ATLANTA PUBLIC SCHOOLS
Making A Difference

ATLANTA INDEPENDENT SCHOOL SYSTEM

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2013







FY2013

ATLANTA INDEPENDENT SCHOOL SYSTEM

Comprehensive Annual Financial Report
Table of Contents
Fiscal Year ended June 30, 2013

INTRODUCTORY SECTION	Page
Letter of Transmittal	i
GFOA Certificate of Achievement	vii
ASBO International Certificate of Excellence	viii
List of Principal Officials	ix
Appointed Officials	xiii
Organization Chart	xiv
FINANCIAL SECTION	
Report of Independent Certified Public Accountants	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements*:*	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements: Balance Sheet – Governmental Funds	18
Reconciliation of Total Governmental Fund Balances to the Net Position of Governmental Activities	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	20
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities	21
Statement of Net Position – Proprietary Fund – Food Services	22
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund – Food Services	23

ATLANTA INDEPENDENT SCHOOL SYSTEM

Comprehensive Annual Financial Report
Table of Contents
Fiscal Year ended June 30, 2013

Basic Financial Statements (Continued):

Statement of Cash Flows – Proprietary Fund – Food Services 24

Statement of Fiduciary Assets and Liabilities 25

Notes to the Basic Financial Statements 26

Required Supplementary Information:

Schedule of Funding Progress 53

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund 54

OTHER SUPPLEMENTARY INFORMATION

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds 56

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 57

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance –Budget and Actual – All Special Revenue Funds Combined 58

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Title I Special Revenue Fund 60

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Title II Special Revenue Fund 61

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Title VI-B Special Revenue Fund 62

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Lottery Grants Special Revenue Fund 63

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual –Other Federal Programs Special Revenue Fund 64

OTHER SUPPLEMENTARY INFORMATION (Continued)

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Other Special Projects Special Revenue Fund 65

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Fund 66

Statement of Changes in Assets and Liabilities - Agency Fund 67

Quality Basic Education Programs - Program Expenditures 68

General Fund Quality Basic Education Program (QBE) - Schedule of Allotments and Expenditures by Program 69

Schedule of Expenditures by Object - Lottery Programs 70

Schedule of Approved Local Option Sales Tax Projects 71

Schedule of State Revenues 72

STATISTICAL SECTION (UNAUDITED)

Net Position by Component – Schedule 1 73

Changes in Net Position– Schedule 2 74

Governmental Fund Balances –Schedule 3 76

Changes in Governmental Fund Balances –Schedule 4 77

General Fund Expenditures by Function -Schedule 5 79

General Fund Revenues by Source –Schedule 6 80

Assessed and Estimated Actual Value of Taxable Property – Schedule 7 81

Property Tax Rates – All Overlapping Governments – Schedule 8 82

Principal Property Taxpayers – Schedule 9 83

Property Tax Levies and Collections – Schedule 10 84

Comparison of Property Tax Millage Rates – Schedule 11 85

ATLANTA INDEPENDENT SCHOOL SYSTEM

Comprehensive Annual Financial Report
Table of Contents
Fiscal Year ended June 30, 2013

STATISTICAL SECTION (UNAUDITED) (Continued)

Tax Millage Rates – Schedule 12	86
Ratio of Total Debt Outstanding by Type – Governmental Activities – Schedule 13	87
School Buildings, Acreage, and Capacity – Schedule 14	88
Demographic Statistics – Schedule 15	90
Principal Employers – Schedule 16	91
General Fund per Pupil Cost – Schedule 17	92
School Breakfast Program – Schedule 18	93
School Lunch Program – Schedule 19	94
Number of Schools – Schedule 20	95
Enrollment by Grade Level – Schedule 21	96
Employees by Function – Schedule 22	97

INTRODUCTORY SECTION

December 6, 2013

Dear Citizens of Atlanta,

The Comprehensive Annual Financial Report (CAFR) of Atlanta Public Schools (APS or the District), for the fiscal year ended June 30, 2013, is prepared and hereby submitted by the Finance Division of the District.

Atlanta Public Schools presents the CAFR for the fiscal year ended June 30, 2013, in accordance with the reporting model adopted by the Governmental Accounting Standards Board (GASB), to fulfill the requirement for audit prescribed by Georgia Statutes for local boards of education.

Atlanta Public Schools' financial management officials prepared this report, which contains information about the District's finances. APS management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that it has established for this purpose. This framework is designed to provide reasonable, rather than absolute, assurance that the financial statements do not contain material misstatements.

Snapshot of Atlanta Public Schools

Atlanta Public Schools is one of the largest districts in the State of Georgia, serving nearly 50,000 students in 105 learning facilities throughout the city of Atlanta. These schools share the same commitment to excellence; however, each school has a unique learning culture. Some offer specialized programs like the International Baccalaureate and Performing Arts programs.

The District has four single-gender schools: Coretta Scott King Young Women's Leadership Academy (CSKYWLA) Middle School, CSKYWLA High School, the Business, Engineering, Science and Technology (B.E.S.T.) Academy Middle School, and B.E.S.T. Academy High School.

Four APS high school campuses have been divided into small schools, with the remainder of high schools being structured as small learning academies, which allows students to select a pathway to study (e.g., business, health sciences, technology, etc.)

The APS Cluster Model

The District moved from split-feeder patterns to the cluster model at the start of the 2012-2013 academic year. Schools are organized into nine high school clusters with corresponding middle and elementary schools in each cluster. Unlike split-feeder patterns, the cluster model allows all students attending a particular elementary school to matriculate to the same middle school and students enrolled at that middle school to matriculate to the same high school.

The cluster model has helped APS ensure equitable access to resources, continuity of academic programs from kindergarten through 12th grade, and multiple layers of support for students. The model has also enabled the District to fully staff and provide more opportunity and equity to all schools in the district. All students have access to music, arts, foreign language, and core academic programs from kindergarten through 12th grade. Additionally, elementary, middle, and high school teachers as well as administrators within a cluster are using a more collaborative approach to create strategies to increase student performance.

The Common Core Georgia Performance Standards

Georgia adopted the K-12 Common Core Georgia Performance Standards (CCGPS) to help ensure that all students graduate from high school with the core academic knowledge and skills necessary for success in college, careers, and life. APS implemented the CCGPS at the start of the 2012-2013 school year.

The APS Five-year Strategic Plan

The past few years have presented the District with persistent challenges and overcoming them to raise student achievement has required complex work.

Last year, the broader community was introduced to the District's five-year strategic plan. The plan focuses on a consistent, aggressive, and strategic structure of operational and academic excellence for all schools and divisions within the district; it serves as a roadmap for holding the system publicly accountable for specific outcomes from now until 2017.

The plan lists four guiding principles, which are referred to as The Four Es:

- **Excellence** in everything we do
- **Equity** in the distribution of resources
- **Engagement** with our community
- **Ethics** to protect our integrity

Although the District faced declining resources and impending change during fiscal year 2013, we remained committed to demonstrating improvement in these areas.

District Highlights

Excellence

- The District implemented the CCGPS at the start of the 2012-2013 school year. The CCGPS ensure a new level of academic excellence in every school and outline high expectations for what students need to know to be ready for 21st century colleges and careers anywhere in the world.
- In 2013, the Board approved the District's recommendation to allocate 78 additional teachers throughout the District to reduce class sizes and address pressing academic concerns.
- During the summer of 2012, APS rapidly expanded online classes for students by launching the Atlanta Virtual Academy (AVA). The classes allow students throughout the district to earn credit through AVA in addition to their regular schedule. All class content is aligned with the CCGPS.

- Thanks to a generous donation received from the GE Foundation, APS was able to provide two days of much needed Common Core training to all APS teachers. This was especially good news for the teachers, because they received the training in lieu of taking furlough days.
- The Board authorized a partnership between APS and the Atlanta Police Department to provide physical security, investigative detectives, and twenty-four hour alarm response services. The partnership allows every middle and high school to have at least one full-time school resource officer (SRO). The officers will enhance the learning environment by creating a safe atmosphere, integrating the role of law enforcement into the school setting and building relationships with the school community.

Equity

- The District's 2012 redistricting created a new regional and cluster model that replaced the school reform team structure.
- The cluster model has enabled APS to fully staff and provide more support, opportunity, and equity to all schools in the district.
- All students have access to music, arts, foreign language, and core academic programs, from K-12th grade.
- Every APS middle and high school offers at least two foreign languages.
- All APS middle schools offer accelerated math classes.
- APS schools dramatically increased their inclusive practice and more students with disabilities are learning alongside their non-special needs peers.

Engagement

- APS continued to work district-wide to become more engaged and transparent with the community.
- The District created a department to focus solely on stakeholder engagement. The Office of External Affairs is devoted to community outreach, corporate and foundation relations, constituent services, and open records requests.
- Superintendent Erroll B. Davis, Jr. hosted quarterly question and answer sessions during brown-bag lunches with employees.
- Student leaders from all APS schools were invited to attend a student-only candid discussion forum with Superintendent Davis.
- Every APS cluster hosted State of the Cluster meetings in which stakeholders were updated on the status of the long and short-term goals of the cluster.
- APS identified and coordinated two-way engagement opportunities with all stakeholders.
- The District launched a student-anchored television show to inform stakeholders and produced award-winning shows, digital media, and written communications.
- APS began offering ongoing customer service training for employees to ensure better response to stakeholders, provide more welcoming schools for all stakeholders, and support the District's theme of "Excellence in Everything We Do."

Ethics

- APS applied stronger testing security measures for the Criterion Reference Competency Test (CRCT) and other standardized district tests.
- Every school has two trained ethics advocates, who act as resources for ethical decision making. The advocates also infuse ethical principles and character education throughout the curriculum, as well as through teacher and leader actions.
- APS enhanced the mandated annual ethics training for all employees.

The focus of all of this activity was, and continues to be, to improve our schools and to achieve our mission of educating all students through academic excellence, preparing them for success in life, service, and leadership.

APS is dedicated to achieving more positive outcomes for all children. Our district is showing signs of real improvement in everything from early learning and administering special education to an increase in our students' performance on standardized tests, and a decrease in our dropout rate.

Local Economy

The nationwide economic downturn continues to impact District funding. Local taxes make up almost 75% of the District's General Fund revenue.

The second major revenue stream for the District is State funding through the Quality Basic Education Act, which accounts for roughly 23% of the District's General Fund revenue sources.

In fiscal year 2013, tough economic realities prompted APS to adopt a revised district budget mid-year. The revised budget focused on operating within budget and reducing our reliance on reserves to fund normal operations. Despite declining revenues and drastic increases in pension and health insurance costs, effective fiscal management will allow us to place more teachers and resources in schools for fiscal year 2014.

Long-Term Financial Planning

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

Strategic Planning

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

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, 2013. The independent auditor's report is located at the front of the financial section of this report.

Using the full accrual basis of accounting, APS has a total net position of approximately $1.4 billion, an increase of $31 million from fiscal year 2012. 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 30, 2012. 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 Generally Accepted Accounting Principles and applicable legal requirements.

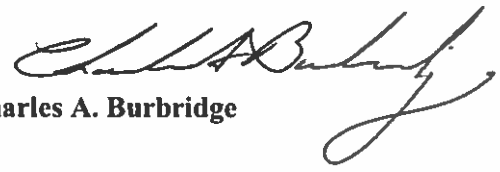
Further, APS received the Association of School Business Officials International's (ASBO) Certificate of Excellence in Financial Reporting for the CAFR for fiscal year 2012. This is the fourth year the District submitted the CAFR to ASBO. This award certifies that the report substantially conforms to 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 2013. 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 – class of 2013 – earned more than $100 million in college scholarship offers.

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

Respectfully submitted,



Charles A. Burbridge

Chief Financial Officer



Erroll B. Davis, Jr.

Superintendent

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Atlanta Independent School System, Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Association of School Business Officials International

The Certificate of Excellence in Financial Reporting Award
is presented to

Atlanta Independent School System

For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012

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

Ron McCulley, CPPB, RSBO
President

John D. Musso, CAE, RSBA
Executive Director

ATLANTA INDEPENDENT SCHOOL SYSTEM

List of Principal Officials
June 30, 2013

SCHOOL SYSTEM BOARD MEMBERS

At-Large Seat 8: Reuben R. McDaniel, III, *Chair*



In May 1999, Reuben R. McDaniel, III was named President/CEO of Jackson Securities, LLC, an Atlanta based investment banking firm. With over 25 years of investment banking experience in finance management, capital markets and municipal finance, McDaniel relies on his proven financial insights, exceptional talents in building relationships, strong analytical background and consummate corporate management skills. Selected as one of Black Enterprises' "75 Most Powerful Blacks on Wall Street," Mr. McDaniel was responsible for transforming the firm from a regional public finance boutique into a national institutional investment bank. Under his leadership, Jackson Securities has sustained double-digit revenue growth and diversified revenue streams by establishing a Corporate Finance Group, Wealth Management Group, and an Institutional Sales & Trading Group.

District 2: Byron D. Amos, *Vice Chair*



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

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

District 1: Brenda J. Muhammad



Brenda Muhammad is the executive director of the Atlanta Victim Assistance, Inc. (AVA), an organization that advocates for the fundamental rights of victims and witnesses of crime with compassion, dignity and respect. AVA provides comprehensive services which remove barriers, strengthen victims and their families, and foster a healthy transition from victim to survivor. Passionate about children and their educational needs, particularly those who are underserved, Brenda currently serves as the School Board Representative for District 1. She has also served the Atlanta School Board in times past as president and vice president.

District 3: Cecily Harsch-Kinnane



Cecily Harsch-Kinnane has been involved in Atlanta Public Schools for over ten years. She and her husband, Paul, have three children in APS and she has served as PTA president at Morningside E.S., on the PTA boards at Inman M.S. and Grady H.S., as co-president of the Council of Intown Neighborhoods and Schools and on the principal selection committee at several schools. She has been involved with Habitat for Humanity, served on the City of Atlanta Elected Officials Compensation Commission and on the board of the Atlanta Youth Soccer Association. Ms. Harsch-Kinnane is a former middle and high school math teacher and has recently been the coordinator of an after school-mentoring program. She is a native of Atlanta and received a BA in Mathematics from Brown University and has done graduate work in Math Education and Educational Psychology at Georgia State University.

District 4: Nancy M. Meister



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

District 5: LaChandra Butler Burks



Born and raised in Atlanta, Georgia, LaChandra Butler Burks' passion for children and commitment to education has been evident all of her life. As a product of Atlanta Public Schools, she considers it an honor to now serve as a member of the Atlanta Board of Education because it allows her to fight daily to have quality, public education for the children of a city she dearly loves. It is her strong belief that everyone must be involved in making sure that children are whole and well.

On November 8, 2005, the residents of Atlanta elected LaChandra Butler Burks out of six candidates with 58% of the votes as the Atlanta Board of Education District 5 Representative. Ms. Burks is a graduate of L.P. Miles Elementary School and C.L. Harper High School and has a Bachelor's Degree from State University of West Georgia, (formerly West Georgia College) and a Masters of Business Administration from Keller Graduate School of Management. LaChandra Butler Burks received most of her political experience from having worked under the leadership of three Atlanta mayors for 13 years.

District 6: Yolanda K. Johnson



Yolanda Johnson is a proud resident of the Adams Park Community of Southwest Atlanta. She is a product of public schools and a practicing attorney who has been actively engaged in the community since she made Atlanta her home more than a decade ago.

She began volunteering with the Atlanta Public Schools (APS) when she agreed to serve on a committee redeveloping the curriculum for the Law and Government Magnet at Therrell High School. This experience gave her unique system insight and firsthand knowledge of how even a small group of dedicated people can make differences in the lives of our children: our future.

At-Large Seat 7: Courtney D. English



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

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

At-Large Seat 9: Emmett D. Johnson



Mr. Johnson has proven that he is a person dedicated to making a positive difference. He is committed to serving the need of our youth. He is knowledgeable about educational issues. As a member of the Atlanta Board of Education, Mr. Johnson:

Received the 2009 Richard R. Green Award- The Richard R. Green Award, the nation's highest honor for urban education leadership, at the Council of the Great City Schools 2009 Fall conference. The Council represents 66 of the largest urban school districts in the nation, educating 7.1 million students. The Green Award is named in honor of the first African-American chancellor of the New York City school system, who had also headed Minneapolis Public Schools. As the recipient of the Richard Green Award, Johnson received a $10,000 college scholarship to present to a high school senior of his choice in the Atlanta Public Schools or from his high school alma mater.

ATLANTA INDEPENDENT SCHOOL SYSTEM
APPOINTED OFFICIALS
JUNE 30, 2013

SUPERINTENDENT

Erroll B. Davis, Jr.

SENIOR CABINET

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

Michael Grey (Interim)……..Chief Human Resources Officer

Larry Hoskins……...Deputy Superintendent for Operations

Alexis Kirijan……...Chief Strategy and Development Officer

William T. Prescott (Interim)……General Counsel

Steve Smith……...…Associate Superintendent

Karen Waldon…….Deputy Superintendent Instruction

David Williamson…….....Chief Information Officer

ATLANTA PUBLIC SCHOOLS
Making A Difference

Organizational Chart



PUBLIC

ATLANTA BOARD OF EDUCATION

Office of Internal Compliance
William Scott

SUPERINTENDENT
Erroll B. Davis, Jr.

Associate Superintendent
Steven W. Smith
- Office of Communications
- Office of External Affairs
- Office of Innovation

Deputy Superintendent for Curriculum & Instruction
Karen L. Waldon
- North Region
- East Region
- West Region
- South Region
- Teaching & Learning
- Administrative Services
- Student Programs & Services
- School Improvement & Leadership

Deputy Superintendent Operations
Larry L. Hoskins
- Facilities Services
- Security
- Nutrition
- Transportation
- Warehouse Services

Chief Financial Officer
Chuck Burbridge
- Grant Accounting
- General Accounting
- Disbursements
- Financial Planning
- Procurement

Chief Strategy & Development Officer
Dr. Alexis Kirijan
(Organizational Advancement)
- Balanced Scorecard
- Continuous Improvement
- Policy & Regulations
- Strategy Management
- Systems & Processes

General Counsel
William T. Prescott
(Interim)
- Legal

Chief Human Resources Officer
Michael Gray *(Interim)*
- Employee Benefits / Risk Management
- Employee Services
- Employee Resolution
- HR Information Management

Chief Information Officer
David Williamson
- Applications
- Support / TIG
- Instructional Technology
- Infrastructure
- Governance and Policy





Atlanta Public Schools is educating today's students for tomorrow's world. We are committed to ensuring that all students graduate from our schools ready for success in college and life.

www.atlantapublicschools.us

FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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, the business-type activities, each major fund, and the aggregate remaining fund information of the **Atlanta Independent School System** (the "School System") as of and for the fiscal year ended June 30, 2013, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Atlanta Independent School System as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note A and Note S, the School System implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, as well as GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. These standards modified terminology and presentation of certain accounts and changed the accounting for bond issuance costs. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Funding Progress, and the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual as presented on pages 4 through 15 and pages 53 through 55, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Information (Continued)

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2013 on our consideration of the School System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School System's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 6, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

ATLANTA INDEPENDENT SCHOOL SYSTEM
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

The discussion and analysis of the Atlanta Independent School System's financial performance provides an overview of the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to examine the School System's financial performance as a whole, identify changes in financial position as well as to provide basic financial statements. The Basic Financial Statements should be reviewed by the readers to enhance their understanding of the School System's financial performance as a whole or as an entire operating entity. The Basic Financial Statements contain the following components:

1) Government-wide financial statements including the Statement of Net Position and the Statement of Activities, which provide a broad, long-term overview of the School System's finances.

