,683,981	-
TOTAL OTHER FINANCING SOURCES	1,504,551	1,683,981	1,683,981	-
NET CHANGE IN FUND BALANCES	-	-	587,252	587,252
FUND BALANCES - BEGINNING OF FISCAL YEAR	3,157,972	3,157,972	3,157,972	-
FUND BALANCES - END OF FISCAL YEAR	$ 3,157,972	$ 3,157,972	$ 3,745,224	$ 587,252

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, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Sales tax income	$ 118,415,151	$ 118,415,151	$ 99,589,667	$ (18,825,484)
Federal revenues	7,460,375	7,460,375	3,405,852	(4,054,523)
Investment income	90,172	90,172	542,067	451,895
TOTAL REVENUES	125,965,698	125,965,698	103,537,586	(22,428,112)
EXPENDITURES				
Current:				
Support services:				
Maintenance and operation of facilities	26,170,102	7,072,079	6,513,712	558,367
Central support	-	-	89,836	(89,836)
Debt service:				
Interest	7,160,000	4,774,900	4,029,142	745,758
Capital outlays:				
Facilities acquisition and construction	92,635,596	114,118,719	35,782,804	78,335,915
TOTAL EXPENDITURES	125,965,698	125,965,698	46,415,494	79,550,204
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	57,122,092	57,122,092
OTHER FINANCING SOURCES				
Transfers In	-	-	233,327	233,327
TOTAL OTHER FINANCING SOURCES	-	-	233,327	233,327
NET CHANGE IN FUND BALANCES	-	-	57,355,419	57,355,419
FUND BALANCES - BEGINNING OF FISCAL YEAR	44,459,667	44,459,667	44,459,667	-
FUND BALANCES - END OF FISCAL YEAR	$ 44,459,667	$ 44,459,667	$ 101,815,086	$ 57,355,419

ATLANTA INDEPENDENT SCHOOL SYSTEM

Statement of Changes in Fiduciary Assets and Liabilities

Agency Fund

For the Fiscal Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
ASSETS				
Cash and cash equivalents	$ 685,818	$ 2,040,471	$ (1,973,894)	$ 752,395
LIABILITIES				
Due to local schools and student groups	$ 685,818	$ 2,040,471	$ (1,973,894)	$ 752,395

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, 2018

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, 2018

DESCRIPTION	ALLOTMENTS FROM GEORGIA DEPARTMENT OF EDUCATION (1)	SALARIES	ELIGIBLE QBE PROGRAM OPERATIONS	TOTAL
Direct Instructional Programs				
Kindergarten Program	$ 22,639,778	$ 19,895,333	$ -	$ 19,895,333
Kindergarten Program-Early Intervention Program	5,101,829	1,230,960	-	1,230,960
Primary Grades (1-3) Program	52,965,905	51,557,669	3,155,241	54,712,910
Primary Grades-Early Intervention (1-3) Program	18,127,607	8,774,859	-	8,774,859
Upper Elementary Grades (4-5) Program	21,978,040	37,412,192	-	37,412,192
Upper Elem Grades-Early Intervention (4-5) Program	13,624,289	6,290,712	-	6,290,712
Middle Grades (6-8) Program	-	211,096	-	211,096
Middle School (6-8) Program	36,657,610	34,793,803	858,888	35,652,691
High School General Education (9-12) Program	30,859,989	50,699,047	1,291,129	51,990,176
Vocational Laboratory (9-12) Program	5,404,656	6,092,907	428,134	6,521,041
Students with Disabilities				
Category I	6,487,356	2,402,016	4,123,677	6,525,693
Category II	3,414,100	1,567,873	-	1,567,873
Category III	22,181,495	43,882,536	-	43,882,536
Category IV	5,786,684	1,465,910	-	1,465,910
Category V	2,745,011	91	-	91
Gifted Student - Category VI	13,221,561	13,026,863	41,733	13,068,596
Remedial Education Program	6,192,711	4,704,217	7,262	4,711,479
Alternative Education Program	2,429,058	111,531	-	111,531
English Speakers of Other Languages (ESOL)	3,871,279	5,805,905	25,993	5,831,898
TOTAL DIRECT INSTRUCTIONAL PROGRAMS	$ 273,688,958	$ 289,925,520	$ 9,932,057	$ 299,857,577
Media Center Program	7,528,170	6,807,584	642,278	7,449,862
Staff and Professional Development	1,172,727	20,159	1,213,907	1,234,066
TOTAL QBE FORMULA FUNDS	$ 282,389,855	$ 296,753,263	$ 11,788,242	$ 308,541,505
Twenty days additional Instruction		-	-	-
Pupil Transportation		17,089,061	7,569,453	24,658,514
On behalf		-	-	-
Indirect costs - Central Admin.		-	-	-
Indirect costs - School Admin.		-	-	-
Indirect costs - Facilities M&O		-	-	-
Nurses		2,710,265	-	2,710,265
		$ 316,552,589	$ 19,357,695	$ 335,910,284

(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, 2018

	Pre-Kindergarten Program
Salaries	$ 3,695,853
Employee benefits	1,433,617
Employee travel	1,162
Other purchased services	204,850
Materials and supplies	130,588
	$ 5,466,070

ATLANTA INDEPENDENT SCHOOL SYSTEM

SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS

FISCAL YEAR ENDED JUNE 30, 2018

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT YEAR (3)	AMOUNT EXPENDED IN PRIOR YEARS (4)	PROJECT STATUS
SPLOST IV					
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	19,500,463	30,452,892	193,519	30,452,892	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	499,962,831	489,462,831	14,600,067	390,970,506	Ongoing
SPLOST V					
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	525,695,691	525,695,691	29,683,664	-	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	20,057,000	20,057,000	1,765,703	-	Ongoing
Totals	$ **1,638,084,761**	$ **1,556,637,979**	$ **46,242,953**	$ **900,296,739**	

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 by SPLOST funding	$ 46,242,953
Expenditures not reflected above that were paid from other local sources of the School System	172,541
Total Capital Projects Expenditures	**$46,415,494**

(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.

(5) The Original Estimated Cost is based on Collections at 100%

ATLANTA INDEPENDENT SCHOOL SYSTEM
SCHEDULE OF STATE REVENUE
FISCAL YEAR ENDED JUNE 30, 2018

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES: GENERAL FUND	GOVERNMENTAL FUND TYPES: OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL
GRANTS			
Georgia Department of Early Care and Learning			
Bright from the Start (Lottery)			
Pre-Kindergarten Program	$ -	$ 4,674,993	$ 4,674,993
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	13,481,218	-	13,481,218
Kindergarten Program - Early Intervention Program	3,076,843	-	3,076,843
Primary Grades (1-3) Program	31,540,254	-	31,540,254
Primary Grades - Early Intervention (1-3) Program	10,909,319	-	10,909,319
Upper Elementary Grades (4-5) Program	13,118,058	-	13,118,058
Upper Elementary Grades - Early Intervention (4-5) Program	8,281,014	-	8,281,014
Middle School (6-8) Program	21,957,228	-	21,957,228
High School General Education (9-12) Program	18,404,546	-	18,404,546
Vocational Laboratory (9-12) Program	3,226,245	-	3,226,245
Students with Disabilities - All Categories	24,681,387	-	24,681,387
Gifted Student - Category VI	7,933,490	-	7,933,490
Remedial Education Program	3,789,236	-	3,789,236
Alternative Education Program	1,449,423	-	1,449,423
English Speakers of Other Languages (ESOL)	2,374,602	-	2,374,602
Media Center Program	4,502,238	-	4,502,238
20 Days Additional Instruction	1,345,398	-	1,345,398
Staff and Professional Development	694,556	-	694,556
Principal Staff and Prof Development	16,121	-	16,121
Indirect Cost			
Central Administration	3,824,879	-	3,824,879
School Administration	9,294,185	-	9,294,185
Facility Maintenance and Operations	9,078,247	-	9,078,247
Categorical Grants			
Pupil Transportation			
Regular	3,095,310	-	3,095,310
Nursing Services	1,101,807	-	1,101,807
Austerity Reduction	(3,158,452)	-	(3,158,452)
Other State Programs			
Charter Schools - Facilities	1,083,353	-	1,083,353
Charter System Grant	4,410,572	-	4,410,572
CTAE - Apprenticeship	36,067	-	36,067
CTAE - CTE Extended Day	211,782	-	211,782
CTAE - Supervision	32,206	-	32,206
Math and Science Supplement	494,289	-	494,289
Move on When Ready Grant	172,471	-	172,471
Teacher of the Year	507	-	507
Preschool Handicapped State Grant	620,200	-	620,200
Residential Treatment Centers Grant	365,102	-	365,102
Teacher's Retirement	137,636	-	137,636
Georgia SHAPE Grant	-	8,000	8,000
Dept. of Family and Children Services	-	160,343	160,343
Governors Office of Student Achievement	380,595	(157,500)	223,095
HUD Choice Neighborhood	-	10,322	10,322
Technical and Adult Education, Georgia Department of			
Adult Education	-	401,731	401,731
School Nutrition			
State School Nutrition Service Program	-	639,050	639,050
	$ 201,961,932	$ 5,736,939	$ 207,698,871



2018

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 Pages

Financial Trends **84-90**

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.

Revenue Capacity **91-97**

The schedules contain information to help the reader assess the School System's major revenue sources.

Debt Capacity **98-100**

These schedules contain information to help the reader assess the affordability of the School System's current levels of outstanding debt and the ability to issue additional debt in the future.

Demographic and Economic Information **101-106**

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.

Operating Information **107-110**

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.

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,	2009	2010	2011	2012	Restated 2013	Restated 2014	Restated 2015	2016	Restated 2017	2018
Governmental Activities										
Net investment in capital assets	$ 959,621,519	$ 1,056,744,474	$ 1,104,601,221	$ 1,171,493,160	$ 1,187,165,191	$ 1,215,512,729	$ 1,265,539,647	$ 1,331,099,338	$ 1,322,358,593	$ 1,294,404,835
Restricted	152,371,189	111,943,417	112,855,070	116,028,486	119,946,096	103,222,132	70,686,257	31,929,343	65,461,019	121,641,738
Unrestricted (deficit)	168,743,024	128,194,970	147,834,977	95,879,455	101,540,763	96,220,509	(838,250,590)	(814,836,296)	(1,265,019,857)	(1,252,464,176)
Total Governmental Activities Net Position	1,280,735,732	1,296,882,861	1,365,291,268	1,383,401,101	1,408,652,050	1,414,955,370	497,975,314	548,192,385	122,799,755	163,582,397
Business-Type Activities										
Net investment in capital assets	-	-	-	-	141,550	111,750	-	-	-	-
Unrestricted	1,972,799	2,038,487	2,183,644	4,893,181	5,481,550	7,038,771	-	-	-	-
Total Business-Type Activities Net Position	1,972,799	1,972,799	2,183,644	4,893,181	5,623,100	7,150,521	-	-	-	-
Primary Government Activities										
Net investment in capital assets	959,621,519	1,056,744,474	1,104,601,221	1,171,493,160	1,187,306,741	1,215,624,479	1,265,539,647	1,331,099,338	1,322,358,593	1,294,404,835
Restricted	152,371,189	111,943,417	112,855,070	116,028,486	119,946,096	103,222,132	70,686,257	31,929,343	65,461,019	121,641,738
Unrestricted (deficit)	170,715,823	130,233,457	150,018,621	100,772,636	107,022,313	103,259,280	(838,250,590)	(814,836,296)	(1,265,019,857)	(1,252,464,176)
Total Primary Government Activities Net Position	**$ 1,282,708,531**	**$ 1,298,921,348**	**$ 1,367,474,912**	**$ 1,388,294,282**	**$ 1,414,275,150**	**$ 1,422,105,891**	**$ 497,975,314**	**$ 548,192,385**	**$ 122,799,755**	**$ 163,582,397**

Source: **Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2018**

Note: **All restatements are due to prior period adjustments for change in accounting principle. For fiscal year 2013, see Note S of FY2014 APS CAFR and for fiscal year 2017, see Note T of FY2018 CAFR**
Beginning in FY2015 (with a restatement for FY2014), the School System implemented GASB 68 which required the reporting of the School System's net pension liabilities.
For restatement of balances as it relates to the implementation of GASB 75 which required the accounting and reporting of the School System's share of the net OPEB liabilities and related deferred items.
Starting with fiscal year 2016, food service balances are treated as part of governmental rather than business-type activities.