2) Fund-level financial statements provide a greater level of detail about the School System's major funds and focus on how well the School System has performed in the short-term in the most significant funds.

3) Notes to the Basic Financial Statements.

This report also presents the highlights for the fiscal year ended June 30, 2013 and contains other supplementary information.

FINANCIAL HIGHLIGHTS

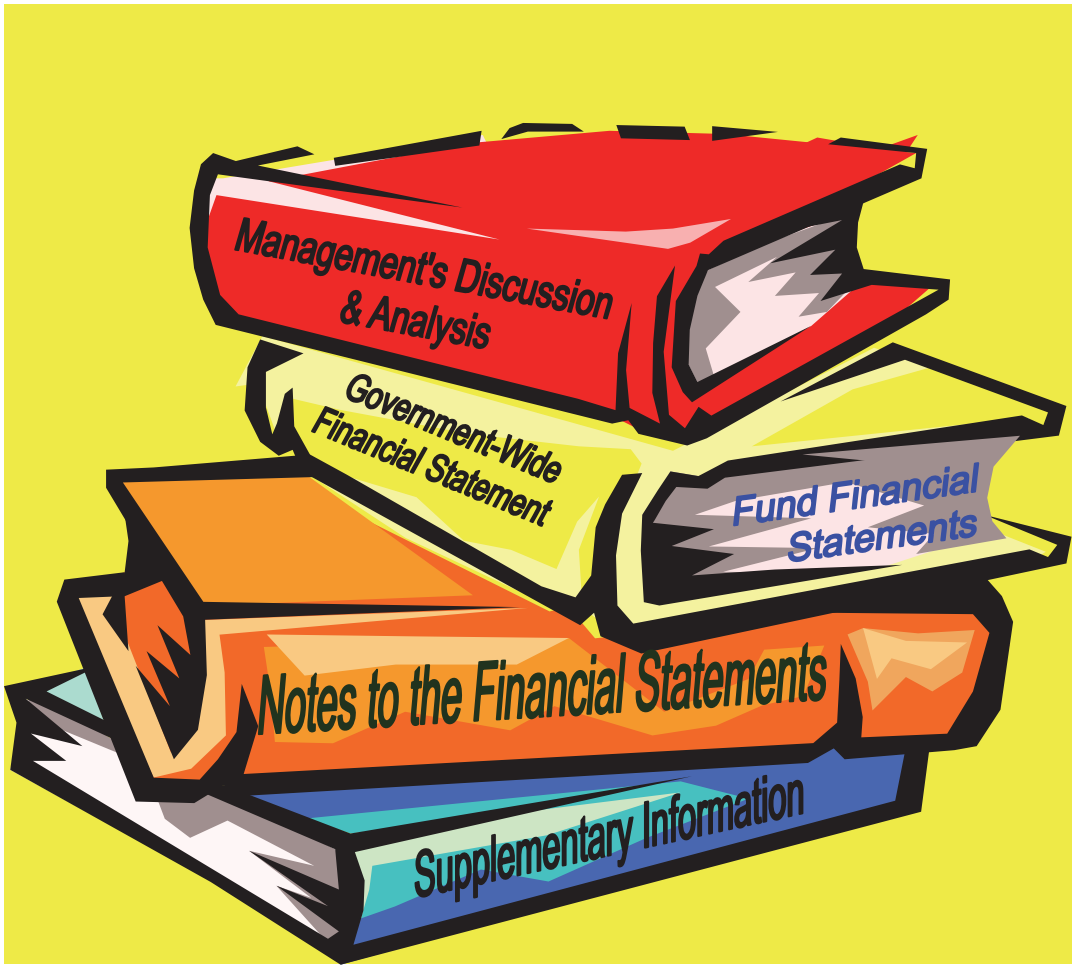
Overall, net position in fiscal year 2013 increased by 2.2% over fiscal year 2012. The 2012 net position was restated due to a change in accounting principle. See Note S for more information on this change. This is evidence of management's ability to maintain a balanced budget and control expenses despite austerity reductions due to economic downturns affecting the District's revenues. The key financial highlights for fiscal year 2013 as represented are the following:

- Total net position for the School System increased from approximately $1,388.29 million in fiscal year 2012 to approximately $1,419.33 million in fiscal year 2013, an increase of approximately $31.04 million or 2.2% due to revenues exceeding expenses primarily due to budget cuts. Net position increased by approximately $30.31 million for Governmental Activities and increased by $0.73 million for Business-type Activities.

- Total revenues decreased from approximately $775.09 million in fiscal year 2012 to approximately $768.51 million in fiscal year 2013, a decrease of approximately $6.58 million or 0.9%. Revenue for Governmental Activities decreased approximately $5.58 million while revenue for Business-type activities decreased by approximately $1 million.

- Total expenses decreased approximately $15.43 million or 2.1% from approximately $752.90 million in fiscal year 2012 to approximately $737.47 million in fiscal year 2013. Expenses decreased in Governmental Activities by approximately $16.41 million and increased by approximately $0.98 million in Business-type Activities.

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



OVERVIEW OF FINANCIAL STATEMENTS

Government-wide Financial Statements

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

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

- The ***Statement of Activities*** presents information showing how net position changed during the fiscal year. All changes in the net position are reported as soon as the underlying event giving rise

to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

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

- *Governmental Activities* – Most of the School System's programs and services are reported here including instruction, pupil services, improvement of instruction, educational media, general administrative, school administrative, business administration, maintenance and operation of facilities, student transportation, and central support.

- *Business-type Activities* – This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The Food Services proprietary fund is reported as a business-type activity.

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

	Governmental Activities		Business-type Activities		Total Primary Government		
	2013	Restated 2012	2013	2012	2013	Restated 2012	percentage change
Current and other assets	$ 333.41	$ 356.53	$ 5.61	$ 5.21	$ 339.02	$ 361.74	-6.3%
Net capital assets	1,307.21	1,248.73	0.14	-	1,307.35	1,248.73	4.7%
Total assets	1,640.62	1,605.26	5.75	5.21	1,646.37	1,610.47	2.2%
Long-term debt outstanding	140.90	152.75	-	-	140.90	152.75	-7.8%
Other liabilities	86.01	69.11	0.13	0.32	86.14	69.43	24.1%
Total liabilities	226.91	221.86	0.13	0.32	227.04	222.18	2.2%
Net position							
Net investment in capital assets	1,187.17	1,171.49	0.14	-	1,187.31	1,171.49	1.4%
Restricted for debt service	0.39	0.30	-	-	0.39	0.30	30.0%
Restricted for capital projects	113.88	65.80	-	-	113.88	65.80	73.1%
Restriced for state and local programs	5.18	6.26	-	-	5.18	6.26	-17.3%
Restricted for school construction	0.49	43.66	-	-	0.49	43.66	-98.9%
Unrestricted	106.60	95.89	5.48	4.89	112.08	100.78	11.2%
Total net position	$ 1,413.71	$ 1,383.40	$ 5.62	$ 4.89	$ 1,419.33	$ 1,388.29	2.2%

- **Total assets** increased by roughly $35.90 million or 2.2%.

- **Current and other assets** decreased by roughly $22.70 million or 6.3%.

- **Capital assets, net of accumulated depreciation** for all governmental activities increased by roughly $58.62 million. The increase primarily represents additions to construction in progress, buildings, building improvements, and equipment less the current fiscal year's disposals and depreciation expense.

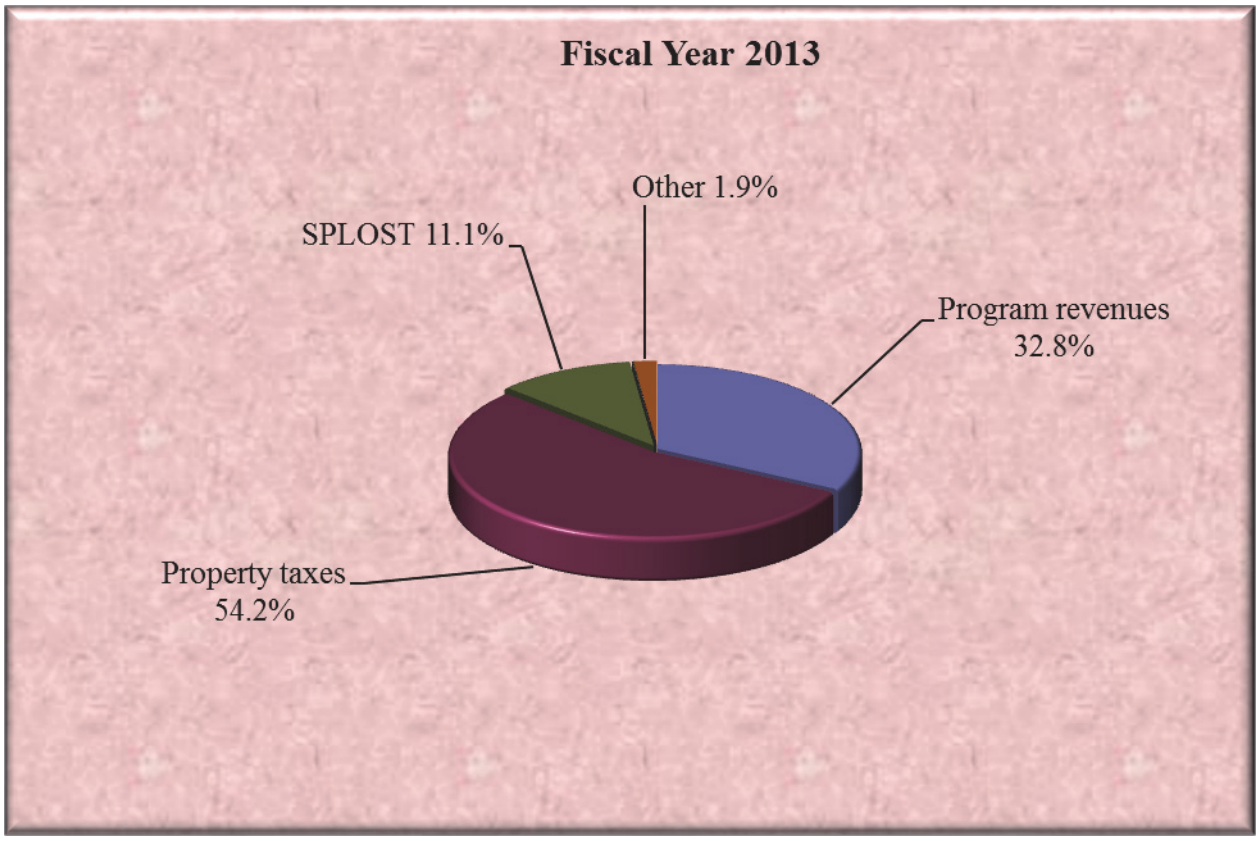
- **Long-term debt outstanding** decreased by roughly $11.85 million or 7.8%. The decrease was primarily due to scheduled principal payments and the current fiscal year's amortization of the premium related to the Certificates of Participation issued in fiscal year 2011.

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

	Governmental Activities		Business-type Activities		Total Primary Government		
	2013	Restated 2012	2013	2012	2013	Restated 2012	Percentage Change
Revenues							
Program revenues							
Charges for services	$ 4.54	$ 1.72	$ 1.28	$ 1.64	$ 5.82	$ 3.36	73.2%
Operating grants and contributions	218.52	218.28	23.13	23.77	241.65	242.05	-0.2%
Capital grants and contributions	4.18	8.80	-	-	4.18	8.80	-52.5%
General revenues							
Property taxes, levied for general purposes	416.36	414.32	-	-	416.36	414.32	0.5%
Special Purpose Local Option Sales Tax	85.38	93.70	-	-	85.38	93.70	-8.9%
Investment earnings	0.20	0.13	-	-	0.20	0.13	53.9%
Grants and Contributions not restricted to specific programs	20.94	11.62	-	-	20.94	11.62	80.2%
Property taxes levied for debt service	1.91	1.11	-	-	1.91	1.11	72.1%
Special item - impairment loss	(7.93)	-	-	-	(7.93)	-	-100.0%
Total Revenues	744.10	749.68	24.41	25.41	768.51	775.09	-0.9%
Expenses:							
Instruction	426.04	406.00	-	-	426.04	406.00	4.9%
Support Services:					-		
Pupil services	25.11	29.54	-	-	25.11	29.54	-15.0%
Improvement of instructional services	42.92	38.21	-	-	42.92	38.21	12.3%
Educational media	8.87	8.96	-	-	8.87	8.96	-1.0%
Federal grant administration	1.97	1.12	-	-	1.97	1.12	75.9%
General administration	14.33	17.88	-	-	14.33	17.88	-19.9%
School administration	40.65	30.83	-	-	40.65	30.83	31.9%
Business administration	15.16	22.61	-	-	15.16	22.61	-33.0%
Maintenance and operation of facilities	80.78	97.08	-	-	80.78	97.08	-16.8%
Student transportation	24.89	29.77	-	-	24.89	29.77	-16.4%
Central support	23.30	28.38	-	-	23.30	28.38	-17.9%
Nutrition	0.91	0.36	23.68	22.70	24.59	23.06	6.6%
Other support services	3.01	13.04	-	-	3.01	13.04	-76.9%
Interest and fiscal charges	5.85	6.42	-	-	5.85	6.42	-8.9%
Total Expenses	713.79	730.20	23.68	22.70	737.47	752.90	-2.1%
Change in Net Position	$ 30.31	$ 19.48	$ 0.73	$ 2.71	$ 31.04	$ 22.19	39.9%
Beginning Net Position, as restated	1,383.40	1,363.92	4.89	2.18	1,388.29	1,366.10	
Ending Net Position	$ 1,413.71	$ 1,383.40	$ 5.62	$ 4.89	$ 1,419.33	$ 1,388.29	

Primary Government

Sources of Revenues



Total revenues net of special item, decreased $6.58 million or 0.9% from fiscal year 2012 to fiscal year 2013. This change is mainly due to the one-time impairment losses on Sylvan Middle School and E. Rivers Elementary School. Please see Note G for additional information.

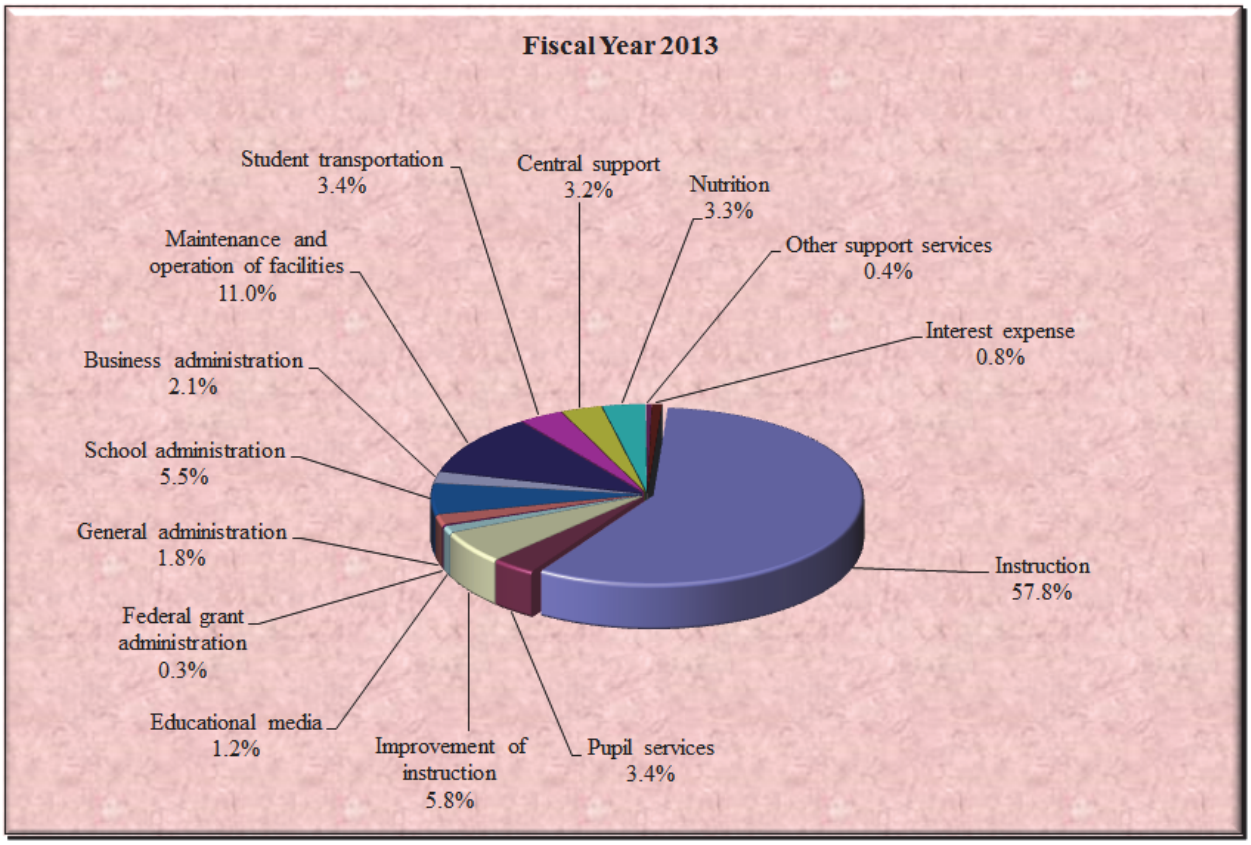
- Program revenues are primarily grant related and account for approximately $251.65 million or 32.8% of total revenues received and include State QBE revenue.

- General revenues represent the major revenue stream for the School System. They account for 67.3% or $516.86 million of total revenues received in fiscal year 2013.

- Business-type activities revenues decreased from 2012 to 2013 by $1 million or 3.9%. Revenues decreased due to a decline in participation volume.

Primary Government

Expenses



Total expenses decreased from 2012 to 2013 by 2.1% or $15.43 million. Management continues to forecast spending levels and manage spending throughout the fiscal year.

- Governmental activities account for 96.8% or $713.79 million of total School System spending. Four groups of activities account for 90.3% or $644.99 million of governmental activities spending: instruction ($426.04 million or 59.7%); pupil services and improvement of instructional services ($68.03 million or 9.5%); administration and business services ($70.14 million or 9.8%); and maintenance and operations ($80.78 million or 11.3%).

- Business-type activities expenses increased by $0.98 million or 4.3%. Expenses increased due to additional spending for professional services and equipment refresh purchases.

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

	Total Cost of Services			Net Cost of Services		
	2013	2012	Percentage Change	2013	2012	Percentage Change
Instruction	$ 426.04	$ 406.00	4.9%	$ 308.41	$ 286.97	7.5%
Support Services :						
Pupil services	25.11	29.54	-15.0%	13.24	17.76	-25.5%
Improvement of instructional services	42.92	38.21	12.3%	7.96	7.73	3.0%
Educational media	8.87	8.96	-1.0%	6.65	8.96	-25.8%
Federal grant administration	1.97	1.12	75.9%	-	-	0.0%
General administration	14.33	17.88	-19.9%	8.11	10.19	-20.4%
School administration	40.65	30.83	31.9%	30.41	23.50	29.4%
Business administration	15.16	22.61	-33.0%	11.93	18.50	-35.5%
Maintenance and operation of facilities	80.78	97.08	-16.8%	61.13	73.80	-17.2%
Student transportation	24.89	29.77	-16.4%	18.12	21.55	-15.9%
Central support	23.30	28.38	-17.9%	17.36	20.42	-15.0%
Other support services	3.01	13.04	-76.9%	0.54	8.10	-93.3%
Nutrition	0.91	0.36	152.8%	0.50	-	100.0%
Interest and fiscal charges	5.85	6.42	-8.9%	2.19	3.90	-43.9%
Total Expenses	$ 713.79	$ 730.20	-2.3%	$ 486.55	$ 501.38	-3.0%

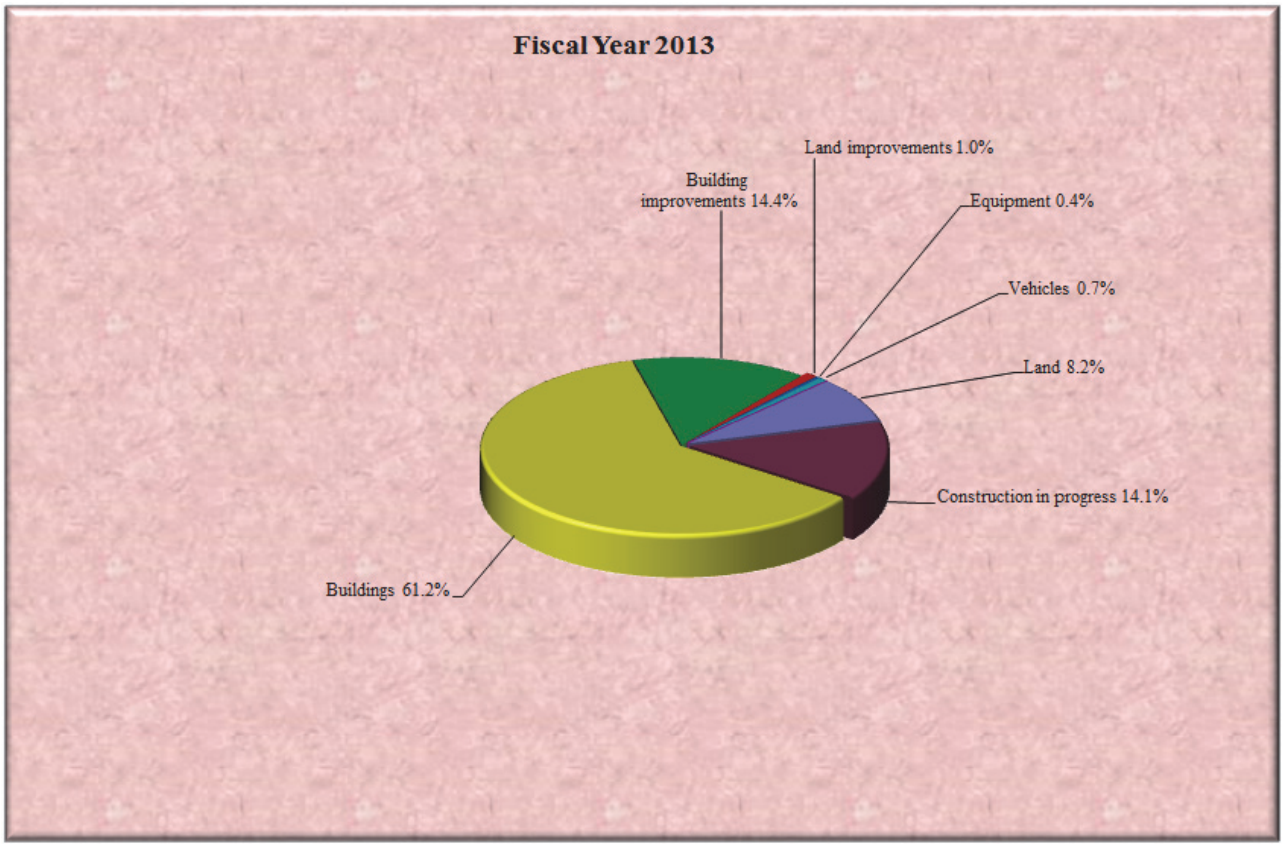
The net cost of governmental activities represents the cost of operating the School System to be covered by general revenues, including property taxes. The net cost of services decrease is attributable to controlled spending combined with a decrease in program revenues.

Capital Assets

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

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

	Governmental Activities		Business-type Activities		Total School System		
	2013	2012	2013	2012	2013	2012	Percentage change
Land	$ 107.07	$ 107.07	$ 0.00	$ 0.00	$ 107.07	$ 107.07	0.0%
Construction in progress	185.09	76.40	0.00	0.00	185.09	76.40	142.3%
Buildings	799.82	828.50	0.00	0.00	799.82	828.50	-3.5%
Building improvements	188.55	205.32	0.00	0.00	188.55	205.32	-8.2%
Land Improvements	12.82	14.13	0.00	0.00	12.82	14.13	-9.3%
Furniture and fixtures	0.03	0.04	0.00	0.00	0.03	0.04	-25.0%
Equipment	5.05	5.06	0.14	0.00	5.19	5.06	2.6%
Vehicles	8.78	12.22	0.00	0.00	8.78	12.22	-28.2%
Total	$ 1,307.21	$ 1,248.74	$ 0.14	$ 0.00	$ 1,307.35	$ 1,248.74	4.7%



Construction in Progress and Buildings

SPLOST IV construction programs to renovate or construct academic facilities are in the 12th 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 $140.9 million. The following table provides a summary of long term debt activity:

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

	Total School System		
	2013	2012	percentage change
Capital leases	$ 6.01	$ 7.91	-24.0%
Intergovernmental agreement- City of Atlanta	16.31	17.40	-6.3%
ERS, Inc (COPS, Series 2006/2007)	7.14	7.78	-8.2%
ERS, Inc (COPS, Series 2011A)	72.46	72.46	0.0%
ERS, Inc (COPS, Series 2011B)	26.04	31.96	-18.5%
Unamortized premium 2011B	1.80	2.56	-29.7%
Compensated absences	5.18	5.20	-0.4%
Contingent Liabilities - Legal	0.52	1.75	-70.3%
Workers' compensation	5.44	5.73	-5.1%
	$ 140.90	$ 152.75	-7.8%

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

Fund Financial Statements

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

The School System has three types of funds:

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

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

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

The following presents a summary of the General Fund, Capital Projects Fund, and other non-major governmental funds by type of revenue for the fiscal year ended June 30, 2013 as compared to June 30, 2012.

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

	Governmental Funds			
	2013	2012	Increase (Decrease)	Percentage Change
Local taxes	$ 413.47	$ 445.18	$ (31.71)	-7.1%
Sales taxes income	85.98	93.10	(7.12)	-7.7%
State revenues	146.33	142.66	3.67	2.6%
Federal revenues	67.83	75.79	(7.96)	-10.5%
Investment income	0.20	0.13	0.07	53.8%
Facility rental fees	1.16	1.00	0.16	16.0%
Charges for services	3.37	0.72	2.65	368.1%
Other	31.59	20.72	10.87	52.5%
Proceeds from sale of capital leases	-	4.47	(4.47)	-100.0%
Proceeds from sale of capital assets	0.14	0.25	(0.11)	-44.0%
Total Revenues and other financing sources	$ 750.07	$ 784.02	$ (33.95)	-4.3%

The following table presents a summary of the General Fund, Capital Projects Fund, and nonmajor governmental funds by type of expenditures for the fiscal year ended June 30, 2013 as compared to June 30, 2012.

Table 7 - Expenditures (in millions of dollars)

	Governmental Funds			
	2013	2012	Increase (Decrease)	Percentage Change
Instruction	$ 384.98	$ 369.98	$ 15.00	4.1%
Support services				
Pupil services	25.02	29.46	(4.44)	-15.1%
Improvement of instructional services	42.92	38.21	4.71	12.3%
Educational media	8.83	8.91	(0.08)	-0.9%
Federal grant administration	1.97	1.12	0.85	75.9%
General administration	14.32	17.88	(3.56)	-19.9%
School administration	40.65	30.83	9.82	31.9%
Business administration	12.51	16.65	(4.14)	-24.9%
Maintenance and operation of facilities	77.74	98.72	(20.98)	-21.3%
Student transportation	22.57	27.60	(5.03)	-18.2%
Central support	23.30	28.29	(4.99)	-17.6%
Other support services	3.01	13.04	(10.03)	-76.9%
Nutrition	0.91	0.36	0.55	152.8%
Capital outlays	117.78	46.05	71.73	155.8%
Debt service	16.22	13.24	2.98	22.5%
Total Expenditures	792.73	740.34	52.39	7.1%
Excess (deficiency) of revenues and other financing sources over (under) expenditures - See Table 6	(42.66)	43.68	(86.34)	
Transfers in	5.93	0.60	5.33	
Transfers out	(5.93)	(0.60)	(5.33)	
Fund Balances, Beginning of Fiscal Year	267.81	224.13	43.68	
Fund Balances, End of Fiscal Year	$ 225.15	$ 267.81	$ (42.66)	

Analysis of Major Governmental Funds

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

General Fund

As of June 30, 2013, total fund balance in the General Fund was approximately $85.22 million. This balance includes approximately $2.40 million nonspendable, $0.39 million restricted, approximately $1.14 million committed, $25.30 million assigned, and $55.99 million unassigned fund balance. As a result of operations in fiscal year 2013, the fund balance increased by $3.20 million. The increase in fund balance is attributable to continued diligence in monitoring costs.

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

Instruction		
Salary	$8,864,128	Due to additional teachers required to reduce class size from the original plan
Non-Salary	$3,579,404	Due to increase in program support for Residential Facilities, Classroom Instruction, Instructional Support – CLL and Commencement Exercises
Pupil Services		
Non-Salary	$3,176,514	Due to school-based supply purchases, which are never budgeted in the General Fund, but are the result of consolidation
School Administration		
Salary	$1,001,215	Due to additional Assistant Principals being deployed in schools
Maintenance and Operations		
Non-Salary	$789,372	Due to increase in operational cost for utilities and building operations
Student Transportation		
Salary	$1,832,042	Due to additional bus drivers required as a result of foregoing implementation of planned walk zones
Non-Salary	$480,911	Due to higher purchased professional services and transportation services
Central Support		
Salary	$1,532	Due to increases in employee benefits
Other Support		
Non-Salary	$357,879	Due to an increase in other purchased services for Residential Facilities
Nutrition		
Salary	$200,142	Due to increases in employee benefits

Capital Projects Fund

As of June 30, 2013, total fund balance in the Capital Projects Fund was $131.75 million. This balance includes $2.66 million nonspendable, $113.87 million restricted, and approximately $15.22 million assigned. The fund balance decreased by $1.98 million due primarily to an increase in SPLOST expenditures and a decrease in SPLOST revenues.

Other Governmental Funds

As of June 30, 2013, total fund balance in Nonmajor Governmental Funds was $8.17 million. This balance included approximately $5.81 million restricted and $2.36 million assigned. In fiscal year 2012, the Education Reform Success Fund (ERS) was presented as a major fund with an ending fund balance of $43.66 million. In fiscal year 2013, the ERS fund balance had significantly declined to approximately $0.63 million resulting in classification as a Nonmajor fund. The fund balance for ERS decreased by approximately $43.04 million in the current fiscal year, with overall Nonmajor funds decreasing by approximately $43.88 million.

Current Issues

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

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

Revenue from the Special Purpose Local Option Sales Tax IV was approved by voters in November of 2011 and the funding, which began in August 2012, has facilitated our ability to replace and improve existing schools and add additional classrooms. Our operating budget will continue to be tight, as we expect decreased funding from the State of Georgia due to current financial conditions. Despite these challenges, we remain committed to using our financial resources efficiently to provide an exceptional educational experience for our students.

General Fund Budgetary Highlights

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

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

ATLANTA INDEPENDENT SCHOOL SYSTEM

Statement of Net Position

June 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 178,461,700	$ 6,472,072	$ 184,933,772
Investments	72,471,224	-	72,471,224
Receivables (net of allowance for uncollectibles):			
Taxes	23,763,711	-	23,763,711
Other	730,575	1,230	731,805
Due from other governments	40,813,981	237,282	41,051,263
Internal balances	1,336,387	(1,336,387)	-
Inventory	-	232,128	232,128
Prepaid items	5,057,301	-	5,057,301
Total Current Assets	322,634,879	5,606,325	328,241,204
Noncurrent Assets:			
Net pension asset	10,770,550	-	10,770,550
Capital Assets:			
Nondepreciable capital assets	292,152,244	-	292,152,244
Depreciable capital assets, net	1,015,056,264	141,550	1,015,197,814
Total Noncurrent Assets	1,317,979,058	141,550	1,318,120,608
TOTAL ASSETS	1,640,613,937	5,747,875	1,646,361,812
LIABILITIES			
Current Liabilities:			
Accounts payable	21,325,913	1,043	21,326,956
Contracts payable	15,336,305	-	15,336,305
Accrued liabilities	42,542,543	-	42,542,543
Retainage payable	6,727,344	-	6,727,344
Due to other governments	75,039	-	75,039
Deposits and unearned revenues	-	123,732	123,732
Compensated absences payable, current portion	3,095,048	-	3,095,048
Capital leases payable, current portion	1,265,265	-	1,265,265
Certificates of participation, current portion	6,710,000	-	6,710,000
Claims payable, current portion	2,068,429	-	2,068,429
Intergovernmental agreement, current portion	1,143,625	-	1,143,625
Contingent liabilities, current portion	315,000	-	315,000
Total Current Liabilities	100,604,511	124,775	100,729,286
Noncurrent Liabilities:			
Compensated absences payable	2,089,302	-	2,089,302
Capital leases payable	4,753,381	-	4,753,381
Certificates of participation	100,721,623	-	100,721,623
Claims payable	3,368,144	-	3,368,144
Intergovernmental agreement	15,167,625	-	15,167,625
Contingent liabilities	200,000	-	200,000
Total Noncurrent Liabilities	126,300,075	-	126,300,075
TOTAL LIABILITIES	226,904,586	124,775	227,029,361
NET POSITION			
Net investment in capital assets	1,187,165,191	141,550	1,187,306,741
Restricted for:			
Debt service	395,553	-	395,553
Capital projects	113,874,603	-	113,874,603
School construction	491,989	-	491,989
Other state and local programs	5,183,951	-	5,183,951
Unrestricted	106,598,064	5,481,550	112,079,614
TOTAL NET POSITION	$ 1,413,709,351	$ 5,623,100	$ 1,419,332,451

See accompanying notes to the basic financial statements.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Statement of Activities
For the Fiscal Year Ended June 30, 2013

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT:							
Governmental Activities:							
Instruction	$ 426,037,447	$ 2,591	$ 113,724,544	$ 3,904,228	$ (308,406,084)	$ -	$ (308,406,084)
Support services:							
Pupil services	25,105,338	3,373,883	8,489,114	-	(13,242,341)	-	(13,242,341)
Improvement of instructional services	42,917,654	-	34,826,333	135,500	(7,955,821)	-	(7,955,821)
Educational media	8,869,786	-	2,223,907	-	(6,645,879)	-	(6,645,879)
Federal grant administration	1,973,342	-	1,973,342	-	-	-	-
General administration	14,324,803	-	6,213,208	-	(8,111,595)	-	(8,111,595)
School administration	40,648,067	-	10,237,170	-	(30,410,897)	-	(30,410,897)
Business administration	15,157,828	-	3,227,896	-	(11,929,932)	-	(11,929,932)
Maintenance and operation of facilities	80,783,550	1,158,726	18,353,454	135,650	(61,135,720)	-	(61,135,720)
Student transportation	24,892,766	-	6,767,808	-	(18,124,958)	-	(18,124,958)
Central support	23,304,350	-	5,947,248	-	(17,357,102)	-	(17,357,102)
Other support services	3,011,547	-	2,467,522	-	(544,025)	-	(544,025)
Nutrition	910,473	-	407,762	-	(502,711)	-	(502,711)
Interest and fiscal charges	5,851,816	-	3,659,230	-	(2,192,586)	-	(2,192,586)
Total Governmental Activities	713,788,767	4,535,200	218,518,538	4,175,378	(486,559,651)	-	(486,559,651)
Business-Type Activities:							
Food services	23,680,487	1,279,087	23,131,319	-	-	729,919	729,919
Total Business-Type Activities	23,680,487	1,279,087	23,131,319	-	-	729,919	729,919
Total - Primary Government	$ 737,469,254	$ 5,814,287	$ 241,649,857	$ 4,175,378	(486,559,651)	729,919	(485,829,732)
		GENERAL REVENUES:					
		Taxes:					
		Property taxes levied for general purposes			416,364,236	-	416,364,236
		Property taxes levied for debt service			1,910,601	-	1,910,601
		Special purpose local option sales tax			85,376,919	-	85,376,919
		Unrestricted grants and contributions			20,946,374	-	20,946,374
		Unrestricted investment earnings			198,096	-	198,096
		Special item - impairment loss (See Note G)			(7,928,325)		(7,928,325)
		Total General Revenues and Special Item			516,867,901	-	516,867,901
		Change in Net Position			30,308,250	729,919	31,038,169
		NET POSITION, beginning of fiscal year, restated			1,383,401,101	4,893,181	1,388,294,282
		NET POSITION, end of fiscal year			$ 1,413,709,351	$ 5,623,100	$ 1,419,332,451