Atlanta Independent School System
Change in Net Position
Last Ten Fiscal Years
Schedule 2

Fiscal Year Ended June 30,	2009	2010	2011	2012	Restated 2013	Restated 2014	Restated 2015	2016	Restated 2017	2018
Expenses										
Governmental Activities										
Instruction	$ 427,131,947	$ 438,036,127	$ 377,491,180	$ 405,995,101	$ 426,037,447	$ 463,069,508	$ 481,535,172	$ 509,804,437	$ 538,600,743	$ 548,543,131
Pupil Services	36,130,943	37,303,898	39,024,421	29,543,231	25,105,338	27,826,272	30,763,057	35,198,187	52,335,789	53,690,214
Improvement of instructional services	38,598,585	40,427,290	50,496,694	38,215,985	42,917,654	40,341,847	48,046,569	39,684,582	49,457,808	49,949,929
Educational media	9,220,728	8,394,083	9,616,559	8,958,197	8,869,786	9,056,362	10,921,506	12,132,847	8,790,315	7,622,141
Federal grant administration	-	-	-	1,118,206	1,973,342	2,217,909	2,405,337	1,669,202	2,244,931	1,990,551
General administration	15,698,105	14,110,681	14,514,905	17,882,230	14,324,803	13,450,517	16,697,432	13,464,419	11,228,888	12,355,629
School administration	26,425,185	28,239,428	33,287,126	30,826,584	40,648,067	42,089,001	41,929,991	41,752,774	43,648,857	38,891,016
Business administration	24,150,131	15,327,591	17,889,836	22,610,577	15,157,828	12,480,379	12,353,040	9,453,803	9,679,120	7,862,778
Maintenance and operation of facilities	88,484,674	90,747,017	96,333,469	97,084,662	80,783,550	89,278,591	100,306,868	102,343,863	105,893,809	97,953,163
Student transportation	53,662,233	39,593,169	28,898,209	29,770,071	24,892,766	30,987,580	29,800,605	31,922,287	34,408,310	31,621,678
Central support	38,798,862	48,566,805	36,729,914	28,379,529	28,361,651	25,040,308	24,684,505	20,521,363	18,918,080	20,976,023
Community services	-	-	-	-	-	-	-	-	-	-
Other support services	3,707,098	3,350,291	4,382,181	13,035,152	3,011,547	13,929,445	3,563,951	3,796,962	979,587	1,044,426
Nutrition	-	-	15,657	358,681	910,473	1,209,017	1,083,116	28,548,019	30,470,614	27,023,594
Interest and fiscal charges	2,295,941	2,022,585	2,258,183	6,418,786	5,851,816	5,603,226	5,475,553	5,003,615	4,406,716	4,682,822
Total Governmental Activities Expenses	764,304,432	766,118,965	710,938,335	730,196,992	718,846,068	776,579,962	809,566,702	855,296,360	911,063,567	904,207,095
Business-Type Activities										
Food services	21,752,821	23,222,029	23,800,532	22,705,598	23,680,487	23,898,174	25,167,134	-	-	-
Total Business-Type Activities Expenses	21,752,821	23,222,029	23,800,532	22,705,598	23,680,487	23,898,174	25,167,134	-	-	-
Total Primary Government Activities Expenses	**$ 786,057,253**	**$ 789,340,994**	**$ 734,738,867**	**$ 752,902,590**	**$ 742,526,555**	**$ 800,478,136**	**$ 834,733,836**	**$ 855,296,360**	**$ 911,063,567**	**$ 904,207,095**
Program Revenues										
Governmental Activities										
Charges for Services										
Instruction	$ 140,047	$ 90,084	$ 31,492	$ 3,490	$ 2,591	$ 26,383	$ 12,616	$ 22,056	$ 12,190	$ 16,726
Pupil services	-	-	-	-	3,373,883	3,237,092	4,596,681	4,953,646	3,705,644	2,367,520
School administration	-	-	-	-	-	-	-	-	-	-
Maintenance and operation of facilities	1,246,236	995,042	783,989	996,731	1,158,726	988,989	1,006,553	1,197,526	1,262,666	1,252,305
Other support services	-	-	670,918	724,400	-	-	-	-	-	-
Nutrition	767,347	754,773	-	-	-	-	-	-	1,307,557	1,017,616
Operating Grants and Contributions										
Instruction	108,327,712	110,873,809	111,426,958	110,219,318	113,724,544	120,464,226	134,257,445	145,331,457	151,457,569	160,660,230
Pupil services	20,282,835	14,470,057	18,641,247	11,780,166	8,489,114	10,715,721	10,295,171	12,003,494	18,519,800	18,720,540
Improvement of instructional services	20,193,588	27,647,132	33,328,056	30,489,786	34,826,333	32,986,455	37,136,248	28,683,276	27,545,720	19,644,884
Educational media	2,899,356	1,404,768	2,000,787	-	2,223,907	2,389,577	2,939,771	3,400,017	2,363,675	2,538,834
Federal grant administration	-	-	-	1,118,206	1,973,342	2,217,909	2,440,200	1,708,350	2,145,806	1,944,538
General administration	5,788,541	3,705,087	5,053,926	7,689,306	6,213,208	7,024,079	9,321,899	5,317,536	4,146,886	4,849,452
School administration	5,874,998	6,841,227	7,958,215	7,325,735	10,237,170	11,077,536	11,438,765	12,059,944	11,304,921	10,413,733
Business administration	3,933,403	2,925,304	4,077,543	4,105,440	3,227,896	2,653,498	2,608,697	2,148,730	2,077,243	2,082,577
Maintenance and operation of facilities	17,293,612	15,521,798	20,416,518	22,290,143	18,353,454	18,959,112	18,473,478	20,108,020	21,706,603	21,803,899
Student transportation	8,537,786	8,286,759	6,735,023	8,218,788	6,767,808	8,914,204	8,283,087	9,482,254	10,166,765	9,586,627
Central support	7,680,398	9,984,164	9,260,421	7,961,419	5,947,248	6,540,388	6,422,446	5,867,185	5,913,062	6,701,941
Community Services	2,811,038	2,116,177	-	-	-	-	-	-	-	-
Other support services	-	-	2,845,306	4,210,388	2,467,522	11,980,412	3,175,348	3,371,346	516,574	325,174
Nutrition	12,691	-	14,696	358,681	407,762	771,988	26,044,389	28,252,937	28,612,987	25,158,104
Interest and fiscal charges	-	-	-	2,520,803	3,659,230	3,368,321	3,408,579	3,401,254	3,411,020	3,405,852
Capital Grants and Contributions										
Instruction	-	-	25,367,686	8,803,308	3,904,228	7,268,111	10,245,276	4,075,810	4,933,821	1,882,627
Improvement of instructional services	-	-	-	-	135,500	576,500	1,165,151	115,325	-	-
Maintenance and operation of facilities	-	-	-	-	135,650	-	60,759	-	-	-
Student transportation	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	205,789,588	205,616,181	248,612,781	228,816,108	227,229,116	252,160,501	293,332,559	291,500,163	301,110,509	294,373,179
Business-Type Activities										
Charges for Services										
Food Services	2,291,777	1,836,912	1,695,061	1,638,841	1,279,087	958,435	-	-	-	-
Operating Grants and Contributions										
Food Services	20,948,908	21,442,603	22,233,560	23,774,887	23,131,319	24,467,160	-	-	-	-
Total Business-Type Activities Program Revenues	23,240,685	23,279,515	23,928,621	25,413,728	24,410,406	25,425,595	-	-	-	-
Total Primary Government Activities Program Revenues	**$ 229,030,273**	**$ 228,895,696**	**$ 272,541,402**	**$ 254,229,836**	**$ 251,639,522**	**$ 277,586,096**	**$ 293,332,559**	**$ 291,500,163**	**$ 301,110,509**	**$ 294,373,179**

Continued on next page

Note: **Starting with fiscal year 2016, food service balances are treated as part of governmental rather than business-type activities.**

Atlanta Independent School System
Change in Net Position
Last Ten Fiscal Years
Schedule 2