See accompanying notes to the basic financial statements.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Balance Sheet
Governmental Funds
June 30, 2013

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 103,969,050	$ 74,358,354	$ 134,296	$ 178,461,700
Investments	15,532,356	56,938,868	-	72,471,224
Receivables (net of allowance for uncollectibles):				
Taxes	16,617,363	7,146,348	-	23,763,711
Other	730,575	-	-	730,575
Due from other governments	22,667,851	135,650	18,010,480	40,813,981
Due from other funds	20,441,951	14,448,415	8,481,946	43,372,312
Prepaid items	2,396,733	2,660,568	-	5,057,301
TOTAL ASSETS	$ 182,355,879	$ 155,688,203	$ 26,626,722	$ 364,670,804
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 20,091,762	$ 1,212,908	$ 21,243	$ 21,325,913
Contracts payable	40,630	15,295,675	-	15,336,305
Accrued liabilities	40,537,892	-	-	40,537,892
Retainage payable	-	6,727,344	-	6,727,344
Due to other governments	50,000	-	25,039	75,039
Due to other funds	22,931,944	698,099	18,405,882	42,035,925
TOTAL LIABILITIES	83,652,228	23,934,026	18,452,164	126,038,418
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	11,531,717	-	-	11,531,717
Unavailable revenues - intergovernmental	1,950,000	-	-	1,950,000
TOTAL DEFERRED INFLOWS OF RESOURCES	13,481,717	-	-	13,481,717
FUND BALANCES				
Nonspendable:				
Prepaid items	2,396,733	2,660,568	-	5,057,301
Restricted:				
Debt service	395,553	-	-	395,553
Capital projects	-	113,874,603	-	113,874,603
Other state and local programs	-	-	5,183,951	5,183,951
School construction	-	-	626,285	626,285
Committed:				
School based activities	1,139,666	-	-	1,139,666
Assigned:				
Fiscal year 2014 operations	25,300,000	-	-	25,300,000
Capital projects	-	15,219,006	-	15,219,006
Local school programs	-	-	2,364,322	2,364,322
Unassigned	55,989,982	-	-	55,989,982
TOTAL FUND BALANCES	85,221,934	131,754,177	8,174,558	225,150,669
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 182,355,879	$ 155,688,203	$ 26,626,722	$ 364,670,804

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, 2013

TOTAL GOVERNMENTAL FUND BALANCES		$ 225,150,669
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Nondepreciable	$ 292,152,244	
Depreciable, net of accumulated depreciation	1,015,056,264	1,307,208,508
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		13,481,717
Accumulated pension contributions in excess of annual required contributions are reported as assets for governmental activities		10,770,550
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest	(2,004,651)	
Bonds premium, net of amortization	(1,801,623)	
Capital leases payable	(6,018,646)	
Certificates of participation	(105,630,000)	
Intergovernmental agreement - City of Atlanta	(16,311,250)	
Compensated absences	(5,184,350)	
Workers compensation claims payable	(5,436,573)	
Contingent liabilities	(515,000)	(142,902,093)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 1,413,709,351

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, 2013

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Local taxes	$ 413,467,525	$ -	$ -	$ 413,467,525
Sales tax income	-	85,979,568	-	85,979,568
State revenues	143,710,200	135,650	2,487,490	146,333,340
Federal revenues	1,315,257	-	66,510,139	67,825,396
Investment income	104,730	45,266	48,100	198,096
Facility rental fees	1,158,726	-	-	1,158,726
Tuition charges	2,591	-	-	2,591
Charges for services	3,373,883	-	-	3,373,883
Other	22,242,841	-	9,351,958	31,594,799
TOTAL REVENUES	585,375,753	86,160,484	78,397,687	749,933,924
EXPENDITURES				
Current:				
Instruction	357,322,211	-	27,653,041	384,975,252
Support services:				
Pupil services	22,019,608	-	3,003,658	25,023,266
Improvement of instructional services	9,408,941	-	33,508,713	42,917,654
Educational media	8,824,668	-	3,661	8,828,329
Federal grant administration	-	-	1,973,342	1,973,342
General administration	9,308,666	1,085,826	3,930,311	14,324,803
School administration	40,638,070	-	9,997	40,648,067
Business administration	12,066,195	229,868	212,973	12,509,036
Maintenance and operation of facilities	72,915,256	4,820,089	3,468	77,738,813
Student transportation	20,444,407	484,556	1,638,201	22,567,164
Central support	17,392,802	4,116,069	1,795,479	23,304,350
Other support services	690,246	-	2,321,301	3,011,547
Nutrition	502,711	-	407,762	910,473
Capital outlays	-	74,695,389	43,083,742	117,779,131
Debt service:				
Principal	3,618,823	5,920,000	-	9,538,823
Interest and fiscal charges	1,235,668	1,790,062	3,659,230	6,684,960
TOTAL EXPENDITURES	576,388,272	93,141,859	123,204,879	792,735,010
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,987,481	(6,981,375)	(44,807,192)	(42,801,086)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	5,000,000	925,802	5,925,802
Transfers out	(5,925,802)	-	-	(5,925,802)
Proceeds from sale of capital assets	142,566	-	-	142,566
TOTAL OTHER FINANCING SOURCES (USES)	(5,783,236)	5,000,000	925,802	142,566
NET CHANGE IN FUND BALANCES	3,204,245	(1,981,375)	(43,881,390)	(42,658,520)
FUND BALANCES - BEGINNING OF FISCAL YEAR	82,017,689	133,735,552	52,055,948	267,809,189
FUND BALANCES - END OF FISCAL YEAR	$ 85,221,934	$ 131,754,177	$ 8,174,558	$ 225,150,669

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, 2013

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ (42,658,520)
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 capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	$ (44,248,449)	
Capital outlay	114,830,723	70,582,274
In the statement of activities, the loss on the disposal of capital assets is included with instruction expenses. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold or disposed.		
Proceeds from the sale of capital assets	(142,566)	
Net book value of capital assets disposed	(4,042,397)	
Impairment loss on capital assets (see Note G)	(7,928,325)	(12,113,288)
Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenues in the funds.		
Property taxes	4,807,312	
Special purpose local option sales taxes	(602,649)	
State revenues	(816,778)	
Other revenues	(139,790)	3,248,095
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	1,886,948	
Principal retirement - certificates of participation	6,565,000	
Principal retirement - intergovernmental agreement	1,086,875	
Amortization of bond premium	767,419	10,306,242
The current fiscal year's decrease to the net pension asset increases net expenses on the government-wide statement of activities		(668,870)
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	18,967	
Workers compensation claims payable	291,449	
Contingent legal liabilities	1,236,176	
Change in accrued interest	65,725	1,612,317
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 30,308,250

See accompanying notes to the basic financial statements.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Statement of Net Position
Proprietary Fund - Food Services
June 30, 2013

ASSETS		
Current Assets:		
Cash and cash equivalents	$	6,472,072
Due from other governments		237,282
Other receivables		1,230
Due from other funds		1,583
Inventory		232,128
Total current assets		6,944,295
Noncurrent Assets:		
Machinery and equipment		149,000
Less accumulated depreciation		(7,450)
Total noncurrent assets		141,550
TOTAL ASSETS		7,085,845
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts payable		1,043
Due to other funds		1,337,970
Deposits and unearned revenue		123,732
TOTAL LIABILITIES		1,462,745
NET POSITION		
Investment in capital assets		141,550
Unrestricted		5,481,550
TOTAL NET POSITION		5,623,100
TOTAL LIABILITIES AND NET POSITION	$	7,085,845

See accompanying notes to the basic financial statements.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund - Food Services
For the Fiscal Year Ended June 30, 2013

OPERATING REVENUES	
Charges for services	$ 1,279,087
OPERATING EXPENSES	
Personnel costs	3,064,443
Purchased and contractual services	17,229,033
Supplies and materials	2,387,110
Other operating costs	992,451
Depreciation	7,450
TOTAL OPERATING EXPENSES	23,680,487
OPERATING LOSS	(22,401,400)
NON-OPERATING INCOME	
Intergovernmental	23,131,319
TOTAL NON-OPERATING INCOME	23,131,319
CHANGE IN NET POSITION	729,919
NET POSITION, BEGINNING OF FISCAL YEAR	4,893,181
NET POSITION, END OF FISCAL YEAR	$ 5,623,100

See accompanying notes to the basic financial statements.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Statement of Cash Flows
Proprietary Fund - Food Services
For the Fiscal Year Ended June 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$	1,303,154
Cash payments to employees for services		(5,976,103)
Cash payments for goods and services		(20,921,272)
NET CASH USED IN OPERATING ACTIVITIES		(25,594,221)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Intergovernmental receipts		23,199,859
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES		23,199,859
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets		(149,000)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES		(149,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(2,543,362)
CASH AND CASH EQUIVALENTS - BEGINNING OF FISCAL YEAR		9,015,434
CASH AND CASH EQUIVALENTS - END OF FISCAL YEAR	$	6,472,072
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	$	(22,401,400)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		7,450
Changes in assets and liabilities		
Decrease in accounts receivable		1,086
Increase in due from other funds		(1,583)
Increase in inventories		(89,551)
Increase in deposits and unearned revenue		22,981
Decrease in due to other funds		(2,911,660)
Decrease in accounts payable		(221,544)
Net cash used used in operating activities	$	(25,594,221)
NONCASH NON-CAPITAL FINANCING ACTIVITIES		
USDA donated food commodities	$	1,457,458

See accompanying notes to the basic financial statements.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Statement of Fiduciary Assets and Liabilities

June 30, 2013

	Agency Fund Local School Club and Class Funds
ASSETS	
Cash and cash equivalents	$ 414,935
LIABILITIES	
Due to local schools and student groups	$ 414,935

See accompanying notes to the basic financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Atlanta Independent School System

Notes to the Basic Financial Statements

June 30, 2013

A. Summary of Significant Accounting Policies

The financial statements of the School System have been prepared in accordance 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 below.

1. Reporting Entity

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

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

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

2. Government-Wide and Fund Financial Statements

   The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the School System and its component units (if any). As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program

revenues reported in the various functions. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *Business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School System considers revenues to be available if they are collected within 30 days of the end of the fiscal 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 school year (July 1 – June 30) and paid over a twelve month contract period, generally September 1 through August 31. 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 fiscal 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 Government Accounting Standards Board (GASB) Statement No. 33, paragraph 74, the State of

Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School System recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

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

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

Fund Financial Statements

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

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

The School System reports the following major governmental funds:

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

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

Proprietary Funds- Proprietary funds employ the economic resources measurement focus and are accounted for on the accrual basis. Proprietary funds are used to account for activities that are financed and operated like private business enterprises. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. Operating expenses and depreciation for the enterprise fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In accounting and reporting for its proprietary operations, the School System applies all Governmental Accounting Standards Board (GASB) pronouncements. For the fiscal year ended June 30, 2013, the School System implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989.

The School System reports the following major proprietary fund:

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

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

The School System reports the following fiduciary fund:

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

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

4. Assets, Liabilities, and Net Position or Equity

a. Cash Equivalents

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

b. Investments

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

1) Obligations issued by the State of Georgia or by other states;

2) Obligations issued by the United States government;

3) Obligations fully insured or guaranteed by the United States government or a United States government agency;

4) Obligations of any corporation of the United States government;

5) Prime banker's acceptances;

6) The Local Government Investment Pool (i.e., Georgia Fund 1) administered by the State of Georgia, Office of State Treasurer;

7) Repurchase agreements;

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

c. Receivables

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on Federal, State, private donations or other grants for expenditures made but not reimbursed and other receivables disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met.

d. Inventories and Prepaid Items

Inventories are valued at cost using the first-in, first-out method of accounting. Donated food commodities are recorded at fair value. The costs of Food Services Fund inventories are recorded as expenditures when consumed (consumption method). Prepaid items are payments made to vendors for services that will benefit periods beyond June 30, 2013 and are recorded as an asset using the consumption method for the prepaid amount and reflecting the expenditure in the fiscal year in which the services are consumed. Prepaid items are recorded in the government-wide and the governmental fund financial statements.

e. Capital Assets

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the Government-wide financial statements, all purchased capital assets are valued at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist. Donated capital assets are recorded at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not included in the cost of capital assets. The School System does not capitalize book collections or works of art.

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

	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

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

f. Compensated Absences

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

g. Long-term Obligations

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

h. Fund Equity

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

Nonspendable – Fund balance amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

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

Committed – Fund balance amounts that can be used only for specific purposes determined by formal action by the Board of Education. The Board of Education is the School District's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board.

Assigned – Fund balances are reported as assigned when amounts are constrained by the School System's intent to be used for specific purposes, but are neither restricted nor committed. The Board has expressly delegated the Superintendent or designee (Chief Financial Officer) the authority to assign fund balances for a particular purpose.

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

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

i. Net Position

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

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

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

j. Deferred Inflows of Resources

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, 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 deferred inflow of resources, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the deferred inflow of resources, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes and other sources as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

k. Use of Estimates

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

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. Our basis of budget presentation is in accordance with GAAP.

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

1. Budget requests are normally completed in January.

2. Proposed budgets are consolidated and reviewed by the Budget Department, then submitted to the Senior Cabinet of Atlanta Public Schools and Budget Commission for additional review prior to the approval by the Atlanta Board of Education.

3. Public hearings on the proposed budget are normally held in May and June.

4. The annual budget is legally adopted by the Board in June for the General Fund and Special Revenue Funds.

5. The administrative level of budgetary control upon adoption is at the program level. The Atlanta Board of Education must approve transfers between division and programs that are greater than 5% or $1,000,000 (whichever is less). Transfer of budgeted amounts between object categories within programs requires the approval of the budget center manager.

6. Revenues and expenditures of the Capital Projects Fund are budgeted on an annual basis.

7. Education Reform Success (ERS) Fund does not have a legally adopted budget.

8. The Atlanta Board of Education approves the budget for the Special Revenue Funds as a whole, which is the legal level of budgetary control (the level at which expenditures may not legally exceed appropriations). The combined Special Revenue Funds budget to actual schedule does not include the Proprietary Fund, which is included when provided to the board for approval.

C. Excess Expenditures over Appropriations of Individual Funds

GENERAL FUND

Instruction		**Pupil Services**		**School Administration**	
Salary	$8,864,128	*Non- Salary*	$3,176,514	*Salary*	$1,001,215
Non-Salary	$3,579,404				
Maintenance and Operation		**Student Transportation**		**Central Support**	
Non- Salary	$789,372	*Salary*	$1,832,042	*Salary*	$1,532
		Non- Salary	$480,911		
School Nutrition		**Other Support**			
Salary	$200,142	*Non-Salary*	$357,879		

SPECIAL REVENUE FUNDS-COMBINED

General Administration		**Business Administration**		**Student Transportation**	
Salary	$696,447	*Salary*	$19,926	*Salary*	$127,403
Central Support					
Non- Salary	$1,195,461				

CAPITAL PROJECTS FUND

Business Administration	
Salary	$82,947

D. Deposits and Investments Risks

Deposits (Governmental Funds)

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

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

Funds included in this Pool are not required to be collateralized. The fair value of the School System's position in the pool approximates the value of the School System's pool shares. Credit risk, value, and interest risk at June 30, 2013 are as follows:

Credit Risk	Value	Interest Risk
AAAf rated	$ 30,256,101*	43 day WAM
AAAf rated	134,296**	43 day WAM

The School System classifies its investment in Georgia Fund 1 as cash and cash equivalents.
*Represents funds reported in the School System's General Fund
**Represents funds held in the School System's blended component unit, ERS fund, which are held by the U.S. Bank as custodian for the issuances of the Certificates of Participation debt.

Categorization of Deposits

As of June 30, 2013, all of the School System's deposits were covered either by FDIC or collateralized by the financial institution or a combination of both.

Categorization of Investments

The School System's investments as of June 30, 2013 are presented in this table. All investments are presented by investment type and debt securities are presented by maturity.