Fiscal Year Ended June 30,	2009	2010	2011	2012	Restated 2013	Restated 2014	Restated 2015	2016	Restated 2017	2018
Net (Expense)/Revenue										
Governmental Activities										
Instruction	$ (318,664,187)	$ (327,072,234)	$ (240,665,044)	$ (286,968,985)	$ (308,406,084)	$ (335,310,788)	$ (337,019,835)	$ (360,375,114)	$ (382,197,163)	$ (385,983,548)
Pupil Services	(15,848,107)	(22,833,841)	(20,383,174)	(17,763,065)	(13,242,341)	(13,873,459)	(17,085,558)	(18,241,047)	(30,110,345)	(32,602,154)
Improvement of instructional services	(18,404,997)	(12,780,158)	(17,168,638)	(7,726,199)	(7,955,821)	(6,778,892)	(9,745,170)	(10,885,981)	(21,912,088)	(30,305,045)
Educational media	(6,321,372)	(6,989,315)	(7,615,772)	(8,958,197)	(6,645,879)	(6,666,785)	(7,981,735)	(8,732,830)	(6,426,640)	(5,083,307)
Federal grant administration	-	-	-	-	-	-	34,863	39,148	(99,125)	(46,013)
General administration	(9,909,564)	(10,405,594)	(9,460,979)	(10,192,924)	(8,111,595)	(6,426,438)	(7,375,533)	(8,146,883)	(7,082,002)	(7,506,177)
School administration	(20,550,187)	(21,398,201)	(25,328,911)	(23,500,849)	(30,410,897)	(31,011,465)	(30,491,226)	(29,692,830)	(32,343,936)	(28,477,283)
Business administration	(20,216,730)	(12,402,287)	(13,812,293)	(18,505,137)	(11,929,932)	(9,826,881)	(9,744,343)	(7,305,073)	(7,601,877)	(5,780,201)
Maintenance and operation of facilities	(69,944,826)	(74,230,177)	(75,132,962)	(73,797,788)	(61,135,720)	(69,330,490)	(80,766,078)	(81,038,317)	(82,924,540)	(74,896,959)
Student transportation	(45,124,446)	(31,306,410)	(22,163,186)	(21,551,283)	(18,124,958)	(22,073,376)	(21,517,518)	(22,440,033)	(24,241,545)	(22,035,051)
Central support	(31,118,464)	(38,582,641)	(27,469,493)	(20,418,110)	(22,414,403)	(18,499,920)	(18,262,059)	(14,654,178)	(13,005,018)	(14,274,082)
Community Services	2,811,038	2,116,177	-	-	-	-	-	-	-	-
Other support services	(3,707,098)	(3,350,291)	(865,957)	(8,100,364)	(544,025)	(1,949,033)	(388,603)	(425,616)	(463,013)	(719,252)
Nutrition	780,038	754,773	(961)	-	(502,711)	(437,029)	1,008,492	(295,082)	(550,070)	(847,874)
Interest and fiscal charges	(2,295,941)	(2,022,585)	(2,258,183)	(3,897,983)	(2,192,586)	(2,234,905)	(2,066,974)	(1,602,361)	(995,696)	(1,276,970)
Total Governmental Activities Net (Expenses)/Revenues	(558,514,843)	(560,502,784)	(462,325,554)	(501,380,884)	(491,616,952)	(524,419,461)	(541,401,277)	(563,796,197)	(609,953,058)	(609,833,916)
Business-Type Activities										
Food Services	1,487,864	57,486	128,089	2,708,130	729,919	1,527,421	-	-	-	-
Total Business-Type Activities Net (Expenses)/Revenues	1,487,864	57,486	128,089	2,708,130	729,919	1,527,421	-	-	-	-
Total Primary Government Activities Net Expense	**$ (557,026,979)**	**$ (560,445,298)**	**$ (462,197,465)**	**$ (498,672,754)**	**$ (490,887,033)**	**$ (522,892,040)**	**$ (541,401,277)**	**$ (563,796,197)**	**$ (609,953,058)**	**$ (609,833,916)**
General Revenues and Other Charges in Net Position										
Governmental Activities										
Taxes										
Property Taxes levied for general purposes	$ 479,629,504	$ 498,921,379	$ 469,310,346	$ 414,313,637	$ 416,364,236	$ 429,448,006	$ 450,321,405	$ 507,480,889	$ 514,306,061	$ 539,738,290
Property Taxes levied for debt Services	1,262,460	1,271,739	1,174,306	1,111,471	1,910,601	2,385,690	2,319,188	2,568,017	668,480	32,014
Special Local Option Sales Tax & Other Taxes	108,957,224	63,438,076	52,901,075	93,699,732	85,376,919	88,603,776	92,655,880	93,792,152	93,790,758	99,589,667
Grants and Contributions not restricted to specific programs	4,328,538	1,306,947	1,310,441	11,613,166	20,946,374	10,216,768	12,209,288	9,384,782	7,525,758	9,626,231
Investment Earnings	6,419,960	230,484	124,833	134,088	198,096	68,541	156,570	609,138	1,164,952	1,630,356
Other	15,296,550	10,583,834	5,298,494	-	-	-	2,870,395	-	-	-
Gain on sale of capital assets	528,432	897,453	614,466	-	-	-	9,283,900	178,290	909,142	-
Transfers	-	-	-	-	-	-	-	-	-	-
Extra ordinary items	-		-	-	(7,928,325)	-	-	-	-	-
Total Governmental Activities	616,422,668	576,649,912	530,733,961	520,872,094	516,867,901	530,722,781	569,816,626	614,013,268	618,365,151	650,616,558
Business-Type Activities										
Investment Earnings	-	8,202	17,068	1,407	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	-	8,202	17,068	1,407	-	-	-	-	-	-
Total Primary Government Activities	**616,422,668**	**576,658,114**	**530,751,029**	**520,873,501**	**516,867,901**	**530,722,781**	**569,816,626**	**614,013,268**	**618,365,151**	**650,616,558**
Change in Net Position										
Governmental Activities	57,907,825	16,147,128	68,408,407	19,491,818	25,250,949	6,303,320	27,088,373	50,217,071	8,412,093	40,782,642
Business-Type Activities	1,487,864	65,688	145,157	2,709,537	729,919	1,527,421	1,326,976	-	-	-
Total Primary Government	**$ 59,395,689**	**$ 16,212,816**	**$ 68,553,564**	**$ 22,201,355**	**$ 25,980,868**	**$ 7,830,741**	**$ 28,415,349**	**$ 50,217,071**	**$ 8,412,093**	**$ 40,782,642**

Source: **Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2018**

Notes: **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 2014, see Note S of FY2014 CAFR and for fiscal year 2017, see Note T of the FY2018 CAFR
Starting with fiscal year 2016, food service balances are treated as part of governmental rather than business-type activities.

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

Fiscal Year Ended June 30,	2009	2010
Pre-GASB 54		
General Fund		
Reserved	$ 72,359,684	$ 33,799,205
Unreserved	85,541,272	75,928,012
Total General Fund	$ 157,900,956	$ 109,727,217
All Other Governmental Funds		
Reserved	$ 149,939,551	$ 136,951,993
Unreserved, reported in:		
Capital Project Funds	-	-
Special Revenue Funds	11,995,289	11,767,769
Total All Other Governmental Funds	161,934,840	148,719,762
Total	$ 319,835,796	$ 258,446,979

	2011	2012	Restated 2013	2014	Restated 2015	Restated 2016	2017	2018
GASB 54								
General Fund								
Nonspendable	$ 456,347	$ 1,023,447	$ -	$ -	$ -	$ 227,162	$ 63,210	$ 239,347
Restricted	1,104,717	299,867	395,553	955,364	1,732,429	3,106,199	3,440,290	3,141,762
Committed	16,995,134	1,589,097	1,139,666	1,124,458	1,089,486	1,292,525	1,418,790	1,421,131
Assigned	16,000,000	28,351,208	25,300,000	25,000,000	2,800,000	24,005,021	17,303,806	8,669,038
Unassigned	46,711,357	50,754,070	55,989,982	61,387,638	69,746,719	66,306,776	63,380,812	57,608,161
Total General Fund	81,267,555	82,017,689	82,825,201	88,467,460	75,368,634	94,937,683	85,606,908	71,079,439
All Other Governmental Funds								
Capital Projects								
Restricted	56,905,042	112,372,048	113,874,603	99,474,791	67,300,552	18,129,315	44,459,667	101,815,086
Assigned	28,898,894	21,363,504	15,219,006	9,190,881	3,591,004	991,167	-	-
Special Revenue Funds								
Nonspendable	-	-	-	-	-	618,881	442,766	323,707
Restricted	54,845,311	49,926,602	5,810,236	2,791,977	1,653,276	10,693,829	10,279,607	12,022,218
Assigned	2,210,361	2,129,346	2,364,322	3,076,229	2,305,708	1,292,046	2,101,913	1,788,459
Unassigned	-	-	-	-	-	-	-	(2,739)
Total All Other Governmental Funds	142,859,608	185,791,500	137,268,167	114,533,878	74,850,540	31,725,238	57,283,953	115,946,731
Total	$ 224,127,163	$ 267,809,189	$ 220,093,368	$ 203,001,338	$ 150,219,174	$ 126,662,921	$ 142,890,861	$ 187,026,170

Source: **Atlanta Independent School System Financial Report for previous years and fiscal year ended June 30, 2018**

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 2009-2010 is pre GASB 54. Fiscal Year 2011 is when the standard was implemented.**
All restatements are due to prior period adjustment for change in accounting principle. See Note S of the respective years' CAFR.

ATLANTA INDEPENDENT SCHOOL SYSTEM
CHANGES IN GOVERNMENTAL FUND BALANCES
LAST TEN FISCAL YEARS
Schedule 4

Fiscal Year Ended June 30,	2009	2010	2011	2012	Restated 2013	2014	Restated 2015	2016	2017	2018
Revenues										
Local Taxes	$ 507,895,487	$ 493,825,791	$ 445,986,671	$ 445,177,849	$ 413,467,525	$ 433,996,780	$ 454,927,297	$ 511,492,393	$ 518,224,539	$ 532,696,413
Sales taxes income	103,765,261	95,443,229	57,678,243	93,097,083	85,979,568	88,603,776	92,655,880	93,792,152	93,790,758	99,589,667
State revenues	129,106,908	110,942,787	132,033,597	142,661,322	146,333,340	166,924,818	170,977,501	192,400,197	202,948,388	207,698,871
Federal revenues	70,336,278	82,463,268	84,046,858	75,794,627	67,825,396	78,966,352	113,265,229	88,560,089	86,269,601	75,008,749
Investment income	6,419,960	410,218	282,686	134,088	198,096	68,541	156,570	609,138	1,164,952	1,630,356
Facility rental fees	1,246,236	995,042	783,989	996,731	1,158,726	988,989	1,006,553	1,197,526	1,262,666	1,252,305
Tuition charges	140,047	90,084	31,492	3,490	2,591	26,383	12,616	22,056	12,190	16,726
Charges for services	767,348	754,773	670,918	724,400	3,373,883	3,237,092	4,596,681	4,953,646	4,979,146	3,361,508
Other	23,817,861	22,081,274	13,897,009	20,717,752	31,594,799	14,590,435	16,082,334	14,330,549	12,387,171	16,806,242
Total Revenues	**843,495,386**	**807,006,466**	**735,411,463**	**779,307,342**	**749,933,924**	**787,403,166**	**853,680,661**	**907,357,746**	**921,039,411**	**938,060,837**
Expenditures										
Current Expenditures										
Instruction	394,246,196	403,804,829	373,889,853	369,977,089	384,975,252	406,426,726	452,833,641	477,989,545	498,663,838	515,504,873
Support Services:										
Pupil Services	35,859,316	36,234,070	38,474,947	29,461,159	25,023,266	27,819,145	31,526,739	35,726,688	51,027,337	52,868,194
Improvement of instructional services	38,318,666	39,447,284	49,820,431	38,215,985	42,917,654	40,368,632	48,830,299	40,399,037	47,970,931	49,128,759
Educational media	9,081,715	8,145,710	9,446,870	8,916,740	8,828,329	9,019,486	11,238,567	12,305,325	8,418,504	7,463,402
Federal grant administration	-	-	-	1,118,206	1,973,342	2,217,909	2,440,200	1,708,350	2,145,806	1,944,540
General administration	15,572,414	13,763,790	14,320,518	17,882,230	14,324,803	13,474,897	16,913,708	13,572,077	11,070,288	11,758,631
School administration	26,227,397	27,509,235	32,841,337	30,826,584	40,648,067	42,213,686	43,525,481	42,672,757	41,864,605	38,455,013
Business administration	17,182,008	15,934,176	16,837,414	16,653,106	12,509,036	9,829,649	9,951,233	7,768,723	7,675,658	7,673,969
Maintenance and operation of facilities	89,297,173	90,301,296	96,145,841	98,718,040	77,738,813	77,358,846	77,195,740	79,699,348	87,966,545	87,842,343
Student transportation	51,723,141	36,256,980	26,016,620	27,596,737	22,567,164	28,399,995	28,708,916	30,747,886	34,015,172	31,559,065
Central Support	38,517,074	47,399,446	36,238,019	28,294,967	28,361,651	25,140,028	25,095,644	20,746,465	18,422,454	20,787,949
Other support services	3,676,062	-	4,323,494	13,035,152	3,011,547	13,929,494	3,608,149	3,855,684	967,692	1,019,328
Nutrition	12,500	-	15,657	358,681	910,473	1,209,017	26,201,178	28,547,837	30,374,312	25,818,293
Other	-	3,274,650	-	-	-	-	-	-	-	-
Food Services Operation	-	-	-		-	-	-	-	-	-
Other Operations of Non-Instructional Services	-	-	-	-	-	-	-	-	-	-
Capital Outlays	151,389,516	139,770,104	170,374,153	46,053,815	117,779,131	91,461,362	114,183,045	128,932,728	51,663,723	35,782,804
Debt Service:										
Principal	6,800,416	2,022,585	5,934,366	7,904,791	9,538,823	9,188,890	9,643,101	9,439,490	8,983,035	2,047,181
Interest and fiscal charges	2,295,941	5,755,506	1,803,937	5,331,323	6,684,960	6,488,819	6,140,938	5,447,694	4,780,869	4,705,703
Bond issuance cost	-	-	1,466,547	-	-	-	-			
Total Expenditures	**$ 880,199,535**	**$ 869,619,661**	**$ 877,950,004**	**$ 740,344,605**	**$ 797,792,311**	**$ 804,546,581**	**$ 908,036,579**	**$ 939,559,634**	**$ 906,010,769**	**$ 894,360,047**

ATLANTA INDEPENDENT SCHOOL SYSTEM
CHANGES IN GOVERNMENTAL FUND BALANCES
LAST TEN FISCAL YEARS
Schedule 4

Fiscal Year Ended June 30,	2009	2010	2011	2012	2013	Restated 2014	Restated 2015	2016	2017	2018
Excess / (Deficiency) of Revenues over (under) Expenditures	**$ (36,704,149)**	**$ (62,613,195)**	**$ (142,538,541)**	**$ 38,962,737**	**$ (47,858,387)**	**$ (17,143,415)**	**$ (54,355,918)**	**$ (32,201,888)**	**$ 15,028,642**	**$ 43,700,790**
Other Financing Sources (Uses)										
Proceeds from Bonds	-	-	104,415,000	-	-	-	-	-	-	-
Premium on bonds	-	-	3,097,709	-	-	-	-	-	-	-
Proceeds from Capital Leases	-	-	-	4,467,505	-	-	-	-	-	-
Proceeds from sale of capital assets	932,980	1,224,378	706,016	251,784	142,566	51,385	2,930,530	250,088	1,199,298	434,519
Proceeds from issuance of notes payable	-	-	-	-	-	-	-	-	-	-
Transfers in	34,055,410	44,664,147	10,974,126	600,090	5,925,802	1,238,300	288,955	1,402,164	2,550,527	2,705,646
Transfers out	(34,055,410)	(44,664,147)	(10,974,126)	(600,090)	(5,925,802)	(1,238,300)	(288,955)	(1,402,164)	(2,550,527)	(2,705,646)
Total Other Financing Sources/(Uses)	**932,980**	**1,224,378**	**108,218,725**	**4,719,289**	**142,566**	**51,385**	**2,930,530**	**250,088**	**1,199,298**	**434,519**
Net Change in Fund Balances	(35,771,169)	(61,388,817)	(34,319,816)	43,682,026	(47,715,821)	(17,092,030)	(51,425,388)	(31,951,800)	16,227,940	44,135,309
Fund Balance at Beginning of Fiscal Year	355,606,965	323,846,887	258,446,979	224,127,163	267,809,189	220,093,368	210,040,109	158,614,721	126,662,921	142,890,861
Prior Period Corrections	-	-	-	-	-	-	-	-	-	-
Change in accounting practice	-	(4,011,091)	-	-	-	-	-	-	-	-
FUND BALANCE AT END OF FISCAL YEAR	**$ 319,835,796**	**$ 258,446,979**	**$ 224,127,163**	**$ 267,809,189**	**$ 220,093,368**	**$ 203,001,338**	**$ 158,614,721**	**$ 126,662,921**	**$ 142,890,861**	**$ 187,026,170**
FUND BALANCE AT END OF FISCAL YEAR	$ 319,835,796	$ 258,446,979	$ 224,127,163	$ 267,809,189	$ 220,093,368	$ 203,001,338	$ 158,614,721	$ 126,662,921	$ 142,890,861	$ 187,026,170
Debt service as a percentage of noncapital expenditures	1.26%	1.08%	1.30%	1.91%	2.39%	2.16%	1.99%	1.79%	1.58%	0.78%

Source: **Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2018.**

Notes: **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 overpayement of SPLOST proceeds.
All restatements are due to prior period adjustment for change in accounting principle. See Notes S and R of the respective years' CAFR.
Starting with fiscal year 2016, food service balances are treated as part of governmental rather than business-type activities.

Atlanta Independent School System
General Fund Expenditures by Function
Last Ten Fiscal Years
Schedule 5

Fiscal Year	Instruction [1]	Pupil Services	General and School Admin. Services	Business Services [2]	Capital Outlay	Other [3]	Total	Total current expenditures % of change from prior year	Total capital outlay % of change from prior year	Total expenditures % of change from prior year
2009	$ 385,984,855	$ 20,045,172	$ 36,636,052	$ 133,410,584	$ -	$ 42,590,714	$618,667,377	4.54%	0.00%	4.54%
2010 [4]	397,022,707	19,336,072	36,787,333	136,817,366	-	40,770,273	630,733,751	1.95%	0.00%	1.95%
2011 [4]	370,061,246	24,014,862	42,918,150	133,081,824	-	39,937,929	610,014,011	-3.29%	0.00%	-3.29%
2012	354,658,932	23,126,330	43,942,259	136,262,413	-	46,644,887	604,634,821	-0.88%	0.00%	-0.88%
2013	375,555,820	22,019,608	49,946,736	105,425,858	-	25,836,983	578,785,005	-4.28%	0.00%	-4.28%
2014	392,615,401	22,987,226	50,096,842	106,235,157	-	24,962,789	596,897,415	3.13%	0.00%	3.13%
2015	440,936,459	28,028,356	52,951,820	108,345,064	-	26,213,781	656,475,480	9.98%	0.00%	9.98%
2016	479,682,810	32,066,457	52,506,041	109,262,530	-	21,813,684	695,331,522	5.92%	0.00%	5.92%
2017	504,257,876	44,031,586	50,858,509	119,024,084	-	19,632,776	737,804,831	6.11%	0.00%	6.11%
2018	528,032,749	46,282,870	47,221,449	118,580,971	-	22,308,788	762,426,827	3.34%	0.00%	3.34%

Source: **Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2018.**

Notes:
1 Instruction includes Improvement of Instructional Services and Educational Media.
2 Business Services includes Business Administration, Maintenance and Facilites, and Student Transportation.
3 Other includes Central Support, Community Services, Other Operations, Principal and Interest.
4 Expenditures for Charter Schools were reclassed to Instruction in fiscal year 2010 and 2011.

Atlanta Independent School System
General Fund Revenues by Source
Last Ten Fiscal Years
Schedule 6

Fiscal Year	Taxes	State Grants	Federal Grants	Other	Total	% of total Local	% of total State	% of total Federal	% of total Other	Total Taxable Assessed Value [1]	Estimated Actual Value [1]
2009	$ 514,075,346	$ 122,514,004	$ 4,328,538	$ 16,548,410	$ 657,466,298	78%	18.63%	0.66%	2.52%	$ 25,823,813,882	$ 64,559,534,705
2010	493,825,791	107,237,545	15,452,007	9,262,323	625,777,666	79%	17.14%	2.47%	1.48%	24,012,828,873	60,032,072,183
2011	445,986,671	127,235,844	10,747,543	7,841,900	591,811,958	75%	21.50%	1.82%	1.33%	23,103,978,275	57,759,945,688
2012	445,177,849	140,134,932	1,409,596	14,525,430	601,247,807	74%	23.31%	0.23%	2.42%	22,061,300,714	55,153,251,785
2013	413,467,525	143,710,200	1,315,257	26,882,771	585,375,753	71%	24.55%	0.22%	4.59%	21,371,090,216	53,427,725,540
2014	433,996,780	153,279,702	1,297,845	15,152,262	603,726,589	72%	25.39%	0.21%	2.51%	21,667,630,567	54,169,076,418
2015	454,927,297	167,216,672	1,248,478	17,342,632	640,735,079	71%	26.10%	0.19%	2.71%	22,476,944,844	56,192,362,110
2016	511,492,393	187,972,496	1,156,562	15,431,196	716,052,647	71%	26.25%	0.16%	2.16%	24,963,620,807	62,409,052,018
2017	518,224,539	196,882,236	1,139,105	13,579,405	729,825,285	71%	26.98%	0.16%	1.86%	25,562,836,981	63,907,092,453
2018	532,696,413	201,961,932	1,161,069	14,351,071	750,170,485	71%	26.92%	0.15%	1.91%	26,715,261,359	66,788,153,398

Source: **Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2018.**

1 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.

Atlanta Independent School System
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Schedule 7

Fiscal Year Ended	Residential Property	Commercial Property	Industrial Property	Other Property [1]	Less Tax-Exempt Property [2]	Total Taxable Assessed Value [3]	Estimated Actual Value [3]	Total Direct Tax Rate
June 30, 2009	$ 13,872,372,979	$ 11,249,746,299	$ 890,877,231	$ 1,720,999,874	$ 1,910,252,501	$ 25,823,813,882	$ 64,559,534,705	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	60,032,072,183	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	57,759,945,688	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	55,153,251,785	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	53,427,725,540	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	54,169,076,418	33.49%
June 30, 2015	11,687,041,707	11,151,391,836	683,832,400	1,554,353,314	2,599,674,413	22,476,944,844	56,192,362,110	33.19%
June 30, 2016	12,848,381,757	12,774,083,537	711,630,623	1,503,577,204	2,874,052,314	24,963,620,807	62,409,052,018	33.49%
June 30, 2017	13,444,916,986	12,741,070,429	746,742,197	1,357,032,493	2,726,925,124	25,562,836,981	63,907,092,453	32.60%
June 30, 2018	13,493,027,408	14,154,056,870	843,130,074	1,210,968,574	2,985,921,567	26,715,261,359	66,788,153,398	32.56%

Source: **Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2018.**

Notes:
1 Other Property consists of Historical, Agricultural, Conservation, Utility, Motor Vehicle, Heavy Equipment, Timber, Motor Homes, etc.
2 Tax Exempt Property consists of Basic Homestead, Elderly, Disabled Veteran, Freeport, etc.
3 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.