Investment Type	Fair Value	Investment Maturity Less than One Year
Debt Securities		
U.S. Agencies		
Implicitly Guaranteed:		
FNMA, FHLM, FHLB Discount Notes	$ 65,958,053	$ 65,958,053
U.S. Government Notes & Bonds	4,503,358	4,503,358
Repurchase Agreements	11,000,000	11,000,000
	81,461,411	81,461,411
Other Investments		
Money Market - Cash Equivalents	28,051,626	28,051,626
Georgia Fund 1 - Cash Equivalents	30,390,397	30,390,397
Municipal Securities	10,280,389	10,280,389
Certificates of Deposits	5,000,000	5,000,000
Total Investments	$ 155,183,823	$ 155,183,823

Investments Reconciliation	Total Investments	Reclass to Cash and Cash Equivalents	Per balance sheet As of June 30, 2013
General Fund Investments	$ 41,187,906	$ (25,655,550)	$ 15,532,356
Capital Projects Investments	83,605,520	(26,666,652)	56,938,868
Georgia Fund 1 - Cash Equivalents	30,390,397	(30,390,397)	-
	$ 155,183,823	$ (82,712,599)	$ 72,471,224

Interest Rate Risk

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

Custodial Credit Risk

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

Credit Quality Risk

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

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

The investments subject to credit quality risk are reflected here:

		Quality Ratings			
Rated Debt Instruments	Fair Value	AAA	AA	A/A1	NR
Debt Securities					
U.S. Agencies					
Implicitly Guaranteed:					
FNMA, FHLM, FHLB Discount Notes	$ 65,958,053	$ -	$ 65,958,053	$ -	$ -
U.S. Government Notes & Bonds	4,503,358	-	4,503,358	-	-
Repurchase Agreements	11,000,000	-	-	11,000,000	-
Other Investments					
Money Market - Cash Equivalents	28,051,626	28,051,626	-	-	-
Georgia Fund 1 - Cash Equivalents	30,390,397	30,390,397	-	-	-
Municipal Securities	10,280,389	3,299,435	6,469,779	511,175	-
Certificates of Deposits	5,000,000	-	-	-	5,000,000
Total by Quality Rating	$ 155,183,823	$ 61,741,458	$ 76,931,190	$ 11,511,175	$ 5,000,000

Concentration of Credit Risk

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

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

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

Investments in any one issuer that represents 5% or more of the total investments were as follows as of June 30, 2013:

Issuer	Investment Type	% of Total Investments
Municipal Bonds	Municipal Securities	6.62%
Unites States Government	Treasury Bills	2.90%
Federal Farm Credit Bank	Federal Agency Securities	3.22%
Financial Institutions	Certificates of Deposits	3.22%
Money Market- Georgia Fund 1	Money Market Funds	19.58%
Bank of America Government Reserves Capital	Money Market Funds	18.08%
Federal National Mortgage Association	Federal Agency Securities	15.27%
Federal Home Loan Bank	Federal Agency Securities	12.57%
Federal Home Loan Mortgage Corporation	Federal Agency Securities	11.45%
Tri Party Repo Agreement	Repurchase Agreement	7.09%

Foreign Currency Risk

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

E. Due from Other Governments

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

F. Property Taxes and Other Receivables

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

	Property Taxes Receivable	Allowance for Uncollectible	Net Property Receivable
General Fund	$ 29,661,952	$ (13,044,589)	$ 16,617,363

	Other Receivables	Allowance for Uncollectible	Net Other Receivables
General Fund	$ 1,207,376	$ (476,800)	$ 730,575

	SPLOST Tax Receivables	Allowance for Uncollectible	Net SPLOST Receivable
Capital Projects Fund	$ 7,146,348	$ -	$ 7,146,348

	Other Receivables	Allowance for Uncollectible	Net Property Receivable
Food Service Fund	$ 1,230	$ -	$ 1,230

G. Capital Assets

The following is a summary of changes in capital assets during the fiscal year ended June 30, 2013:

	Beginning Balance	Increases	Decreases & Transfers to In Service	Ending Balance
Governmental Activities:				
Land	$ 107,065,303	$ -	$ -	$ 107,065,303
Construction in Progress	76,402,637	111,729,577	(3,045,273)	185,086,941
Total Non-Depreciable Assets	183,467,940	111,729,577	(3,045,273)	292,152,244
Buildings	1,105,944,714	215,788	(12,870,497)	1,093,290,005
Building Improvements	257,501,252	3,466,129	(6,445,122)	254,522,259
Land Improvements	23,243,382	129,305	(540,020)	22,832,667
Equipment	13,389,542	1,984,211	(430,338)	14,943,415
Furniture & Fixtures	56,030	-	-	56,030
Vehicles	28,104,831	350,986	(136,191)	28,319,626
Total Depreciable Assets	1,428,239,751	6,146,419	(20,422,168)	1,413,964,002
Total at Historical Cost	1,611,707,691	117,875,996	(23,467,441)	1,706,116,246
Less Accumulated Depreciation				
Buildings	277,443,166	21,772,082	(5,745,002)	293,470,246
Building Improvements	52,182,650	15,531,265	(1,746,544)	65,967,371
Land Improvements	9,117,724	1,331,325	(436,782)	10,012,267
Equipment	8,320,889	1,850,350	(276,183)	9,895,056
Furniture & Fixtures	17,276	5,603	-	22,879
Vehicles	15,886,464	3,757,824	(104,369)	19,539,919
Total Accumulated Depreciation	362,968,169	44,248,449	(8,308,880)	398,907,738
Governmental Activities Capital Assets, Net	$ 1,248,739,522	$ 73,627,547	$ (15,158,561)	$1,307,208,508
Business-Type Activities:				
Equipment	$ -	149,000	$ -	$ 149,000
Less Accumulated Depreciation				
Equipment	-	7,450	-	7,450
Business-Type Activities Capital Assets, Net	$ -	$ 141,550	$ -	$ 141,550

Sylvan Middle School and Rivers Elementary School have been permanently impaired as a result of a

significant and unexpected decline in service utility. An impairment loss has been calculated as required by GASB Statement No. 42, *Accounting & Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. The amount of the impairment loss as shown as a special item on the Government-Wide Statement of Activities ($7,928,325) is the total net book value of the buildings.

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 37,897,520
Support Services	
Educational Media Services	41,457
Maintenance & Operations	96,329
Pupil Services	82,072
Student Transportation	3,482,279
Support Services - Business	2,648,792
Total	$ 44,248,449

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

School Nutrition Program	$ 7,450

H. Long-term Debt

Capital Leases

The School System has entered into various lease agreements for the purchase of equipment. These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the 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	$	9,899,536
Less: Accumulated depreciation		(5,821,857)
Net Capital Assets	$	4,077,679

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

Fiscal Year Ending		Governmental Activities
2014	$	1,412,990
2015		1,412,990
2016		1,413,062
2017		1,092,703
2018		1,102,634
Total minimum payments		6,434,379
Less: Amount representing interest		(415,379)
Present value of minimum payments	$	6,018,646

Intergovernmental Agreement

Over the years, the City of Atlanta has issued various annual general obligation bonds and general obligation refunding bonds on behalf of the School System. The debt service for the bonds has been funded through the School System's bonded debt portion of the annual tax levy. The maturity date for the bond is December 21, 2027. The bonded debt portion of property taxes collected by the City on behalf of the School System is retained by the City and used to pay the annual debt service on the outstanding bonds. The debt service payments are calculated using assumptions and estimates based on information available. As of June 30, 2013, $395,553 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%	$16,311,250

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, 2013, $48,890,000 of bonds is outstanding, and is considered defeased.

Education Reform Success, Inc. (COPS)

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

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

Series 2011A, and 2% - 5% for Series 2011B).

I. Long-Term Obligations

Changes in long-term obligations during the fiscal year ended June 30, 2013, were as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due within One Year
Governmental activities:					
Long-term debt					
Capital leases	$ 7,905,594	$ -	$ (1,886,948)	$ 6,018,646	$ 1,265,265
Intergovernmental agreement-					
City of Atlanta	17,398,125	-	(1,086,875)	16,311,250	1,143,625
ERS, Inc (COPS, Series 2006/2007)	7,780,000	-	(645,000)	7,135,000	670,000
ERS, Inc (COPS, Series 2011A)	72,460,000	-	-	72,460,000	-
ERS, Inc (COPS, Series 2011B)	31,955,000	-	(5,920,000)	26,035,000	6,040,000
Unamortized premium 2011B	2,569,042	-	(767,419)	1,801,623	-
Total long-term debt	140,067,761	-	(10,306,242)	129,761,519	9,118,890
Other long-term liabilities					
Compensated absences	5,203,317	4,048,895	(4,067,862)	5,184,350	3,095,048
Contingent legal liabilities	1,751,176	300,000	(1,536,176)	515,000	315,000
Workers' compensation	5,728,022	1,864,975	(2,156,424)	5,436,573	2,068,429
Total other long-term liabilities	12,682,515	6,213,870	(7,760,462)	11,135,923	5,478,477
Total long-term obligations	$ 152,750,276	$ 6,213870	$ (18,066,704)	$ 140,897,442	$ 14,597,367

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

Fiscal Year Ending	Capital Leases		Intergovernmental Agreements City of Atlanta	
	Principal	Interest	Principal	Interest
2014	$ 1,265,265	$ 147,725	$ 1,143,625	$ 787,004
2015	1,297,777	115,213	1,264,500	736,419
2016	1,331,332	81,730	1,325,750	680,609
2017	1,045,535	47,168	1,333,000	621,974
2018	1,078,737	23,897	1,242,625	463,107
2019-2023	-	-	6,942,875	1,430,510
2024-2027	-	-	3,058,875	199,499
Total Principal and Interest	$ $6,018,646	$ $415,733	$ $16,311,250	$ $4,919,122

At June 30, 2013, payments due by fiscal year, which includes principal and interest for these items, are as follows:

Fiscal Year Ending	Education Reform Success, Inc. Certificates of Participation 2006/2007		Education Reform Success, Inc. Certificates of Participation 2011A		Education Reform Success, Inc. Certificates of Participation 2011B	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	$ 670,000	$ 294,640	$ -	$ 4,029,142	$ 6,040,000	$ 1,301,750
2015	700,000	266,972	-	4,029,142	6,340,000	999,750
2016	730,000	238,066	-	4,029,142	6,660,000	682,750
2017	755,000	207,920	-	4,029,142	6,995,000	349,750
2018	790,000	176,743	-	4,029,142	-	-
2019-2023	3,490,000	367,524	-	20,145,710	-	-
2024-2027	-	-	72,460,000	12,276,035	-	-
Total Principal and Interest	$ 7,135,000	$ 1,551,865	$ 72,460,000	$ 52,567,455	$ 26,035,000	$ 3,334,000

J. Inter-fund Receivables

Inter-fund Receivables and payables balances as of June 30, 2013 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	School Nutrition Fund	$ 1,337,970
School Nutrition Fund	General Fund	1,583
Capital Projects Fund	General Fund	14,448,415
Nonmajor Governmental Funds	General Fund	8,481,946
General Fund	Capital Projects Fund	698,099
General Fund	Nonmajor Governmental Funds	18,405,882
		$ 43,373,895

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. Interfund- Transfers

Transfers within the governmental funds for the fiscal year ended June 30, 2013 are as follows:

	Transfers In	Transfers Out
Governmental funds:		
General Fund	$ -	$ (5,925,802)
Capital Projects Fund	5,000,000	
Nonmajor Governmental Funds	925,802	-
	$ 5,925,802	$ (5,925,802)

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 2012	$ -	$ 623,853	$ (623,853)	$ -
Fiscal year 2013	$ -	$ 1,338,999	$ (1,338,999)	$ -

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.

	Balance at Beginning of Fiscal Year	Claims and Changed in Estimates	Claims paid	Balance at End of Fiscal Year
Fiscal year 2012	$ 7,258,000	$1,080,663	$ (2,610,641)	$ 5,728,022
Fiscal year 2013	$ 5,728,022	$1,864,975	$ (2,156,424)	$ 5,436,573

M. Nonmonetary Transactions

The School System received from the United States Department of Agriculture through the Georgia Department of Education approximately $1,457,458 in donated food commodities for its lunchroom programs. The federally assigned value of these commodities is reflected as revenue and expensed as used in the Food Services Fund financial statements.

N. On-behalf Payments for Fringe Benefits

The School System has recognized revenues and expenditures in the amount of $200,726 for health insurance and pension costs paid by the Georgia Department of Education to the Georgia Department of Community Health for non-certified personnel on the School System's behalf. Additionally, $31,854,792 was paid by the Georgia Department of Education to the Department of Community Health for group health insurance on the School System's behalf.

O. Retirement Plans

Teachers Retirement System of Georgia (TRS)

Plan Description

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

TRS provides service retirement, disability retirement, and survivor's benefits for its members. A member is eligible for service retirement after 30 years of creditable service, regardless of age, or after 10 years of service, and attainment of age 60. A member is eligible for early retirement after 25

years of creditable service. Early retirement benefits are reduced by the lesser of 1/12 of 7% of each month the member is below age 60, or by 7% of each year or fraction thereof by which the member has less than 30 years of service.

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

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

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

Funding Policy

Employees of the School System who are covered by TRS are required to pay 6.00% of their gross earnings to TRS. The School System makes monthly employer contributions to TRS at rates adopted by the TRS Board of Trustees as advised by their independent actuary. The employer contribution rate is 11.41% at June 30, 2013.

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

	2013	2012	2011
School System	$ 35,714,946	$ 33,138,997	$ 32,515,502
Employees	18,819,379	17,584,629	18,178,891
	$ 54,534,325	$ 50,723,626	$ 50,694,393

City of Atlanta General Employee's Pension Plan

Plan Description

All permanent employees of the School System who are not covered under the 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, also participates in the Plan.

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

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

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

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

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

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

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

The School System's membership in the Plan as of July 1, 2012 is as follows:

Active employees	763
Inactive members	26
Retirees and beneficiaries	2,253
Total membership	3,042

Method Used to Value Investments

Investments are stated at fair value. Fair value of Plan assets at July 1, 2012 was $110,283,000.

Funding Policy and Annual Pension Cost

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

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

The actuarial determined contribution amount is the sum of the annual normal cost (determined under the entry age normal actuarial cost method), and the amortization of the unfunded actuarial accrued liability as a level percentage of future payrolls. The remaining amortization period is closed 16 years remaining as of July 1, 2012.

The Plan's annual pension cost for the current fiscal year, based on actuarial valuations performed as of July 1, 2012 and related information for the Plan is as follows:

Contribution rates as a percent of covered payroll:

Employee	7.00% or 8.00%
Employer	8.00%
Annual required contribution	$43,679,004
Employer contributions made	$43,000,000
Actuarial valuation date	7/1/2012
Actuarial cost method	Entry age normal
Amortization method	Level % of payroll
Actuarial assumptions:	
Investment rate of return	8.00% per year
Projected salary increases:	
Inflation	3.00% per year
Merit or seniority and productivity	4.50% per year
Post-retirement benefit increases	N/A

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

Three-Year Trend Information is as follows:

Fiscal Year	Annual Pension Cost (APC)	% of APC Contributed	Net Pension (Asset) Obligation
2011	$ 37,058,594	105.24	$ (11,153,586)
2012	38,714,436	100.74	(11,439,420)
2013	43,668,870	98.47	(10,770,550)

Net Pension Asset - The School System's actuarially required contribution, pension cost, and increase in the beginning net pension asset for the fiscal year ended June 30, 2013, were computed as follows:

Actuarially required contribution	$43,679,004
Interest on net pension asset	(915,151)
ARC adjustment	905,017
Annual pension cost	43,668,870
Actual contributions made	(43,000,000)
Decrease in net pension asset	(668,870)
Net pension asset, June 30, 2012	11,439,420
Net pension asset, June 30, 2013	$10,770,550

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL use as a Percentage of Covered Payroll ((b-a)/c) *
7/1/2012	$101,272,560	$633,671,785	$532,399,225	15.98%	$22,914,238	2,323.44%

*Not less than zero

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

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

Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2012.

P. Post-Employment Benefits

Georgia Retiree Health Benefit Fund

Plan Description. The Georgia School Personnel Post-employment Health Benefit Fund (School OPEB Fund) is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers eligible former employees of public school systems, libraries, and regional educational service agencies. The School OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the State Employees Health Insurance Plan administered by the Georgia Department of Community Health. The Official Code of Georgia Annotated (OCGA) assigns the authority to establish and amend the benefit provisions of the group

health plans, including benefits for retirees, to the Board of Community Health (Board). The Georgia Department of Community Health issues a publicly available financial report that includes financial statements and required supplementary information for the School OPEB Fund. That report may be obtained from the Georgia Department of Community Health at 2 Peachtree Street, Atlanta, Georgia 30303.

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

Participating employers are statutorily required to contribute in accordance with the employer contribution rate established by the Board. This contribution rate is established to fund all benefits due under the health insurance plans for both the active and retired employees based on projected pay-as-you-go financing requirements. Contributions are not based on the actuarially calculated annual required contribution (ARC) which represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The employer contribution rates for the combined active and retiree plans for the fiscal year ended June 30, 2013, were as follows:

Certificated Employees	
July 2012- March 2013	$912.34 per month
April 2013- June 2013	$937.34 per month
Non-Certificated Employees	
July 2012- June 2013	$446.20 per month

The School System's contribution to the health insurance plans for the fiscal year June 30, 2013, June 30, 2012, and June 30, 2011 were $43,426,063, $41,358,812 and $43,496,218, respectively. These contributions equaled the required contribution/annual OPEB cost.

Q. Commitments and Contingencies

Construction Commitments

The School System has active construction projects as of June 30, 2013. The projects relate to construction, renovation of school buildings, and other projects. At fiscal year-end, the School System's commitments with contractors were $44,680,768.

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 $ 515,000.

Amounts received or receivable from the Federal government are subject to audit and review by grantor agencies. This could result in requests for reimbursement to the grantor agency for any costs which are disallowed under grant terms. The School System believes that such disallowances, if any, will be immaterial to its overall financial position.

R. Pollution Remediation Obligations

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, establishes accounting and financial reporting criteria for liabilities that address current or potential detrimental effects of existing pollution by participating in pollution remediation activities. When one of five obligating events identified by the GASB occurs, the components of the expected pollution remediation outlays must be estimated, and a determination made whether the outlays should be accrued as a liability or capitalized when goods and services are acquired, as appropriate. Pollution remediation liabilities must be measured based on the pollution remediation outlays expected to be incurred to settle these liabilities. It must be based on "reasonable and supportable" assumptions of future events that may affect the eventual settlement of the liability, and should be measured and reported at current value. The current value of the liability should be based on applicable federal, state or local laws or regulations that have been approved, regardless of their effective date, and the technology expected to be used for the cleanup.

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

As of June 30, 2013, the School System was the responsible party in the remediation of mold removal, asbestos abatement, expired chemical disposal, paint disposal, light bulb disposal, tire disposal, and air quality testing. A site assessment and preliminary evaluation of required remediation indicated that the amount of liability is immaterial as of June 30, 2013 and therefore, not recorded in the governmental activities statement of net position. The potential liability is deemed immaterial at this time to record to the School System's financial statements. APS paid $301,670 for current financial fiscal year remediation activities.

S. Changes in Accounting Principle

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the School System is required to change its accounting treatment of debt issuance costs. The new standard requires that debt issuance costs be recognized as an expense in the period incurred rather than deferred and recognized as an expense (amortized) in a systematic and rational manner over the duration of the related debt as was the required treatment in prior reporting periods.

Therefore, in conjunction with the implementation of Statement No. 65, the following restatement was required to the beginning net position of the Governmental Activities to properly recognize debt issuance costs as an expense in the periods in which they were incurred:

Net position, Governmental Activities, previously reported	$	1,384,783,086
Recognition of issuance costs incurred in prior periods		(1,381,985)
Beginning net position , Governmental Activities, restated	$	1,383,401,101

T. Subsequent Event

On July 1, 2013, the School System entered into a Purchase and Sale agreement with East Lake Foundation, Inc. for an existing school facility known as Charles R. Drew Charter School. The School System acquired the facility for a cash consideration of $10,000,000 which was allocated to the School System by the State of Georgia for the sole purpose of acquiring the facility. The $10,000,000 allocation was fully funded through the issuance of bonds by the State of Georgia. The bonds are not an obligation of the School System and do not constitute a pledge of the faith and credit of the School System.

The School System will lease the facility back to East Lake Foundation for a lease term of ninety-nine years, at the cost of $1 per year. East Lake Foundation will have an option to acquire the facility from the School System, on or after July 1, 2033, at a purchase price equal to the estimated costs anticipated to be incurred by the School System to hold title to the facility. East Lake Foundation is responsible for all of the costs of operating and maintaining the facility.

The State of Georgia commissioned an appraisal of the facility and estimated a value of $19,000,000. In fiscal year 2014, the School System will capitalize the building at the State appraised value, recognizing a gain of $9,000,000 on the purchase of the facility.