Atlanta Independent School System
Property Tax Rates - All Overlapping Governments
(Per $1,000 Assessed Value) Last Ten Fiscal Years
Schedule 8

	City Direct Rates						Overlapping Rates					
									Fulton County, Georgia			
Fiscal Year Ended	General Levy	School Levy	Parks Levy	City Bond Levy	School Bond Levy	Total Direct Tax Rate	Atlanta/ DeKalb County Special Tax District	Downtown Improvement District Special Tax District [1]	County Levy [2]	County Bond Levy	Georgia State Levy	Total
June 30, 2009	7.12	21.640	0.50	1.18	0.050	30.49	0.830	5.00	10.28 **(2)**	-	0.25	10.53
June 30, 2010	10.24	21.640	0.50	1.20	0.050	33.63	1.000	5.00	10.28 **(2)**	-	0.25	10.53
June 30, 2011	10.24	21.640	0.50	1.20	0.050	33.63	0.880	5.00	10.28 **(2)**	-	0.25	10.53
June 30, 2012	10.24	21.640	0.50	1.20	0.050	33.63	0.880	5.00	10.28 **(2)**	-	0.25	10.80
June 30, 2013	10.24	21.640	0.50	1.20	0.100	33.68	1.224	5.00	10.21 **(2)**	-	0.25	10.46
June 30, 2014	10.05	21.640	0.50	1.20	0.100	33.49	1.220	5.00	10.21 **(2)**	-	0.10	10.31
June 30, 2015	9.75	21.640	0.50	1.20	0.100	33.19	1.060	5.00	11.78 **(2)**	0.27	0.10	12.15
June 30, 2016	8.89	21.640	0.50	1.48	0.100	32.61	1.110	5.00	10.50 **(2)**	0.25	0.05	10.80
June 30, 2017	8.88	21.715	0.50	1.48	0.025	32.60	0.965	5.00	10.45 **(2)**	0.25	0.00	10.70
June 30, 2018	8.84	21.740	0.50	1.48	0.000	32.56	1.176	5.00	10.38 **(2)**	0.25	0.00	10.63

Source: **Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2018.**

Notes: **1 Tax imposed by property owners in the district pursuant to state authorization.**
2 Hospital levy included in County levy.

Atlanta Independent School System
Principal Property Taxpayers
June 30, 2017 Nine Years Ago [1]
Schedule 9

2017

Tax Payer	Type of Business	Taxable Assessed Value [1]	Rank	Percentage of Total City Taxable Assessed Value
Development Authority of Fulton [2]	Government	$ 1,219,165,494	1	4.56%
Georgia Power Company	Utility Service	283,491,164	2	1.06%
Sun Trust Plaza Association	Commercial Real Estate	150,955,860	3	0.56%
Coca-Cola Company	Marketing and Manufacturing	144,804,388	4	0.54%
Bell South/AT&T	Communication Service	140,954,632	5	0.53%
Post Apartment Homes	Residential Real Estate	130,285,628	6	0.49%
Delta Airlines	Transportation	119,682,509	7	0.45%
Corporate Property Corporation	Commerical Real Estate	110,808,080	8	0.41%
AC Property Owner LP	Commercial Real Estate	101,269,000	9	0.38%
Norfolk	Transportation	96,767,666	10	0.36%
Total		$ 2,498,184,421		9.34%

2008

	Type of Business	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Development Authority of Fulton [2]	Government	$ 333,432,299	1	1.36%
Bell South	Communication Service	332,146,406	2	1.36%
Georgia Power Company	Utility Service	206,701,589	3	0.85%
Coca-Cola Company	Marketing and Manufacturing	174,796,651	4	0.72%
Post Apartment Homes	Residential Real Estate	168,194,137	5	0.69%
BF ATL, LLC	Commercial Real Estate	158,985,279	6	0.65%
Sun Trust Plaza Association	Commercial Real Estate	119,200,000	7	0.49%
Georgia Pacific Company	Pulp and Paper Manufacturing	105,231,889	8	0.43%
Hines One Atlantic Center LP	Commerical Real Estate	101,252,131	9	0.41%
Kan AM Grund America LP	Commerical Real Estate	91,507,582	10	0.37%
Total		$ 1,791,447,963		7.33%

Sources: **2017 - Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017.**

Notes:
1 Information for FY2018 not available
2 Development Authority of Fulton does not pay taxes but does temporarily hold property for others who pay taxes.

City of Atlanta, Georgia
Property Tax Levies and Collections
Last Ten Fiscal Years
Schedule 10

Fiscal Year Ended	Taxes Levies for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years [2]	Total Collections To Date	
		Amount [1]	Percentage of Levy		Amount	Percentage of Levy
June 30, 2009	$ 198,377,854	$ 190,475,498	96.02%	$ 6,747,892	$ 197,223,390	99.42%
June 30, 2010	264,371,198	257,062,077	97.24%	5,720,583	262,782,660	99.40%
June 30, 2011	240,585,957	234,894,781	97.63%	4,365,558	239,260,339	99.45%
June 30, 2012	222,632,704	218,471,864	98.13%	3,459,510	221,931,375	99.68%
June 30, 2013	219,176,582	214,493,637	97.86%	3,939,989	218,433,626	99.66%
June 30, 2014	222,103,322	218,184,468	98.24%	3,145,210	221,329,678	99.65%
June 30, 2015	227,841,961	224,808,353	98.67%	2,427,388	227,235,741	99.73%
June 30, 2016	239,874,620	237,839,520	99.15%	1,287,262	239,126,782	99.69%
June 30, 2017	247,077,529	243,947,870	98.73%	2,086,239	246,034,109	99.58%
June 30, 2018	255,610,237	250,067,825	97.83%	-	250,067,825	98.73%

Source: **Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2018.**

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.

Atlanta Independent School System
Comparison of Property Tax Millage Rates
As of June 30, 2018
Schedule 11

	TOTAL RATE	MAINTENANCE AND OPERATION	DEBT SERVICE
Atlanta Public Schools	21.74	21.74	0.00
Clayton County Schools	19.10	19.10	0.00
Cobb County Schools	18.90	18.90	0.00
DeKalb County Schools	23.28	23.28	0.00
Douglas County Schools	20.95	19.75	1.20
Fulton County Schools	18.55	18.55	0.00
Gwinnett County Schools	21.85	19.80	2.05
Rockdale County Schools	25.32	25.32	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

Tax Year	Maintenance and Operations	Sinking Bond Fund	Total Levy	Comments
2009	21.640	0.054	21.694	No change from 2008
2010	21.640	0.054	21.694	No change from 2009
2011	21.640	0.100	21.740	Increase of .046 mills
2012	21.640	0.100	21.740	No change from 2011
2013	21.640	0.100	21.740	No change from 2012
2014	21.640	0.100	21.740	No change from 2013
2015	21.715	0.025	21.740	No change from 2014
2016	21.715	0.025	21.740	No change from 2015
2017	21.715	0.025	21.740	No change from 2016
2018	21.740	0.000	21.740	No change from 2017

Sources: **Atlanta Public Schools June 2010 Tax Levy Board Resolution for tax year 2011**
Georgia Department of Revenue for tax years 2008-2010, 2012-2016
Atlanta Public Schools August 2016 Tax Levy Board Resolution for tax year 2017

Note: **The tax year does not equate to the fiscal year. Tax year 2017 collections are made in fiscal year 2018.**

Atlanta Independent School Systems
Ratios of Total Debt Outstanding by Type (Unaudited)
Governmental Activities
Last Ten Fiscal Years
Schedule 13

Fiscal Year Ended June 30,	Education Reform Success (COPS)	Intergovernmental Agreement	Capital Leases	Fund Balance Restricted to Debt Service	Net Total Debt (1)	Estimated Actual Value of Taxable Property (2)	Ratio of Total Debt to Est. Actual Value	Personal Income (3)	Ratio of Total Debt to Personal Income	Outstanding Debt per Capita
2009	$ 9,565,000	$ 20,488,750	$ 18,255,388	$ (2,579,052)	$ 45,730,086	$ 25,141,861,018	0.18%	$ 198,067,000	23.09%	95
2010	8,995,000	19,461,875	13,998,496	(1,868,740)	40,586,631	24,012,828,873	0.17%	198,872,000	20.41%	96
2011	115,912,709	18,439,000	9,682,005	(1,104,717)	142,928,997	23,103,978,275	0.62%	214,002,000	66.79%	331
2012	115,114,094	17,398,125	7,905,594	(299,867)	140,117,946	22,061,300,714	0.64%	222,204,000	63.06%	316
2013	107,431,623	16,311,250	6,018,646	(395,553)	129,365,966	21,371,090,216	0.61%	228,134,000	56.71%	289
2014	99,948,185	15,167,625	4,753,381	(955,364)	118,913,827	21,667,630,567	0.55%	228,134,000	52.12%	261
2015	92,437,941	4,518,925	3,445,099	(1,732,429)	98,669,536	22,476,944,844	0.44%	244,065,000	40.43%	213
2016	84,678,997	3,800,175	2,114,340	(3,106,199)	87,487,313	24,963,620,807	0.35%	257,510,000	33.97%	189
2017	76,740,000	3,612,675	1,068,805	(3,440,290)	77,981,190	25,562,836,981	0.31%	257,510,000	30.28%	168
2018	75,950,000	3,424,299	-	(3,141,762)	76,232,537	26,715,261,359	0.29%	274,129,000	27.81%	157

Source: **Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2018.**

Notes: **1 See the schedule of Long Term Debt in the Notes for each year for more information on the debt.**
2 See schedule 7 - Assessed and Estimated Actual Value of Taxable Property.
3 See schedule 16 - Demographics Statistics.

Atlanta Independent School System
Overlapping and Direct Governmental Activities Debt (Unaudited)
June 30, 2018
Schedule 14

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (6)	Estimated Share of Overlapping Debt
Overlapping Debt:			
Certificate of Participation - City of Atlanta (5)	$ 80,038,000	100.0%	$ 80,038,000
APSJFA Revenue Bonds - City of Atlanta (5)	28,232,000	100.0%	28,232,000
SWMA Revenue Refunding Bonds - City of Atlanta (5)	7,665,000	100.0%	7,665,000
Limited Obligation Bonds - City of Atlanta (5)	453,900,000	100.0%	453,900,000
Capital Leases - City of Atlanta (5)	37,406,000	100.0%	37,406,000
Fulton County (1)	314,568,279	47.0%	147,847,091
DeKalb County (2)	304,459,000	4.6%	14,005,114
Subtotal of overlapping debt			$ 769,093,205
Contractual General Obligation Debt:			
City of Atlanta General Obligation Debt (less APS Portion)	352,057,701	100.0%	352,057,701
Atlanta and Fulton Recreation Authority			
Series 2010 Bonds (5)	91,690,000	66.7%	61,157,230
Series 2005 A/B AFCRA Revenue & Refunding Bonds (5)	-	100.0%	-
Series 2014 A/B Park Improvement Bonds (5)	60,490,000	100.0%	60,490,000
Series 2017 Zoo Parking Deck Bonds	30,390,000	100.0%	30,390,000
Series 2017A Philips Arena Downtown Project (5)	106,505,000	100.0%	106,505,000
Series 2017B Philips Arena Downtown Project (5)	43,285,000	100.0%	43,285,000
DDA Parking Deck Series 2006 (ADA) - COA (3)	-	100.0%	-
AURA Bonds Series 2010 (ADA) - COA (3)	16,065,000	100.0%	16,065,000
AURA Downtown Parking Deck Series 2017 (ADA) - COA (3)	15,605,000	100.0%	15,605,000
Urban Residential Finance Authority (URFA) - COA (4)	63,685,000	100.0%	63,685,000
Underground Atlanta Refunding Series 2009 (ADA) COA (3)	-	100.0%	-
AFCRA Revenue Zoo Series 2007 (5)	9,325,000	75.0%	6,993,750
Overlapping Contractual Obligations:			
Fulton-DeKalb Hospital Authority (1)	84,114,000	47.0%	39,534,050
Total Overlapping Debt			1,564,860,936
School District Direct Debt:			
City of Atlanta General Obligation Debt (APS Portion)	3,424,299	100.0%	3,424,299
Less: Sinking fund (less APS Portion)	(3,141,762)	100.0%	(3,141,762)
Net City of Atlanta General Oblication Debt (APS Portion)			282,537
ERS, Inc (COPS, Series 2006/2007)	3,490,000	100.0%	3,490,000
ERS, Inc (COPS, Series 2011A)	72,460,000	100.0%	72,460,000
Net ERS, Inc. (COPS, All Series)			75,950,000
Total Overlapping and Direct Debt			$ 1,641,093,473.00

Sources:

(1) Fulton County CAFR - Year Ended 12/31/2017
(2) DeKalb County CAFR - Year Ended 12/31/2017
(3) DDA - Financial Statements as of 6/30/2017
(4) URFA - Financial Statements as of 6/30/2017
(5) City of Atlanta Comprehensive Annual Financial Report as of 6/30/2018
(6) Applicable percentages were estimated by determining the portion of another government unit's assessed value that is within the District's geographic boundaries and dividing it by each government's total assessed valuation.

Atlanta Independent School System
Legal Debt Margin (Unaudited)
Last Ten Fiscal Years
Schedule 15

Fiscal Year Ended June 30,	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Value	$ 25,141,861,018	$24,012,828,873	$23,103,978,275	$22,061,300,714	$21,371,090,216	$21,667,630,567	$22,476,944,844	$24,963,620,807	$25,562,836,981	$26,715,261,359
Legal Debt Margin										
Debt limit (10% of assessed value)	2,514,186,102	2,401,282,887	2,310,397,828	2,206,130,071	2,137,109,022	2,166,763,057	2,247,694,484	2,496,362,081	2,556,283,698	2,671,526,136
Debt applicable to limit:										
ERS, Inc (COPS, Series 2006/2007)	9,565,000	8,995,000	8,400,000	7,780,000	7,135,000	6,395,000	5,765,000	5,035,000	4,280,000	3,490,000
ERS, Inc (COPS, Series 2011A)	-	-	72,460,000	72,460,000	72,460,000	72,460,000	72,460,000	72,460,000	72,460,000	72,460,000
ERS, Inc (Comps, Series 2011B)	-	-	31,955,000	31,955,000	26,035,000	19,995,000	13,655,000	6,995,000	-	-
Unamortized premium 2011B	-	-	3,097,709	2,569,042	1,801,623	1,098,185	557,941	188,997	-	-
Net ERS, Inc (COPS, All Series)	9,565,000	8,995,000	115,912,709	114,764,042	107,431,623	99,948,185	92,437,941	84,678,997	76,740,000	75,950,000
Less: Amount reserved for repayment of debt	2,579,052	1,868,740	1,104,717	299,867	395,553	955,364	1,732,429	3,106,199	3,440,290	3,141,762
Total debt applicable to limit	6,985,948	7,126,260	114,807,992	114,464,175	107,036,070	98,992,821	90,705,512	81,572,798	73,299,710	72,808,238
Legal Debt Margin	2,507,200,154	2,394,156,627	2,195,589,836	2,091,665,896	2,030,072,952	2,067,770,236	2,156,988,972	2,414,789,283	2,482,983,988	2,598,717,898
Total net debt applicable to the limit as a % of the debt limit	0.28%	0.30%	4.97%	5.19%	5.01%	4.57%	4.04%	3.27%	2.87%	2.73%

Notes: Under Article 9, Section 5, Paragraph 1 of the State of Georgia Constitution, the School District's outstanding general obligation debt should not exceed 10% of the assessed value of the taxable property located within the School District.

Atlanta Independent School System
Demographic Statistics
Last Ten Fiscal Years
Schedule 16

Fiscal Year Ended [1]	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
June 30, 2008	477,300	$ 206,232	$ 39,889	32.0	51,377	6.2%
June 30, 2009	480,700	198,067	37,793	34.0	48,093	9.9%
June 30, 2010	422,753	198,872	37,493	33.3	48,696	10.3%
June 30, 2011	432,092	214,002	39,826	33.0	49,874	9.9%
June 30, 2012	444,002	222,204	40,738	32.2	49,474	8.8%
June 30, 2013	448,312	228,134	41,307	33.2	48,831	7.8%
June 30, 2014	456,143	228,134	41,307	33.4	49,842	6.8%
June 30, 2015	463,878	244,065	43,472	33.3	50,708	5.1%
June 30, 2016	472,522	257,510	45,092	33.0	51,296	4.6%
June 30, 2017	486,290	274,129	47,348	36.4	51,662	3.8%

Sources: **Statistical section of the City of Atlanta, Georgia 2018 Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2018.**
(1) Statistical Data from the City of Atlanta is one year in arrears.

Atlanta Independent School System
Principal Employers
June 30, 2017 and Nine Years Ago
Schedule 17

2017

Employer	Type Of Business	Employees	Percentage of Total City Employment
Delta Air Lines, Inc.	Transportation	5,306	2.23%
The Coca-Cola Co One Coca Cola	Marketing and Manufacturing	4,445	1.87%
Air Service Corp	Transportation	2,824	1.19%
Accenture LLP	Consulting	2,223	0.94%
Universal Protection	Security Services	1,596	0.67%
Allied Universal Security Services	Security Services	1,594	0.67%
Turner Broadcasting System, Inc	Media/Entertainment	1,517	0.64%
Cable News Network	Media	1,507	0.63%
The Coca-Cola Company	Marketing and Manufacturing	1,300	0.55%
Deloitte Consulting	Consulting	1,236	0.52%
Total		**23,548**	**9.91%**

2008

Employer	Type Of Business	Employees	Percentage of Total City Employment
International Business Machine	Technology Services	3,827	1.95%
Allied Barton Security Services	Security Services	3,702	1.88%
The Coca-Cola Company	Marketing and Manufacturing	3,009	1.53%
Accenture LLP	Consulting	1,900	0.97%
Cable News Network, Inc.	Media	1,871	0.95%
Turner Broadcasting System, Inc.	Media/Entertainment	1,781	0.91%
Tenet Healthsystem, Inc.	Healthcare	1,251	0.64%
Georgia-Pacific Corporation	Pulp and Paper Manufacturing	1,099	0.56%
Air Service Corp	Transportation	1,060	0.54%
Atlanta Journal and Constitution	Media	1,008	0.51%
Total		**20,508**	**10.44%**

Source: 2017 - Statistical section of the City of Atlanta, Georgia 2018 Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2018.

2018 - Information not Available

Atlanta Independent School System
School Breakfast Program
Last Ten Fiscal Years
Meals Served
Schedule 18

Fiscal Year	Total	Free	Reduced	Paid
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
2015	3,481,920	3,353,976	24,313	103,631
2016	3,488,062	3,290,477	25,548	172,037
2017	3,716,272	3,496,581	24,955	194,736
2018	3,323,949	3,215,823	14,337	93,789

Source: **Nutrition Department of APS**

Atlanta Independent School System
School Lunch Program
Last Ten Fiscal Years
Meals Served
Schedule 19

Fiscal Year	Total	Free	Reduced	Paid
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
2015	5,454,239	5,026,532	66,502	361,205
2016	5,564,912	5,099,042	51,688	414,182
2017	5,553,290	5,058,258	46,256	448,776
2018	5,094,795	4,639,710	47,041	408,044

Source: **Nutrition Department of APS**

Atlanta Independent School System
Number of Schools
Last Ten Fiscal Years
Schedule 20

Fiscal Year	Total	Elementary	Middle	High
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
2015	86	53	12	21
2016	81	53	13	15
2017	77	50	12	15
2018	71	45	11	15

Source: **Atlanta Public Schools Website - 2018-2019 School List**

Atlanta Independent School System
Enrollment by Grade Level (Unaudited)
Last Ten Fiscal Years
Schedule 21

Grade Level	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
PK	885	965	991	1,111	1,098	1,108	1,113	1,101	1,232	1,376
KK	4,351	4,501	4,598	4,795	4,822	4,911	5,029	4,687	4,646	4,477
Grade 1	4,503	4,377	4,601	4,609	4,698	4,816	4,902	4,979	4,802	4,599
Grade 2	4,543	4,431	4,248	4,379	4,417	4,602	4,677	4,781	4,851	4,571
Grade 3	4,337	4,431	4,481	4,269	4,289	4,341	4,509	4,567	4,727	4,650
Grade 4	4,040	4,168	4,221	4,266	3,962	4,008	4,105	4,397	4,436	4,683
Grade 5	3,903	3,904	4,177	4,172	4,094	3,963	3,979	4,057	4,301	4,479
Grade 6	3,314	3,451	3,623	3,563	3,603	3,591	3,604	3,590	3,658	4,007
Grade 7	3,347	3,204	3,490	3,503	3,471	3,505	3,568	3,402	3,424	3,667
Grade 8	3,190	3,303	3,242	3,465	3,379	3,404	3,517	3,511	3,320	3,500
Grade 9	4,309	4,420	4,412	4,475	4,395	4,741	4,732	4,083	3,718	3,885
Grade 10	2,948	2,873	2,982	3,003	2,928	2,822	3,068	3,084	3,013	3,072
Grade 11	2,893	2,354	2,299	2,352	2,346	2,378	2,232	2,761	2,635	2,823
Grade 12	2,469	2,527	2,431	2,047	2,056	1,941	2,110	2,500	2,533	2,588
Totals	49,032	48,909	49,796	50,009	49,558	50,131	51,145	51,500	51,296	52,377