REQUIRED SUPPLEMENTARY INFORMATION

ATLANTA INDEPENDENT SCHOOL SYSTEM

Required Supplementary Information

June 30, 2013

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded / (Surplus) AAL (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
7/1/2007	$ 133,058,241	$ 643,301,615	20.68%	$ 510,243,374	$ 29,105,414	1753.09%
7/1/2008	150,876,105	655,110,071	23.03%	504,233,966	28,272,933	1783.45%
7/1/2009	112,295,208	644,788,188	17.42%	532,492,980	29,404,892	1810.90%
7/1/2010	114,615,676	669,032,859	17.13%	554,417,183	26,304,364	2107.70%
7/1/2011	113,553,224	646,444,083	17.57%	532,890,859	24,562,775	2169.51%
7/1/2012	101,272,560	633,671,785	15.98%	532,399,225	22,914,238	2323.44%

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

ATLANTA INDEPENDENT SCHOOL SYSTEM

General Fund

Schedule of Revenues, Expenditures, and Changes in

Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Local taxes	$ 396,919,667	$ 396,293,168	$ 413,467,525	$ 17,174,357
Investment income	200,000	200,000	104,730	(95,270)
Tuition charges	10,000	10,000	2,591	(7,409)
Facility rental fees	950,000	950,000	1,158,726	208,726
State revenues	151,500,000	151,500,000	143,710,200	(7,789,800)
Federal revenues	2,050,000	2,050,000	1,315,257	(734,743)
Charges for services	1,200,000	1,200,000	3,373,883	2,173,883
Other	5,490,000	5,490,000	22,242,841	16,752,841
TOTAL REVENUES	$ 558,319,667	$ 557,693,168	$ 585,375,753	$ 27,682,585
EXPENDITURES				
Current:				
Instruction	**$ 269,459,137**	**$ 344,878,679**	**$ 357,322,211**	**$ (12,443,532)**
Salary	255,190,196	294,376,040	303,240,168	(8,864,128)
Non-salary	14,268,941	50,502,639	54,082,043	(3,579,404)
Support services				
Pupil services	**13,251,357**	**20,018,481**	**22,019,608**	**(2,001,127)**
Salary	12,921,182	16,740,462	15,565,075	1,175,387
Non-salary	330,175	3,278,019	6,454,533	(3,176,514)
Improvement of instructional services	**12,539,689**	**11,644,295**	**9,408,941**	**2,235,354**
Salary	10,546,422	10,114,768	8,315,213	1,799,555
Non-salary	1,993,267	1,529,527	1,093,728	435,799
Educational media	**8,807,988**	**8,857,930**	**8,824,668**	**33,262**
Salary	8,096,894	8,143,194	8,129,842	13,352
Non-salary	711,094	714,736	694,826	19,910
General administration	**14,033,527**	**11,471,281**	**9,308,666**	**2,162,615**
Salary	7,678,586	7,936,365	6,267,723	1,668,642
Non-salary	6,354,941	3,534,916	3,040,943	493,973
School administration	**36,097,411**	**39,789,262**	**40,638,070**	**(848,808)**
Salary	34,830,919	39,348,652	40,349,867	(1,001,215)
Non-salary	1,266,492	440,610	288,203	152,407
Business administration	**22,038,833**	**18,016,036**	**12,066,195**	**5,949,841**
Salary	18,101,532	15,777,300	10,795,005	4,982,295
Non-salary	3,937,301	2,238,736	1,271,190	967,546
Maintenance and operation of facilities	**63,391,980**	**75,047,419**	**72,915,256**	**2,132,163**
Salary	22,933,920	29,392,053	26,470,518	2,921,535
Non-salary	40,458,060	45,655,366	46,444,738	(789,372)
Student transportation	**11,957,084**	**18,131,454**	**20,444,407**	**(2,312,953)**
Salary	11,290,861	14,080,628	15,912,670	(1,832,042)
Non-salary	666,223	4,050,826	4,531,737	(480,911)

Continued

ATLANTA INDEPENDENT SCHOOL SYSTEM

General Fund

Schedule of Revenues, Expenditures, and Changes in

Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES (CONTINUED)				
Current (Continued):				
Support services (continued)				
Central support	**76,711,801**	**17,921,419**	**17,392,802**	**528,617**
Salary	55,739,838	10,549,261	10,550,793	(1,532)
Non-salary	20,971,963	7,372,158	6,842,009	530,149
Other support services	**340,048**	**345,548**	**690,246**	**(344,698)**
Salary	208,650	211,150	197,969	13,181
Non-salary	131,398	134,398	492,277	(357,879)
Nutrition	**-**	**302,569**	**502,711**	**(200,142)**
Salary	-	302,569	502,711	(200,142)
Non-salary	-	-	-	-
Other outlays	**43,000,000**	**10,281,983**	**-**	**10,281,983**
Salary	-	-	-	-
Non-salary	43,000,000	10,281,983	-	10,281,983
Debt service				
Principal	3,122,353	3,618,823	3,618,823	-
Interest and fiscal charges	1,919,667	1,353,197	1,235,668	117,529
TOTAL EXPENDITURES	576,670,875	581,678,376	576,388,272	5,290,104
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(18,351,208)	(23,985,208)	8,987,481	32,972,689
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(5,925,802)	(5,925,802)
Proceeds from sale of capital assets	-	-	142,566	142,566
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(5,783,236)	(5,783,236)
NET CHANGE IN FUND BALANCES	(18,351,208)	(23,985,208)	3,204,245	27,189,453
FUND BALANCES - BEGINNING OF FISCAL YEAR	82,017,689	82,017,689	82,017,689	-
FUND BALANCES - END OF FISCAL YEAR	$ 63,666,481	$ 58,032,481	$ 85,221,934	$ 27,189,453

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 – Non-major Governmental Funds

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

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

Title I Fund

Title II Fund

Title VI-B Fund

Lottery Grants Fund

Other Federal Programs Fund

Other Special Projects Fund

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

Statement of Changes in Assets and Liabilities - Agency Fund

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

Capital Projects Funds

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

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

ATLANTA INDEPENDENT SCHOOL SYSTEM

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2013

	Special Revenue Funds						Capital Project Fund	
	Title I Fund	Title II Fund	Title VI-B Fund	Lottery Grants Fund	Other Federal Programs Fund	Other Special Projects Fund	Education Reform Success, Inc. Fund	Total Nonmajor Governmental Funds
ASSETS								
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ 134,296	$ 134,296
Due from other governments	8,798,127	1,016,247	3,435,913	-	3,159,813	1,600,380	-	18,010,480
Due from other funds	699,523	13,429	71,273	276,130	305,183	6,285,011	831,397	8,481,946
TOTAL ASSETS	$ 9,497,650	$ 1,029,676	$ 3,507,186	$ 276,130	$ 3,464,996	$ 7,885,391	$ 965,693	$ 26,626,722
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	$ -	$ -	$ -	$ -	$ 13,445	$ 7,798	$ -	$ 21,243
Due to other governments	-	-	23,413	1,626	-	-	-	25,039
Due to other funds	9,497,650	1,029,676	3,483,773	274,504	3,451,551	329,320	339,408	18,405,882
TOTAL LIABILITIES	9,497,650	1,029,676	3,507,186	276,130	3,464,996	337,118	339,408	18,452,164
FUND BALANCES								
Restricted:								
Other state and local programs	-	-	-	-	-	5,183,951	-	5,183,951
School construction	-	-	-	-	-	-	626,285	626,285
Assigned:								
Local school programs	-	-	-	-	-	2,364,322	-	2,364,322
TOTAL FUND BALANCES	-	-	-	-	-	7,548,273	626,285	8,174,558
TOTAL LIABILITIES AND FUND BALANCES	$ 9,497,650	$ 1,029,676	$ 3,507,186	$ 276,130	$ 3,464,996	$ 7,885,391	$ 965,693	$ 26,626,722

ATLANTA INDEPENDENT SCHOOL SYSTEM

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2013

	Special Revenue Funds						Capital Project Fund	
	Title I Fund	Title II Fund	Title VI-B Fund	Lottery Grants Fund	Other Federal Programs Fund	Other Special Projects Fund	Education Reform Success, Inc. Fund	Total Nonmajor Governmental Funds
REVENUES								
State revenues	$ -	$ -	$ -	$ 2,160,856	$ -	$ 326,634	$ -	$ 2,487,490
Federal revenues	32,134,559	4,782,916	10,400,268	-	15,049,417	483,749	3,659,230	66,510,139
Other	-	-	-	-	-	9,351,958	48,100	9,400,058
TOTAL REVENUES	32,134,559	4,782,916	10,400,268	2,160,856	15,049,417	10,162,341	3,707,330	78,397,687
EXPENDITURES								
Current:								
Instruction	13,026,685	800,666	6,189,414	2,428,946	3,840,899	1,366,431	-	27,653,041
Support services								
Pupil services	385,259	-	1,836,814	5,887	338,339	437,359	-	3,003,658
Improvement of instructional services	13,408,848	3,782,670	601,210	-	8,593,400	7,122,585	-	33,508,713
Educational media services	-	194	-	-	-	3,467	-	3,661
Federal grant administration	1,392,651	183,109	18,507	-	379,075	-	-	1,973,342
General administration	1,984,655	-	712,984	-	767,108	465,564	-	3,930,311
School administration	7,804	-	-	-	1,207	986	-	9,997
Business administration	32,605	-	-	-	11,020	169,348	-	212,973
Maintenance and operation of facilities	-	-	-	-	-	3,468	-	3,468
Student transportation	352,803	-	1,041,339	-	122,659	121,400	-	1,638,201
Central support	23,941	16,277	-	-	-	1,755,261	-	1,795,479
Other support services	1,519,308	-		-	587,948	214,045	-	2,321,301
Nutrition		-	-	-	407,762	-	-	407,762
Capital outlays	-	-	-	-	-	-	43,083,742	43,083,742
Debt service:								
Interest and fiscal charges	-	-	-	-	-	-	3,659,230	3,659,230
TOTAL EXPENDITURES	32,134,559	4,782,916	10,400,268	2,434,833	15,049,417	11,659,914	46,742,972	123,204,879
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	-	-	(273,977)	-	(1,497,573)	(43,035,642)	(44,807,192)
OTHER FINANCING SOURCES								
Transfers in	-	-	-	273,977	-	651,825	-	925,802
TOTAL OTHER FINANCING SOURCES	-	-	-	273,977	-	651,825	-	925,802
NET CHANGE IN FUND BALANCES	-	-	-	-	-	(845,748)	(43,035,642)	(43,881,390)
FUND BALANCES, BEGINNING OF FISCAL YEAR	-	-	-	-	-	8,394,021	43,661,927	52,055,948
FUND BALANCES, END OF FISCAL YEAR	$ -	$ -	$ -	$ -	$ -	$ 7,548,273	$ 626,285	$ 8,174,558

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, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
State revenues	$ 3,281,690	$ 3,173,029	$ 2,487,490	$ (685,539)
Federal revenues	111,041,723	133,891,884	62,850,909	(71,040,975)
Other	10,399,986	14,305,330	9,351,958	(4,953,372)
TOTAL REVENUES	124,723,399	151,370,243	74,690,357	(76,679,886)
EXPENDITURES				
Current:				
Instruction	**50,393,910**	**53,529,659**	**27,653,041**	**25,876,618**
Salary	19,300,595	27,703,614	16,994,321	10,709,293
Non-salary	31,093,315	25,826,045	10,658,720	15,167,325
Support services				
Pupil services	**4,897,496**	**4,364,913**	**3,003,658**	**1,361,255**
Salary	2,977,737	2,109,437	1,288,081	821,356
Non-salary	1,919,759	2,255,476	1,715,577	539,899
Improvement of instructional services	**44,403,350**	**67,200,883**	**33,508,713**	**33,692,170**
Salary	16,627,732	38,326,074	24,249,046	14,077,028
Non-salary	27,775,618	28,874,809	9,259,667	19,615,142
Educational media	**9,900**	**3,767**	**3,661**	**106**
Salary	9,900	-	-	-
Non-salary	-	3,767	3,661	106
Federal grant administration	**7,761,260**	**8,070,296**	**1,973,342**	**6,096,954**
Salary	5,366,632	6,108,877	1,755,904	4,352,973
Non-salary	2,394,628	1,961,419	217,438	1,743,981
General administration	**5,631,951**	**5,085,893**	**3,930,311**	**1,155,582**
Salary	685,649	381,836	1,078,283	(696,447)
Non-salary	4,946,302	4,704,057	2,852,028	1,852,029
School administration	**775,166**	**574,644**	**9,997**	**564,647**
Salary	11,660	11,667	-	11,667
Non-salary	763,506	562,977	9,997	552,980
Business administration	**805,962**	**779,008**	**212,973**	**566,035**
Salary	12,044	23,699	43,625	(19,926)
Non-salary	793,918	755,309	169,348	585,961
Maintenance and operation of facilities	**503,652**	**498,641**	**3,468**	**495,173**
Salary	14,939	16,790	-	16,790
Non-salary	488,713	481,851	3,468	478,383
Student transportation	**6,059,847**	**5,269,123**	**1,638,201**	**3,630,922**
Salary	773,457	830,698	958,101	(127,403)
Non-salary	5,286,390	4,438,425	680,100	3,758,325
Central support	**1,007,240**	**1,060,621**	**1,795,479**	**(734,858)**
Salary	909,819	971,764	511,161	460,603
Non-salary	97,421	88,857	1,284,318	(1,195,461)

Continued

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, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Other support services	**2,096,700**	**4,427,520**	**2,321,301**	**2,106,219**
Salary	671,307	2,849,545	1,443,020	1,406,525
Non-salary	1,425,393	1,577,975	878,281	699,694
Nutrition	**376,965**	**505,275**	**407,762**	**97,513**
Salary	-	-	-	-
Non-salary	376,965	505,275	407,762	97,513
TOTAL EXPENDITURES	124,723,399	151,370,243	76,461,907	74,908,336
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	-	(1,771,550)	(1,771,550)
OTHER FINANCING SOURCES				
Transfers in	-	-	925,802	925,802
TOTAL OTHER FINANCING SOURCES	-	-	925,802	925,802
NET CHANGE IN FUND BALANCES	-	-	(845,748)	(845,748)
FUND BALANCES - BEGINNING OF FISCAL YEAR	8,394,021	8,394,021	8,394,021	-
FUND BALANCES - END OF FISCAL YEAR	$ 8,394,021	$ 8,394,021	$ 7,548,273	$ (845,748)

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, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Federal revenues	$ 61,095,168	$ 73,336,387	$ 32,134,559	$ (41,201,828)
TOTAL REVENUES	61,095,168	73,336,387	32,134,559	(41,201,828)
EXPENDITURES				
Current:				
Instruction	**39,223,730**	**33,653,247**	**13,026,685**	**20,626,562**
Salary	9,826,109	12,960,495	6,645,710	6,314,785
Non-salary	29,397,621	20,692,752	6,380,975	14,311,777
Support services				
Pupil services	**1,428,013**	**323,046**	**385,259**	**(62,213)**
Salary	1,166,602	275,778	372,527	(96,749)
Non-salary	261,411	47,268	12,732	34,536
Improvement of instructional services	**11,472,229**	**25,611,330**	**13,408,848**	**12,202,482**
Salary	6,490,809	20,063,953	12,448,706	7,615,247
Non-salary	4,981,420	5,547,377	960,142	4,587,235
Federal grant administration	**578,023**	**3,857,789**	**1,392,651**	**2,465,138**
Salary	345,023	3,141,955	1,322,622	1,819,333
Non-salary	233,000	715,834	70,029	645,805
General administration	**2,623,692**	**2,851,605**	**1,984,655**	**866,950**
Salary	605,654	-	-	-
Non-salary	2,018,038	2,851,605	1,984,655	866,950
School administration	**732,392**	**533,557**	**7,804**	**525,753**
Salary	-	-	-	-
Non-salary	732,392	533,557	7,804	525,753
Business administration	**12,044**	**-**	**32,605**	**(32,605)**
Salary	12,044	-	32,605	(32,605)
Non-salary	-	-	-	-
Student transportation	**3,882,153**	**2,958,132**	**352,803**	**2,605,329**
Salary	-	57,240	-	57,240
Non-salary	3,882,153	2,900,892	352,803	2,548,089
Central support	**33,527**	**-**	**23,941**	**(23,941)**
Salary	33,527	-	23,941	(23,941)
Non-salary	-	-	-	-
Other support services	**1,109,365**	**3,547,681**	**1,519,308**	**2,028,373**
Salary	332,521	2,717,125	1,353,995	1,363,130
Non-salary	776,844	830,556	165,313	665,243
TOTAL EXPENDITURES	61,095,168	73,336,387	32,134,559	41,201,828
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, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Federal revenues	$ 2,698,756	$ 9,285,891	$ 4,782,916	$ (4,502,975)
TOTAL REVENUES	2,698,756	9,285,891	4,782,916	(4,502,975)
EXPENDITURES				
Current:				
Instruction	**739,883**	**2,135,288**	**800,666**	**1,334,622**
Salary	739,883	1,990,429	655,877	1,334,552
Non-salary	-	144,859	144,789	70
Support services				
Pupil services	-	-	-	-
Salary	-	-	-	-
Non-salary	-	-	-	-
Improvement of instructional services	**1,904,264**	**6,756,915**	**3,782,670**	**2,974,245**
Salary	705,240	4,166,346	2,270,632	1,895,714
Non-salary	1,199,024	2,590,569	1,512,038	1,078,531
Educational media services	**-**	**300**	**194**	**106**
Salary	-	-	-	-
Non-salary	-	300	194	106
Federal grant administration	**-**	**366,678**	**183,109**	**183,569**
Salary	-	320,678	161,273	159,405
Non-salary	-	46,000	21,836	24,164
Central support	**54,609**	**26,710**	**16,277**	**10,433**
Salary	25,401	19,710	16,277	3,433
Non-salary	29,208	7,000	-	7,000
TOTAL EXPENDITURES	2,698,756	9,285,891	4,782,916	4,502,975
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, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Federal revenues	$ 9,573,801	$ 12,792,877	$ 10,400,268	$ (2,392,609)
TOTAL REVENUES	9,573,801	12,792,877	10,400,268	(2,392,609)
EXPENDITURES				
Current:				
Instruction	**4,760,746**	**7,265,026**	**6,189,414**	**1,075,612**
Salary	4,329,643	4,328,189	3,172,991	1,155,198
Non-salary	431,103	2,936,837	3,016,423	(79,586)
Support services				
Pupil services	**2,469,788**	**3,137,570**	**1,836,814**	**1,300,756**
Salary	1,170,755	1,133,390	262,010	871,380
Non-salary	1,299,033	2,004,180	1,574,804	429,376
Improvement of instructional services	**1,270,184**	**1,297,839**	**601,210**	**696,629**
Salary	1,220,484	1,248,139	601,210	646,929
Non-salary	49,700	49,700	-	49,700
Federal grant administration	**-**	**-**	**18,507**	**(18,507)**
Salary	-	-	18,507	(18,507)
Non-salary	-	-	-	**-**
General administration	**75,889**	**95,247**	**712,984**	**(617,737)**
Salary	75,889	75,889	712,984	(637,095)
Non-salary	-	19,358	-	**19,358**
Maintenance and operation of facilities	**14,000**	**14,000**	**-**	**14,000**
Salary	14,000	14,000	-	**14,000**
Non-salary	-	-	-	**-**
Student transportation	**983,194**	**983,195**	**1,041,339**	**(58,144)**
Salary	773,457	773,458	958,101	(184,643)
Non-salary	209,737	209,737	83,238	126,499
TOTAL EXPENDITURES	9,573,801	12,792,877	10,400,268	2,392,609
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - BEGINNING OF FISCAL YEAR	-	-	-	-
FUND BALANCES - END OF FISCAL YEAR	$ -	$ -	$ -	$ -

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, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
State revenues	$ 2,186,129	$ 2,218,029	2,160,856	$ (57,173)
TOTAL REVENUES	2,186,129	2,218,029	2,160,856	(57,173)
EXPENDITURES				
Current:				
Instruction	**2,186,129**	**2,218,029**	**2,428,946**	**(210,917)**
Salary	2,129,443	2,108,955	2,356,465	(247,510)
Non-salary	56,686	109,074	72,481	36,593
Support services				
Pupil services	**-**	**-**	**5,887**	**(5,887)**
Salary	-	-	5,887	(5,887)
TOTAL EXPENDITURES	2,186,129	2,218,029	2,434,833	(216,804)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(273,977)	(273,977)
OTHER FINANCING SOURCES				
Transfers in	-	-	273,977	273,977
TOTAL OTHER FINANCING SOURCES	-	-	273,977	273,977
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - BEGINNING OF FISCAL YEAR	-	-	-	-
FUND BALANCES - END OF FISCAL YEAR	$ -	$ -	$ -	$ -

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, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
State revenues	$ 550,000	$ 550,000	$ -	$ (550,000)
Federal revenues	36,410,610	37,950,729	15,049,417	(22,901,312)
TOTAL REVENUES	36,960,610	38,500,729	15,049,417	(23,451,312)
EXPENDITURES				
Current:				
Instruction	**1,619,872**	**6,075,236**	**3,840,899**	**2,234,337**
Salary	1,083,865	5,166,953	3,140,923	2,026,030
Non-salary	536,007	908,283	699,976	208,307
Support services				
Pupil services	**367,233**	**599,433**	**338,339**	**261,094**
Salary	203,448	470,480	271,548	198,932
Non-salary	163,785	128,953	66,791	62,162
Improvement of instructional services	**24,489,938**	**24,933,476**	**8,593,400**	**16,340,076**
Salary	7,188,318	10,777,062	5,879,808	4,897,254
Non-salary	17,301,620	14,156,414	2,713,592	11,442,822
Educational media	**9,900**	**-**	**-**	**-**
Salary	9,900	-	-	-
Non-salary	-	-	-	-
Federal grant administration	**7,183,237**	**3,845,829**	**379,075**	**3,466,754**
Salary	5,021,609	2,646,244	253,502	2,392,742
Non-salary	2,161,628	1,199,585	125,573	1,074,012
General administration	**1,794,497**	**1,500,362**	**767,108**	**733,254**
Salary	4,106	-	-	-
Non-salary	1,790,391	1,500,362	767,108	733,254
School administration	**9,114**	**8,266**	**1,207**	**7,059**
Salary	-	-	-	-
Non-salary	9,114	8,266	1,207	7,059
Business administration	**253**	**24,271**	**11,020**	**13,251**
Salary	-	23,699	11,020	12,679
Non-salary	253	572	-	572
Maintenance and operation of facilities	**939**	**5,190**	**-**	**5,190**
Salary	939	2,790	-	2,790
Non-salary	-	2,400	-	2,400
Student transportation	**281,827**	**357,455**	**122,659**	**234,796**
Salary	-	-	-	-
Non-salary	281,827	357,455	122,659	234,796
Central support	**6,500**	**-**	**-**	**-**
Salary	6,500	-	-	-
Non-salary	-	-	-	-
Other support services	**820,335**	**645,842**	**587,948**	**57,894**
Salary	186,287	37,417	-	37,417
Non-salary	634,048	608,425	587,948	20,477
Nutrition	**376,965**	**505,275**	**407,762**	**97,513**
Salary	-	-	-	-
Non-salary	376,965	505,275	407,762	97,513
TOTAL EXPENDITURES	36,960,610	38,500,635	15,049,417	23,451,218
NET CHANGE IN FUND BALANCES	-	94	-	(94)
FUND BALANCES - BEGINNING OF FISCAL YEAR	-	-	-	-
FUND BALANCES - END OF FISCAL YEAR	$ -	$ 94	$ -	$ (94)

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, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
State revenues	$ 545,561	$ 405,000	$ 326,634	$ (78,366)
Federal revenues	1,263,388	526,000	483,749	(42,251)
Other	10,399,986	14,305,330	9,351,958	(4,953,372)
TOTAL REVENUES	12,208,935	15,236,330	10,162,341	(5,073,989)
EXPENDITURES				
Current:				
Instruction	**1,863,550**	**2,182,833**	**1,366,431**	**816,402**
Salary	1,191,652	1,148,593	1,022,355	126,238
Non-salary	671,898	1,034,240	344,076	690,164
Support services				
Pupil services	**632,462**	**304,864**	**437,359**	**(132,495)**
Salary	436,932	229,789	376,109	(146,320)
Non-salary	195,530	75,075	61,250	13,825
Improvement of instructional services	**5,266,735**	**8,601,323**	**7,122,585**	**1,478,738**
Salary	1,022,881	2,070,574	3,048,690	(978,116)
Non-salary	4,243,854	6,530,749	4,073,895	2,456,854
Educational media services	**-**	**3,467**	**3,467**	**-**
Salary	-	-	-	-
Non-salary	-	3,467	3,467	-
General administration	**1,137,873**	**638,679**	**465,564**	**173,115**
Salary	-	305,947	365,299	(59,352)
Non-salary	1,137,873	332,732	100,265	232,467
School administration	**33,660**	**32,821**	**986**	**31,835**
Salary	11,660	11,667	-	11,667
Non-salary	22,000	21,154	986	20,168
Business administration	**793,665**	**754,737**	**169,348**	**585,389**
Salary	-	-	-	-
Non-salary	793,665	754,737	169,348	585,389
Maintenance and operation of facilities	**488,713**	**479,451**	**3,468**	**475,983**
Salary	-	-	-	-
Non-salary	488,713	479,451	3,468	475,983
Student transportation	**912,673**	**970,341**	**121,400**	**848,941**
Salary	-	-	-	-
Non-salary	912,673	970,341	121,400	848,941
Central support	**912,604**	**1,033,911**	**1,755,261**	**(721,350)**
Salary	844,391	952,054	470,943	481,111
Non-salary	68,213	81,857	1,284,318	(1,202,461)
Other support services	**167,000**	**233,997**	**214,045**	**19,952**
Salary	152,499	95,003	89,025	5,978
Non-salary	14,501	138,994	125,020	13,974
TOTAL EXPENDITURES	12,208,935	15,236,424	11,659,914	3,576,510
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(94)	(1,497,573)	(1,497,479)
OTHER FINANCING SOURCES				
Transfers in	-	-	651,825	651,825
TOTAL OTHER FINANCING SOURCES	-	-	651,825	651,825
NET CHANGE IN FUND BALANCES	-	(94)	(845,748)	(845,654)
FUND BALANCES - BEGINNING OF FISCAL YEAR	8,394,021	8,394,021	8,394,021	-
FUND BALANCES - END OF FISCAL YEAR	$ 8,394,021	$ 8,393,927	$ 7,548,273	$ (845,654)

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, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Sales tax income	$ 73,280,176	$ 241,146,743	$ 85,979,568	$ (155,167,175)
State revenues	-	-	135,650	135,650
Investment income	-	-	45,266	45,266
TOTAL REVENUES	73,280,176	241,146,743	86,160,484	(154,986,259)
EXPENDITURES				
Current:				
Instruction	**10,099**	**10,099**	**-**	**10,099**
Salary	-	-	-	-
Non-salary	10,099	10,099	-	10,099
Support services				
General administration	**132,956**	**2,182,956**	**1,085,826**	**1,097,130**
Salary	-	-	-	-
Non-salary	132,956	2,182,956	1,085,826	1,097,130
Business administration	**1,074,300**	**2,171,221**	**229,868**	**1,941,353**
Salary	-	146,921	229,868	(82,947)
Non-salary	1,074,300	2,024,300	-	2,024,300
Maintenance and operation of facilities	**1,593,478**	**7,945,615**	**4,820,089**	**3,125,526**
Salary	-	-	-	-
Non-salary	1,593,478	7,945,615	4,820,089	3,125,526
Student transportation	**1,040,329**	**2,340,329**	**484,556**	**1,855,773**
Salary	-	-	-	-
Non-salary	1,040,329	2,340,329	484,556	1,855,773
Central support	**14,636,993**	**14,636,993**	**4,116,069**	**10,520,924**
Salary	-	-	-	-
Non-salary	14,636,993	14,636,993	4,116,069	10,520,924
Debt service:				
Principal retirements	-	5,920,000	5,920,000	-
Interest	-	3,064,956	1,790,062	1,274,894
Capital outlays:				
Facilities acquisition and construction	**54,792,021**	**207,874,574**	**74,695,389**	**133,179,185**
Salary	3,752	693,590	490,095	203,495
Non-salary	54,788,269	207,180,984	74,205,294	132,975,690
Other outlays	**-**	**-**	**-**	**-**
Salary	-	-	-	-
Non-salary	-	-	-	-
TOTAL EXPENDITURES	73,280,176	246,146,743	93,141,859	153,004,884
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(5,000,000)	(6,981,375)	(1,981,375)
OTHER FINANCING SOURCES				
Transfers in	-	5,000,000	5,000,000	-
NET CHANGE IN FUND BALANCES	-	-	(1,981,375)	(1,981,375)
FUND BALANCES - BEGINNING OF FISCAL YEAR	133,735,552	133,735,552	133,735,552	-
FUND BALANCES - END OF FISCAL YEAR	$ 133,735,552	$ 133,735,552	$ 131,754,177	$ (1,981,375)

ATLANTA INDEPENDENT SCHOOL SYSTEM

Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2013

	Balance July 01, 2012	Additions	Deductions	Balance June 30, 2013
ASSETS				
Cash and cash equivalents	$ 621,016	$ 1,767,433	$ (1,973,514)	$ 414,935
LIABILITIES				
Due to local schools and student groups	$ 621,016	$ 1,767,433	$ (1,973,514)	$ 414,935

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, 2013

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, 2013

	DESCRIPTION	ALLOTMENTS FROM GEORGIA DEPARTMENT OF EDUCATION (1)	SALARIES	ELIGIBLE QBE PROGRAM COSTS OPERATIONS	TOTAL
	Direct Instructional Programs				
1011	Kindergarten Program	$ 24,760,115	$ 20,678,597	$ -	$ 20,678,597
1061	Kindergarten Program-Early Intervention Program	2,145,537	1,379,122	-	1,379,122
1021	Primary Grades (1-3) Program	51,645,825	61,834,095	1,368,213	63,202,308
1071	Primary Grades-Early Intervention (1-3) Program	6,558,136	17,342,390	-	17,342,390
1051	Upper Elementary Grades (4-5) Program	23,454,400	19,190,766	-	19,190,766
1091	Upper Elem Grades-Early Intervention (4-5) Program	4,787,120	1,135,788	-	1,135,788
1031	Middle Grades (6-8) Program	875,612	45,440	-	- 45,440
1081	Middle School (6-8) Program	34,287,811	37,401,984	516,493	37,918,477
1041	High School General Education (9-12) Program	28,955,282	45,642,097	673,945	46,316,042
3011	Vocational Laboratory (9-12) Program	6,433,361	9,796,818	600,016	10,396,834
	Students with Disabilities				-
2021	Category I	2,109,804	36,940,275	1,659,083	38,599,358
2031	Category II	2,507,782	1,132,103	-	1,132,103
2041	Category III	15,882,919	2,195,809	-	2,195,809
2051	Category IV	3,965,921	-	-	-
2011	Category V	234,189	-	-	-
2111	Gifted Student - Category VI	9,392,045	9,830,803	10,674	9,841,477
2211	Remedial Education Program	3,052,355	3,263,819	127,464	3,391,283
5071	Alternative Education Program	2,627,553	1,495,966	760	1,496,726
1351	English Speakers of Other Languages (ESOL)	2,915,872	4,577,999	17,636	4,595,635
	TOTAL DIRECT INSTRUCTIONAL PROGRAMS	226,591,639	273,883,871	4,974,284	278,858,155
1310	Media Center Program	6,696,179	8,140,183	693,505	8,833,688
1210	Staff and Professional Development	1,144,104	1,954,708	293,166	2,247,874
	TOTAL QBE FORMULA FUNDS	$ 234,431,922	$ 283,978,762	$ 5,960,955	$ 289,939,717
1100	Twenty days additional Instruction		452,333	-	452,333
1320	Pupil Transportation		12,877,697	4,912,823	17,790,520
1445	On behalf		200,726	-	200,726
1450	Indirect costs - Central Admin.		-	-	-
1455	Indirect costs - School Admin.		-	-	-
1457	Indirect costs - Facilities M&O		-	-	-
1500	Nurses		67,430	-	67,430
			$ 297,576,948	$ 10,873,778	$ 308,450,726

(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, 2013

	Pre-Kindergarten Program
Salaries	$ 1,803,422
Employee benefits	558,931
Other purchased services	53,224
Materials and supplies	19,256
	$ 2,434,833

ATLANTA INDEPENDENT SCHOOL SYSTEM
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
FISCAL YEAR ENDED JUNE 30, 2013

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT FISCAL YEAR (3)	AMOUNT EXPENDED IN PRIOR FISCAL YEARS (4)	PROJECT STATUS
SPLOST III					
DeKalb County					
Capital outlay projects consisting of construction, renovations, modifications, additions, and equipment for the following facilities: The Howard School, Lin Elementary School and Whitefoord Elementary School and any future updates: Crim High School, Coan, Springdale	20,511,000	24,059,277	2,002,373	22,056,904	Ongoing
Fulton County					
Capital outlay projects including new school construction, classroom additions, renovations, infrastructure improvements, upgrading security system, technology improvements, land acquisition, site preparation, providing staff development, and instructional	552,357,776	466,741,223	62,129,739	348,111,889	Ongoing
SPLOST IV					
Fulton County					
Capital outlay projects including new school construction, classroom additions, renovations, infrastructure improvements, upgrading security system, technology improvements, land acquisition, site preparation, providing staff development, and instructional	499,962,831	499,962,831	19,425,135	-	Ongoing
DeKalb County					
Capital outlay projects including new school construction, classroom additions, renovations, infrastructure improvements, upgrading security system, technology improvements,relocations, site preparation, providing staff development, and instructional	19,500,463	19,500,463	965,031	-	Ongoing
	$ 1,092,332,070	$ 1,010,263,794	$ 84,522,278	$ 370,168,793	

(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 fiscal years related to the above projects.

(5) The SPLOST III Amount Expended in Prior Fiscal Years (4) balances have been adjusted for reclassication of Springdale and Morningside expenditures from Fulton and DeKalb county.

ATLANTA INDEPENDENT SCHOOL SYSTEM
SCHEDULE OF STATE REVENUE
FISCAL YEAR ENDED JUNE 30, 2013

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES: GENERAL FUND	CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
GRANTS				
Georgia Department of Early Care and Learning				
Bright from the Start (Lottery)				
Pre-Kindergarten Program	$ -	$ -	$ 2,160,856	$ 2,160,856
Education, Georgia Department of				
Quality Basic Education				
Direct Instructional Cost				
Kindergarten Program	14,125,045	-	-	14,125,045
Kindergarten Program - Early Intervention Program	1,676,485	-	-	1,676,485
Primary Grades (1-3) Program	28,841,442	-	-	28,841,442
Primary Grades - Early Intervention (1-3) Program	5,884,390	-	-	5,884,390
Upper Elementary Grades (4-5) Program	12,617,222	-	-	12,617,222
Upper Elementary Grades - Early Intervention (4-5) Program	3,824,292	-	-	3,824,292
Middle Grades (6-8) Program	172,858	-	-	172,858
Middle School (6-8) Program	19,738,762	-	-	19,738,762
High School General Education (9-12) Program	16,551,383	-	-	16,551,383
Vocational Laboratory (9-12) Program	3,526,278	-	-	3,526,278
Students with Disabilities - All Categories	15,404,612	-	-	15,404,612
Gifted Student - Category VI	5,747,642	-	-	5,747,642
Remedial Education Program	1,990,519	-	-	1,990,519
Alternative Education Program	1,492,521	-	-	1,492,521
English Speakers of Other Languages (ESOL)	1,744,205	-	-	1,744,205
Media Center Program	3,879,219	-	-	3,879,219
20 Days Additional Instruction	1,181,228	-	-	1,181,228
Staff and Professional Development	672,865	-	-	672,865
Indirect Cost				-
Central Administration	3,077,402	-	-	3,077,402
School Administration	8,853,397	-	-	8,853,397
Facility Maintenance and Operations	8,478,628	-	-	8,478,628
Categorical Grants				-
Pupil Transportation				-
Regular	3,041,064	-	-	3,041,064
Bus Replacement	350,986	-	-	350,986
Nursing Services	867,129	-	-	867,129
Austerity Reduction	(22,578,518)	-	-	(22,578,518)
Other State Programs				-
Charter Schools - Facilities	603,225	-	-	603,225
CTAE - Apprenticeship	37,641			37,641
CTAE - CTE Extended Day	122,783			122,783
CTAE - Supervision	56,244			56,244
Math and Science Supplement	667,907			667,907
Preschool Handicapped State Grant	483,985	-	-	483,985
Residential Treatment Centers Grant	376,633	-	-	376,633
Teacher's Retirement	200,726	-	-	200,726
Technical and Adult Education, Georgia Department of				
Adult Education	-	-	326,634	326,634
Georgia State Financing and Investment Commission				
Young Middle School Construction Project	-	135,650	-	135,650
	$ 143,710,200	$ 135,650	$ 2,487,490	$ 146,333,340

STATISTICAL SECTION

(Unaudited)

Atlanta Independent School System

Introduction to the Statistical Section

(Unaudited)

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

Contents Schedule

Financial Trends **1 - 6**

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

Operating Information **7 - 13**

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

Demographic and Economic Information **14 - 22**

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

Data Source:

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

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

Fiscal Year Ended June 30,	2004	2005	2006	2007	2008	2009	2010	2011	Restated 2012	2013
Governmental Activities										
Net investment in capital assets	$ 733,997,697	$ 803,563,172	$ 831,829,656	$ 893,683,701	$ 854,305,957	$ 959,621,519	$ 1,056,744,474	$ 1,104,601,221	$ 1,171,493,160	$ 1,187,165,191
Restricted	-	3,988,606	26,478,370	106,980,587	182,517,605	152,371,189	111,943,417	112,855,070	116,028,486	119,946,096
Unrestricted	95,404,253	115,840,477	125,881,509	157,963,991	191,270,394	168,743,024	128,194,970	147,834,977	95,879,455	106,598,064
Total Governmental Activities Net Position	829,401,950	923,392,255	984,189,535	1,158,628,279	1,228,093,956	1,280,735,732	1,296,882,861	1,365,291,268	1,383,401,101	1,413,709,351
Business-Type Activities										
Net investment in capital assets	3,897,068	5,055,963	5,776,388	8,504,052	-	-	-	-	-	141,550
Unrestricted (deficit)	(22,325,064)	(25,805,372)	(26,121,644)	(9,964,379)	484,935	1,972,799	2,038,487	2,183,644	4,893,181	5,481,550
Total Business-Type Activities Net Position	(18,427,996)	(20,749,409)	(20,345,256)	(1,460,327)	484,935	1,972,799	2,038,487	2,183,644	4,893,181	5,623,100
Primary Government Activities										
Net investment in capital assets	737,894,765	808,619,135	837,606,044	902,187,753	854,305,957	959,621,519	1,056,744,474	1,104,601,221	1,171,493,160	1,187,306,741
Restricted	-	3,988,606	26,478,370	106,980,587	182,517,605	152,371,189	111,943,417	112,855,070	116,028,486	119,946,096
Unrestricted	73,079,189	90,035,105	99,759,865	147,999,612	191,755,329	170,715,823	130,233,457	150,018,621	100,772,636	112,079,614
Total Primary Government Activities Net Position	**$ 810,973,954**	**$ 902,642,846**	**$ 963,844,279**	**$ 1,157,167,952**	**$ 1,228,578,891**	**$ 1,282,708,531**	**$ 1,298,921,348**	**$ 1,367,474,912**	**$ 1,388,294,282**	**$ 1,419,332,451**

Source: Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2013.