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

Atlanta Independent School System
School Buildings, Acreage, and Capcity
June 30, 2018
Schedule 22
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 (2018 basis)	Effective Age Basis	Effective Age (2018 basis)
1	Beecher Hills * (Bethune)	W										
2	Benteen	E	4.0	79,633	600	133	24	1957	2000	61	2000	18
3	Bolton Academy	N	4.0	83,653	900	93	36	2003		15	2003	15
4	Boyd	N	19.7	80,246	625	128	25	1971	2016	47	2016	2
5	Brandon	N	10.0	76,672	875	88	35	1947	1994	71	1994	24
6	Brandon Primary	N	9.8	78,462	750	105	30	1954	2009	64	2009	9
7	Burgess-Peterson	E	8.3	85,836	875	98	35	2004		14	2004	14
8	Cascade	W	8.7	70,101	625	112	25	1995		23	1995	23
9	Centennial Place	E	5.0	63,806	650	98	26	1998		20	1998	20
10	Cleveland	S	15.8	75,286	675	112	27	1996		22	1996	22
11	Continental Colony	W	8.7	85,562	600	143	24	1963	2011	55	2011	7
12	Deerwood Academy	W	21.0	91,566	900	102	36	2004		14	2004	14
13	Dobbs	S	19.6	86,907	875	99	35	2003		15	2003	15
14	Dunbar	E	5.3	98,959	500	198	20	1969	2009	49	2009	9
15	Fain	N	8.0	83,782	700	120	28	1987		31	1987	31
16	Fickett	W	12.0	86,490	900	96	36	1972	1994	46	1994	24
17	Finch	S	4.1	95,024	950	100	38	2005		13	2005	13
18	Garden Hills	N	8.0	82,176	775	106	31	1938	2003	80	2003	15
19	Gideons * (Parks)	S										
20	Heritage Academy	S	7.0	80,864	850	95	34	2002		16	2002	16
21	Hollis Innovation Academy	W	5.0	228,028	1,025	222	41	1970	2004	48	2004	14
22	Hope - Hill	E	2.4	75,631	700	108	28	2002		16	2002	16
23	Humphries	S	8.2	66,228	650	102	26	1940	1998	78	1998	20
24	Hutchinson	S	8.5	70,797	825	86	33	1956	1994	62	1994	24
25	Jackson	N	12.5	96,639	850	114	34	1967	1994	51	1994	24
26	Jackson Primary	N	7.2	48,982	500	98	20	1959	2008	59	2008	10
27	Jones, M. A.	W	7.5	92,272	875	105	35	2005		13	2005	13
28	Kimberly	W	7.2	70,070	650	108	26	1958	2016	60	2016	2
29	Lin, Mary	E	5.2	91,338	875	104	35	1930	2015	88	2015	3
30	Miles	W	15.0	82,211	875	94	35	2003		15	2003	15
31	Morningside	E	5.2	98,037	900	109	36	1930	1994	88	1994	24
32	Obama Academy	E	6.0	75,646	825	92	33	1959	2000	59	2000	18
33	Parkside	E	8.3	80,836	775	104	31	2001		17	2001	17
34	Perkerson	S	9.0	75,297	700	108	28	1994		24	1994	24
35	Peyton Forest	W	25.0	64,300	625	103	25	1968	1999	50	1999	19
36	Rivers	N	8.0	112,000	900	124	36	2015		3	2015	3
37	Scott	N	8.0	72,891	800	91	32	1960	2006	58	2006	12
38	Slater	S	13.0	78,232	800	98	32	1952	2002	66	2002	16
39	Smith Intermediate	N	6.2	78,173	750	104	30	2009		9	2009	9
40	Smith Primary	N	10.3	70,545	750	94	30	1952	1994	66	1994	24
41	Springdale Park	E	5.5	95,555	825	116	33	2009		9	2009	9
42	Stanton, F. L.	N	5.2	57,910	425	136	17	1928	2000	90	2000	18
43	Thomasville Heights	S	11.2	83,023	950	87	38	1971	2001	47	2001	17
44	Toomer	E	10.6	70,012	700	100	28	1967	1998	51	1998	20
45	Towns	N	8.9	70,084	675	104	27	1963	2000	55	2000	18
46	Tuskegee Airmen Global Academy	W	9.9	88,417	1,000	88	40	1975	2000	43	2000	18
47	Usher - Collier	N	14.0	102,962	900	114	36	1969	2003	49	2003	15
48	West Manor	W	10.8	37,150	400	93	16	1956	2000	62	2000	18
49	Woodson Park	N	7.0	88,921	725	123	29	1967	2000	51	2000	18
	Elementary School Totals		**439.8**	**3,907,212**	**35,875**	**110**	**1,435**	**1975**		**43**	**2002**	**16**

Atlanta Independent School System
School Buildings, Acreage, and Capcity
June 30, 2018
Schedule 22
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 (2018 basis)	Effective Age Basis	Effective Age (2018 basis)
1	Brown	W	15.6	185,607	975	190	39	1928	2016	90	2016	2
2	Bunche	W	42.3	148,708	975	153	39	1979	2015	39	2015	3
3	Harper - Archer	N	18.1	229,745	1,100	209	44	1963	2002	55	2002	16
4	Inman	E	4.2	146,035	875	167	35	1923	2005	95	2005	13
5	King, M.L.	E	6.5	192,360	875	220	35	1967	2016	51	2016	2
6	Lewis Academy	N	15.1	217,578	1,750	124	70	2009		9	2009	9
7	Long	S	15.6	160,082	1,075	149	43	1973	2003	45	2003	15
8	Price	S	19.0	167,168	975	171	39	1954	2002	64	2002	16
9	Sutton 7th-8th (Northside Dr.)	N	17.5	301,386	1,625	185	65	1951	2011	67	2011	7
10	Sutton 6th (Powers Ferry Rd.)	N	12.5	160,667	1,000	161	40	1960	2006	58	2006	12
11	Sylvan Hills	S	13.0	156,000	975	160	39	2015		3	2015	3
12	Young	W	15.0	196,986	1,175	168	47	1951	2009	67	2009	9
Middle School Totals			**194.4**	**2,262,322**	**13,375**	**171**	**535**	**1964**		**54**	**2009**	**9**

	High Schools	Region	Acres	Sq.Ft.	Planning Capacity @ 25/1	SF per Student	Core Classrooms	Original Construction	Renovation	Actual Age (2018 basis)	Effective Age Basis	Effective Age (2018 basis)
1	BEST / King, C.S.	N	21.2	264,874	1,750	151	70	2009		9	2009	9
2	Carver	S	35.4	271,429	1,525	178	61	1920	2005	98	2005	13
3	Crim	E	17.9	203,949	925	220	37	1940	2007	78	2007	11
4	Douglass	N	32.0	336,101	1,950	172	78	1968	2004	50	2004	14
5	Forrest Hill	S	5.8	69,254	750	92	30	2008		10	2008	10
6	Grady	E	19.5	253,095	1,275	199	51	1924	2005	94	2005	13
7	Jackson, M.H.	E	25.0	314,251	1,500	210	60	1985	2014	33	2014	4
8	Mays	W	70.0	339,758	2,000	170	80	1981	2011	37	2011	7
9	North Atlanta	N	56.6	507,093	2,425	209	97	1978	2013	40	2013	5
10	South Atlanta	S	50.2	277,779	1,950	142	78	1973	2008	45	2008	10
11	Therrell	W	17.3	249,830	1,500	167	60	1960	2011	58	2011	7
12	Washington	W	21.1	261,269	1,625	161	65	1924	2005	94	2005	13
High School Totals			**372.0**	**3,348,682**	**19,175**	**173**	**767**	**1964**		**54**	**2008**	**10**

DISTRCT TOTALS & AVERAGES		Acres	Sq.Ft.	Planning Capacity @ 25/1	SF per Student	Core Classrooms	Original Construction		Actual Age (2018 basis)	Effective Age Basis	Effective Age (2018 basis)
		1,006.1	**9,518,216**	**68,425**	**151**	**2,737**	**1971**		**47**	**2004**	**14**

NOTE:
1. " * " indicates that the school is relocated for this school year.

	Other Facilities / Programs	Region	Acres	Sq.Ft.	Planning Capacity @ 25/1	SF per Student	Core Classrooms	Original Construction	Renovation	Actual Age (2018 basis)	Effective Age Basis	Effective Age (2018 basis)
1	North Metro (Oglethorpe)	W	3.8	52,909	550	96	22	1958	1999	60	1999	19
2	Whitefoord Early Learning Center	E	2.3	59,438	650	91	26	1928	1994	90	1994	24
Other Facilities / Programs			**6.1**	**112,347**	**1,200**	**94**	**48**	**1943**		**75**	**1997**	**22**

	Relocation Sites	Region	Acres	Sq.Ft.	Planning Capacity @ 25/1	SF per Student	Core Classrooms	Original Construction	Renovation	Actual Age (2018 basis)	Effective Age Basis	Effective Age (2018 basis)
1	Bethune ES Facility (Beecher	W	4.5	78,561	825	95	33	1949	1999	69	1999	19
2	Blalock ES Facility	W	16.4	78,332	875	90	35	1971	2002	47	2002	16
3	Coan MS Facility	E	16.1	167,169	1,025	163	41	1967	2003	51	2003	15
4	East Lake ES Facility	E	2.7	79,378	575	192	23	1949	1994	69	1994	24
5	Parks MS Facility (Gideons)	S	5.8	79,630	625	127	25	1966	1996	52	1996	22
Relocation Sites			**45.5**	**483,070**	**3,925**	**133**	**157**	**1960**		**58**	**1999**	**19**

	Charter School Facilities	Region	Acres	Sq.Ft.	Planning Capacity @ 25/1	SF per Student	Core Classrooms	Original Construction	Renovation	Actual Age (2018 basis)	Effective Age Basis	Effective Age (2018 basis)
1	Kendezi (Adamsville ES)	W	4.9	75,058	750	100	30	1970	2001	48	2001	17
2	Kendezi (Hill C.W. ES)	E	7.6	79,042	775	102	31	1967		51	1967	51
3	KIPP Collegiate (Turner MS)	W	9.5	122,279	800	153	32	1950	1999	68	1999	19
4	KIPP Soul (White ES)	W	8.0	63,603	750	85	30	1964	1999	54	1999	19
5	KIPP Vision (Waters ES)	S	15.0	75,960	800	95	32	1958	1999	60	1999	19
6	KIPP WAYS (Herndon ES)	W	6.5	85,046	800	106	32	2002		16	2002	16
7	Neighborhood Charter (Slanton ES)	E	3.5	43,040	450	96	18	1907	2005	111	2005	13
8	Wesley International (Cook ES)	E	2.6	85,856	725	118	29	2000		18	2000	18
9	Westside Atl Charter (Archer HS)	N	19.5	266,648	1,625	164	65	1957	1972	61	1972	46
Charter School Facilities			**77.1**	**896,532**	**7,475**	**113**	**299**	**1964**		**54**	**1994**	**24**

Atlanta Independent School System
General Fund Per Pupil Cost
Last Ten Fiscal Years
Schedule 23

Fiscal Year	Expenditures [1]	Active Enrollment [2]	Cost Per Pupil Enrolled	Average Daily Attendance [3]	Cost Per Pupil Attended
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	11,679	46,403	12,473
2014	596,900	49,842	11,976	47,068	12,682
2015	656,475	51,145	12,836	47,463	13,831
2016	695,332	51,500	13,502	48,552	14,321
2017	737,805	51,927	14,209	48,910	15,085
2018	762,427	52,147	14,621	48,445	14,738

Sources:

1 Atlanta Independent School System General Fund Expenditures by Function schedule for fiscal year ended June 30, 2018 (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.

Atlanta Independent School System
Employees by Function (Unaudited)
For the Last Ten Fiscal Years
Schedule 24

Function	Fiscal Year Ended June 30, 2018									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Instruction	5,137	5,170	4,892	4,743	4,568	4,020	3,840	3,808	3,833	4,992
Pupil Services	365	348	350	303	224	193	224	280	339	567
Improvement of Instructional Services	303	327	314	387	318	329	306	303	313	369
Educational Media Services	124	121	123	118	116	112	91	79	83	90
General Administration	68	79	84	57	64	45	59	62	42	66
School Administration	449	434	438	431	440	443	507	521	514	504
Business Administration	189	188	199	187	161	85	79	69	63	67
Maintenance and Operations	632	628	630	667	578	401	374	533	429	543
Student Transportation Services	424	439	446	431	444	396	451	457	432	575
Central Services	129	128	136	132	142	153	89	111	122	142
Other Supporting Services	81	86	93	180	91	67	71	55	5	3
Nutrition Operations	136	122	119	108	101	88	84	80	73	70
Facilities, Acquisition and Contruction	1	1	2	2	2	3	4	2	2	3
Totals	8,038	8,071	7,826	7,746	7,249	6,335	6,179	6,360	6,250	7,991

Source: Information Technology Department of APS



2018

SINGLE AUDIT

SECTION

SINGLE AUDIT SECTION

MAULDIN & JENKINS

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

To the Superintendent and Members of
the Atlanta Board of Education
Atlanta, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Atlanta Independent School System (the "School System") as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements, and have issued our report thereon dated February 20, 2019. Our report includes a reference to the change in accounting principle resulting from the implementation of Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of July 1, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School System's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectivness of the School System's internal control. Accordingly, we do not express an opinion on the effectiveness of the School System's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 20, 2019

MAULDIN & JENKINS

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

To the Superintendent and Members of
the Atlanta Board of Education
Atlanta, Georgia

Report on Compliance for Each Major Federal Program

We have audited the Atlanta Independent School System's (the "School System") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School System's major federal programs for the fiscal year ended June 30, 2018. The School System's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is reponsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinon on compliance for each of the School System's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School System's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School System's compliance.

Opinion on Each Major Federal Program

In our opinion, the Atlanta Independent School System complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on each major federal program is not modified with respect to this matter.

The School System's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and management's corrective action plan. The School System's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the School System is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the School System's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School System's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-001, that we consider to be a material weakness.

The School System's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and management's corrective action plan. The School System's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 20, 2019

ATLANTA INDEPENDENT SCHOOL SYSTEM

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	TOTAL EXPENDITURES
U.S. Department of Agriculture:			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food and Nutrition Program			
Food Services			
School Breakfast Program	10.553	18185GA324N1099	$ 6,749,396
National School Lunch Program:			
Cash Assistance	10.555	18185GA324N1100	15,725,396
After School Snack Program	10.555	18185GA324N1100	334,722
Total Child Nutrition Cluster			22,809,514
Fresh Fruit and Vegetable Program	10.582	185GA324L1603	828,773
Child and Adult Care Food Program	10.558	185GA368N2020	880,767
Total U.S. Department of Agriculture			24,519,054
U.S. Department of Education:			
Pass-Through From Georgia Department of Education			
Individuals with Disabilities Education Act (IDEA) - Special Education Cluster			
Title VIB Flow Through	84.027	H027A170073	9,537,990
Preschool	84.173	H173A170081	260,500
Total Special Education Cluster			9,798,490
Title I, Part A			
Title I - Grants to Local Educational Agencies	84.010	S010A170010	27,461,231
Title I - Grants to Local Educational Agencies	84.010	S010A160010	1,995,989
Total Grants to Local Educational Agencies			29,457,220
Other Programs			
Title I - School Improvements - G Funds	84.377	S377A170011	617,462
Title I - School Improvements - G Funds	84.377	S377A160011	267,855
Total School Improvements Grants Cluster			885,317
Title I Striving Readers	84.371	S371C170002	363,042
Title IIA - Improving Teacher Quality	84.367	S367A170001	1,564,863
Title IIA - Improving Teacher Quality	84.367	S367A160001	385,732
Total Improving Teacher Quality			1,950,595
Title III - Limited English Proficiency	84.365	S365A170010	210,040
Title III - Limited English Proficiency	84.365	S365A160010	66,413
Total Limited English Proficiency			276,453
Title IIIA - Immigrant	84.365	S365A170010	7,352

(Continued)

ATLANTA INDEPENDENT SCHOOL SYSTEM

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	TOTAL EXPENDITURES
U.S. Department of Education (continued):			
Pass-Through From Georgia Department of Education (continued)			
Title IV - Education for Homeless Children and Youth	84.196	S196A170011	$ 66,413
Title IV - Education for Homeless Children and Youth	84.196	S196A160011	34,358
Total Education for Homeless Children and Youth			100,771
Pass-Through From Georgia Department of Education			
Vocational Education - Basic Grants to States			
CTE Perkins IV - Program Improvement	84.048	V048A170010	638,813
Pass-Through From Georgia Department of Education			
Charter Schools - Federal Implementation Grants	84.282	U282A160016	434,275
Pass-Through From Georgia Department of Education			
Title IVA - Student Support and Academic Enrichment	84.424	S424A180011	282,717
Pass-Through From Georgia Department of Education			
21st Century Community Learning Centers	84.287	S287C170010	984,122
21st Century Community Learning Centers	84.287	S287C160010	14,119
Total 21st Century Community Learning Centers			998,241
Pass-Through From Georgia Department of Technical and Adult Education			
Adult Literacy	84.002	V002A180010	619,692
Pass-Through From Georgia State University			
Crest Education	84.336	U336S140036	109,796
Total U.S. Department of Education			45,922,774
U. S. Department of Defense:			
R.O.T.C. Program-Army	12. unknown	N/A	1,161,069
Total U.S. Department of Defense			1,161,069
Total Expenditures of Federal Awards			$ 71,602,897

See the Notes to the Schedule of Expenditures of Federal Awards

ATLANTA INDEPENDENT SCHOOL SYSTEM

Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Eneded June 30, 2018

NOTE 1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Atlanta Independent School System and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

NOTE 2. INDIRECT COST RATE

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

ATLANTA INDEPENDENT SCHOOL SYSTEM

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	___ yes X no
Significant deficiency(ies) identified?	___ yes X none reported
Noncompliance material to financial statements noted?	___ yes X no

Federal Awards

Internal Control over major programs: Material weakness(es) identified?	X yes ___ no
Significant deficiency(ies) identified	___ yes X none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	X yes ___ no

Identification of major programs:

Name of Federal Program or Cluster / CFDA Number

-U.S. Department of Education – Title I, Part A (CFDA #84.010)

Dollar threshold used to distinguish between Type A and Type B programs:	$2,148,087
Auditee qualified as low-risk auditee?	___ yes X no

ATLANTA INDEPENDENT SCHOOL SYSTEM

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2018-001 Procurement Requirements for Federally Funded Projects – U.S. Department of Education Title I, Part A (CFDA #84.010)

Criteria: Internal controls should be in place to ensure that every contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. Local governments should use procurement procedures that conform to applicable Federal law and regulations and standards identified in the Uniform Guidance. The Uniform Guidance states that non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

Condition and Context: During our testing of procurement, suspension, and debarment for covered transactions, we noted the School System was not aware of the requirement regarding testing of certain vendors for inclusion on the Federal suspended or debarred list. One (1) out of nine (9) vendors reviewed during our testing was not reviewed by the School System in accordance with the procurement, suspension, and debarment compliance requirement.

Cause: The School System was not aware of the requirement until halfway through fiscal year 2018 and therefore did not test this vendor prior to entering into covered transactions; however, during our testing, there were no parties noted on the excluded parties listing.

Effects: Not performing a verification check for covered transactions, by checking the Excluded Parties List System (EPLS), collecting a certification from the vendor, or adding a clause or condition to the covered transaction with the vendor could result in Federal funds being used to pay a vendor who has been suspended or debarred.

Questioned Costs: None

Recommendation: We recommend the School System take necessary steps in the future to ensure there is a verification check for covered transactions, by checking the EPLS, collecting a certification from the vendor, or adding a clause or condition to the contract with a vendor prior to paying any Federal funds to a particular entity.

Auditee's Response: The Procurement and Title departments met to discuss and are revising internal processes so that all purchases under the APS threshold for competitive solicitation or on the APS exempt list are checked on the SAM.gov website for suspension or debament status. All other purchases are already being checked.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Status of Prior Fiscal Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

2017-001 Procurement Requirements for Federally Funded Projects – U.S. Department of Education Title I, Part A (CFDA #84.010)

Criteria: Internal controls should be in place to ensure that every contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. Local governments should use procurement procedures that conform to applicable Federal law and regulations and standards identified in the Uniform Guidance. The Uniform Guidance states that non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

Condition and Context: During our testing of procurement, suspension, and debarment for covered transactions, we noted the School System was not aware of the requirement regarding testing of certain vendors for inclusion on the Federal suspended or debarred list. Fourteen (14) out of thirty-eight (38) vendors reviewed during our testing were not reviewed by the School System in accordance with the procurement, suspension, and debarment compliance requirement.

Cause: The School System was not aware of the requirement and therefore did not test these vendors prior to entering into covered transactions; however, during our testing, there were no parties noted on the excluded parties listing.

Effects: Not performing a verification check for covered transactions, by checking the Excluded Parties List System (EPLS), collecting a certification from the vendor, or adding a clause or condition to the covered transaction with the vendor could result in Federal funds being used to pay a vendor who has been suspended or debarred.

Status: Not corrected for the current fiscal year's audit.

ATLANTA PUBLIC SCHOOLS

130 Trinity Ave., SW
Atlanta, GA 30303
(404)802-3500
atlantapublicschools.us

Management's Corrective Action Plan
For the Fiscal Year Ended June 30, 2018

2018-001 Procurement Requirements for Federally Funded Projects

Name of the Contact Person Responsible for the Corrective Action Plan:

Alisa Morningstar, Executive Director Purchasing & Warehouse Ops
Kathleen Yarbrough. Executive Director of Federal Programs

Corrective Action Plan:

Procurement is checking www.sam.gov for suspension/debarment for all requisitions that are not on a contract awarded by procurement through the competitive solicitation process or an approved Single/Sole Source request before converting to a purchase order and releasing to the vendor. All sam.gov verifications are saved to a common location on the Procurement network so that staff can determine if verification has been done for the year. This was implemented in during fiscal year 2019 and it is an ongoing process that has become part of our standard process for converting requisitions to POs.

Anticipated Completion Date:

The new process was implemented at the beginning of fiscal year 2019.