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

Fiscal Year Ended June 30,	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities										
Instruction	$ 424,091,453	$ 435,352,357	$ 393,121,077	$ 384,275,604	$ 442,325,531	$ 427,131,947	$ 438,036,127	$ 377,491,180	$ 405,995,101	$ 426,037,447
Pupil Services	21,890,649	24,009,140	29,201,941	20,424,786	36,915,697	36,130,943	37,303,898	39,024,421	29,543,231	25,105,338
Improvement of instructional services	21,135,004	20,011,373	31,910,382	27,779,791	42,180,829	38,598,585	40,427,290	50,496,694	38,215,985	42,917,654
Educational media	6,746,870	7,087,158	11,326,263	8,112,792	11,637,527	9,220,728	8,394,083	9,616,559	8,958,197	8,869,786
Federal grant administration	-	-	-	-	-	-	-	-	1,118,206	1,973,342
General administration	21,539,082	18,908,200	22,244,328	22,613,568	18,659,059	15,698,105	14,110,681	14,514,905	17,882,230	14,324,803
School administration	24,230,800	23,247,406	36,313,409	25,103,296	34,558,215	26,425,185	28,239,428	33,287,126	30,826,584	40,648,067
Business administration	5,482,136	6,685,755	12,973,297	14,960,540	11,483,553	24,150,131	15,327,591	17,889,836	22,610,577	15,157,828
Maintenance and operation of facilities	61,354,665	48,321,284	60,098,358	57,871,414	91,600,184	88,484,674	90,747,017	96,333,469	97,084,662	80,783,550
Student transportation	15,189,582	14,678,214	21,658,991	19,865,342	42,709,556	53,662,233	39,593,169	28,898,209	29,770,071	24,892,766
Central support	29,129,882	26,204,018	26,764,937	25,086,693	32,899,945	38,798,862	48,566,805	36,729,914	28,379,529	23,304,350
Community services	-	-	-	(13,721)	-	-	-	-	-	-
Other support services	-	423,301	837,701	2,267,033	9,330,309	3,707,098	3,350,291	4,382,181	13,035,152	3,011,547
Nutrition	-	-	-	-	-	-	-	15,657	358,681	910,473
Interest and fiscal charges	690,836	538,613	1,855,674	1,031,588	1,788,213	2,295,941	2,022,585	2,258,183	6,418,786	5,851,816
Depreciation	204,969	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	631,685,928	625,466,819	648,306,358	609,378,726	776,088,617	764,304,432	766,118,965	710,938,335	730,196,992	713,788,767
Business-Type Activities										
Food services	26,552,371	25,772,181	21,711,551	19,204,656	30,519,130	21,752,821	23,222,029	23,800,532	22,705,598	23,680,487
Total Business-Type Activities Expenses	26,552,371	25,772,181	21,711,551	19,204,656	30,519,130	21,752,821	23,222,029	23,800,532	22,705,598	23,680,487
Total Primary Government Activities Expenses	**$ 658,238,299**	**$ 651,239,000**	**$ 670,017,909**	**$ 628,583,382**	**$ 806,607,747**	**$ 786,057,253**	**$ 789,340,994**	**$ 734,738,867**	**$ 752,902,590**	**$ 737,469,254**
Program Revenues										
Governmental Activities										
Charges for Services										
Instruction	$ -	$ -	$ -	$ 1,004,517	$ 114,350	$ 140,047	$ 90,084	$ 31,492	$ 3,490	$ 2,591
Pupil services	-	-	-	-	-	-	-	-		3,373,883
School administration	-	-	2,097,124	-	-	-	-	-	-	-
Maintenance and operation of facilities	-	-	-	1,067,404	-	1,246,236	995,042	783,989	996,731	1,158,726
Other support services	-	-	-	-	-	-	-	670,918	724,400	-
Nutrition	-	-	-	-	3,749,416	767,347	754,773	-	-	-
Operating Grants and Contributions										-
Instruction	187,402,434	170,977,158	176,215,716	156,075,020	168,958,774	108,327,712	110,873,809	111,426,958	110,219,318	113,724,544
Pupil services	6,558,788	8,414,003	7,400,136	14,951,701	18,133,132	20,282,835	14,470,057	18,641,247	11,780,166	8,489,114
Improvement of instructional services	17,556,463	16,447,379	11,712,590	16,073,230	16,110,597	20,193,588	27,647,132	33,328,056	30,489,786	34,826,333
Educational media	30,954	182,646	1,491,330	2,424,655	3,745,884	2,899,356	1,404,768	2,000,787	-	2,223,907
Federal grant administration	-	-	-	-	-	-	-	-	1,118,206	1,973,342
General administration	3,756,784	4,151,612	4,516,383	3,336,077	3,104,288	5,788,541	3,705,087	5,053,926	7,689,306	6,213,208
School administration	381,845	238,704	355,600	6,065,020	3,498,951	5,874,998	6,841,227	7,958,215	7,325,735	10,237,170
Business administration	-	366,225	1,115,379	1,102,416	9,106,449	3,933,403	2,925,304	4,077,543	4,105,440	3,227,896
Maintenance and operation of facilities	58,967	27,511	261,388	8,740,838	9,262,487	17,293,612	15,521,798	20,416,518	22,290,143	18,353,454
Student transportation	379,673	1,409,015	1,960,211	5,206,251	5,337,639	8,537,786	8,286,759	6,735,023	8,218,788	6,767,808
Central support	754,227	1,105,539	104,874	984,451	660,429	7,680,398	9,984,164	9,260,421	7,961,419	5,947,248
Community Services	-	-	-	65,551	226,806	2,811,038	2,116,177	-	-	-
Other support services	2,524,240	1,444,714	677,385	7,365,780	1,307,102	-	-	2,845,306	4,210,388	2,467,522
Nutrition	-	-	-	-	-	12,691	-	14,696	358,681	407,762
Interest and fiscal charges	-	-	-	-	-	-	-	-	2,520,803	3,659,230
Capital Grants and Contributions										-
Instruction	2,717,420	2,230,799	8,927	-	-	-	-	25,367,686	8,803,308	3,904,228
Improvement of instructional services	-	-	-	-	-	-	-	-	-	135,500
Maintenance and operation of facilities	-	-	-	1,191,630	2,207,605	-	-	-	-	135,650
Student transportation	-	-	1,640,644	-	653,047	-	-	-	-	-
Total Governmental Activities Program Revenues	222,121,795	206,995,305	209,611,500	225,654,541	246,176,956	205,789,588	205,616,181	248,612,781	228,816,108	227,229,116
Business-Type Activities										
Charges for Services										
Food Services	1,966,090	3,566,337	2,580,828	2,534,746	2,187,375	2,291,777	1,836,912	1,695,061	1,638,841	1,279,087
Operating Grants and Contributions										
Food Services	20,250,537	18,088,139	18,265,689	19,068,852	20,877,018	20,948,908	21,442,603	22,233,560	23,774,887	23,131,319
Total Business-Type Activities Program Revenues	22,216,627	21,654,476	20,846,517	21,603,598	23,064,393	23,240,685	23,279,515	23,928,621	25,413,728	24,410,406
Total Primary Government Activities Program Revenues	**$ 244,338,422**	**$ 228,649,781**	**$ 230,458,017**	**$ 247,258,139**	**$ 269,241,349**	**$ 229,030,273**	**$ 228,895,696**	**$ 272,541,402**	**$ 254,229,836**	**$ 251,639,522**

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

Fiscal Year Ended June 30,	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/Revenue										
Governmental Activities										
Instruction	$ (233,971,599)	$ (262,144,400)	$ (216,896,434)	$ (227,196,067)	$ (273,252,407)	$ (318,664,187)	$ (327,072,234)	$ (240,665,044)	$ (286,968,985)	$ (308,406,084)
Pupil Services	(15,331,861)	(15,595,137)	(21,801,805)	(5,473,085)	(18,782,565)	(15,848,107)	(22,833,841)	(20,383,174)	(17,763,065)	(13,242,341)
Improvement of instructional services	(3,578,541)	(3,563,994)	(20,197,792)	(11,706,561)	(26,070,232)	(18,404,997)	(12,780,158)	(17,168,638)	(7,726,199)	(7,955,821)
Educational media	(6,715,916)	(6,904,512)	(9,834,933)	(5,688,137)	(7,891,643)	(6,321,372)	(6,989,315)	(7,615,772)	(8,958,197)	(6,645,879)
General administration	(17,782,298)	(14,756,588)	(17,727,945)	(19,277,491)	(15,554,771)	(9,909,564)	(10,405,594)	(9,460,979)	(10,192,924)	(8,111,595)
School administration	(23,848,955)	(23,008,702)	(33,860,685)	(19,038,276)	(31,059,264)	(20,550,187)	(21,398,201)	(25,328,911)	(23,500,849)	(30,410,897)
Business administration	(5,482,136)	(6,319,530)	(11,857,918)	(13,858,124)	(2,377,104)	(20,216,730)	(12,402,287)	(13,812,293)	(18,505,137)	(11,929,932)
Maintenance and operation of facilities	(61,295,698)	(48,293,773)	(59,836,970)	(48,063,172)	(80,130,092)	(69,944,826)	(74,230,177)	(75,132,962)	(73,797,788)	(61,135,720)
Student transportation	(14,809,909)	(13,269,199)	(18,058,136)	(13,467,461)	(36,718,870)	(45,124,446)	(31,306,410)	(22,163,186)	(21,551,283)	(18,124,958)
Central support	(28,375,655)	(25,098,479)	(26,660,063)	(24,102,242)	(32,239,516)	(31,118,464)	(38,582,641)	(27,469,493)	(20,418,110)	(17,357,102)
Community Services	-	-	-	79,272	(8,023,207)	2,811,038	2,116,177	-	-	-
Other support services	2,524,240	1,021,413	(106,503)	5,098,747	226,806	(3,707,098)	(3,350,291)	(865,957)	(8,100,364)	(544,025)
Nutrition	-	-	-	-	3,749,416	780,038	754,773	(961)	-	(502,711)
Interest and fiscal charges	(690,836)	(538,613)	(1,855,674)	(1,031,588)	(1,788,213)	(2,295,941)	(2,022,585)	(2,258,183)	(3,897,983)	(2,192,586)
Depreciation	(204,969)	-	-	-	-	-	-	-	-	-
Total Governmental Activities Net (Expenses)/Revenues	(409,564,133)	(418,471,514)	(438,694,858)	(383,724,185)	(529,911,661)	(558,514,843)	(560,502,784)	(462,325,554)	(501,380,884)	(486,559,651)
Business-Type Activities										
Food Services	(4,335,744)	(4,117,705)	(865,034)	2,398,942	(7,454,737)	1,487,864	57,486	128,089	2,708,130	729,919
Total Business-Type Activities Net (Expenses)/Revenues	(4,335,744)	(4,117,705)	(865,034)	2,398,942	(7,454,737)	1,487,864	57,486	128,089	2,708,130	729,919
Total Primary Government Activities Net Expense	**$ (413,899,877)**	**$ (422,589,219)**	**$ (439,559,892)**	**$ (381,325,243)**	**$ (537,366,398)**	**$ (557,026,979)**	**$ (560,445,298)**	**$ (462,197,465)**	**$ (498,672,754)**	**$ (485,829,732)**
General Revenues and Other Charges in Net Position										
Governmental Activities										
Taxes										
Property Taxes levied for general purposes	$ 373,487,358	$ 377,215,701	$ 361,839,014	$ 436,902,846	$ 470,036,120	$ 479,629,504	$ 498,921,379	$ 469,310,346	$ 414,313,637	$ 416,364,236
Property Taxes levied for debt Services	-	-	-	1,036,250	1,153,847	1,262,460	1,271,739	1,174,306	1,111,471	1,910,601
Special Local Option Sales Tax & Other Taxes	85,604,946	91,202,366	117,933,347	121,568,835	115,735,907	108,957,224	63,438,076	52,901,075	93,699,732	85,376,919
Grants and Contributions not restricted to specific programs	-	-	9,411,373	-	1,347,241	4,328,538	1,306,947	1,310,441	11,613,166	20,946,374
Investment Earnings	1,995,307	4,658,043	7,319,327	13,315,151	13,648,335	6,419,960	230,484	124,833	134,088	198,096
Other	3,786,290	5,900,535	6,316,574	15,129,339	6,855,522	15,296,550	10,583,834	5,298,494	-	-
Gain on sale of capital assets	-	-	2,505,987	3,129,377	-	528,432	897,453	614,466	-	-
Transfers	(1,592,485)	(1,796,292)	(1,036,966)	(16,416,074)	(9,400,000)	-	-	-	-	-
Extraordinary items	-	-	-	(1,981,811)	-	-	-	-	-	(7,928,325)
Total Governmental Activities	463,281,416	477,180,353	504,288,656	572,683,913	599,376,972	616,422,668	576,649,912	530,733,961	520,872,094	516,867,901
Business-Type Activities										
Investment Earnings	-	-	59,711	(9,535)	-	-	8,202	17,068	1,407	-
Transfers	1,592,485	1,796,292	1,036,966	16,416,074	9,400,000	-	-	-	-	-
Other	-	-	-	79,445	-	-	-	-	-	-
Total Business-Type Activities	1,592,485	1,796,292	1,096,677	16,485,984	9,400,000	-	8,202	17,068	1,407	-
Total Primary Government Activities	**$ 464,873,901**	**$ 478,976,645**	**$ 505,385,333**	**$ 589,169,897**	**$ 608,776,972**	**$ 616,422,668**	**$ 576,658,114**	**$ 530,751,029**	**$ 520,873,501**	**$ 516,867,901**
Change in Net Position										
Governmental Activities	$ 53,717,283	$ 58,708,839	$ 65,593,798	$ 188,959,728	$ 69,465,311	$ 57,907,825	$ 16,147,128	$ 68,408,407	$ 19,491,818	$ 30,308,250
Business-Type Activities	(2,743,259)	(2,321,413)	231,643	18,884,926	1,945,263	1,487,864	65,688	145,157	2,709,537	729,919
Total Primary Government	**$ 50,974,024**	**$ 56,387,426**	**$ 65,825,441**	**$ 207,844,654**	**$ 71,410,574**	**$ 59,395,689**	**$ 16,212,816**	**$ 68,553,564**	**$ 22,201,355**	**$ 31,038,169**

Source: **Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2013**

Notes:

Restatement in year 2008 due to prior period adjustments for change in accounting principle and estimates.
In fiscal year 2008, change in pension expense allocation.
In fiscal year 2007, change in allocation of capital assets.
Changes in Instruction support 2007 to 2008 due to proper allocation of salary and benefits in 2008.
GASB 34 implemented in 2002.
In fiscal year 2010, sales tax decreased due to sales tax refund/repayment.
Decrease in Sales Tax revenue in fiscal year 2011 due in part to the economic downturn.
Decrease in Sales Tax revenue in fiscal year 2012 due in part to the economic downturn.

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

Fiscal Year Ended June 30,	2004	2005	2006	2007	2008	2009	2010
Pre-GASB 54							
General Fund							
Reserved	$ 11,159,630	$ 7,325,684	$ 13,692,102	$ 21,785,030	$ 20,198,038	$ 72,359,684	$ 33,799,205
Unreserved	37,292,448	68,098,575	73,372,473	91,809,975	131,566,427	85,541,272	75,928,012
Total General Fund	48,452,078	75,424,259	87,064,575	113,595,005	151,764,465	157,900,956	109,727,217
All Other Governmental Funds							
Reserved	70,077	70,078	22,216,154	103,139,827	168,623,662	149,939,551	136,951,993
Unreserved, reported in:							
Capital Project Funds	32,778,625	30,060,165	39,512,697	34,183,429	23,702,646	-	-
Special Revenue Funds	17,571,631	11,868,263	12,177,524	12,652,472	14,193,822	11,995,289	11,767,769
Total All Other Governmental Funds	50,420,333	41,998,506	73,906,375	149,975,728	206,520,130	161,934,840	148,719,762
Total	$ 98,872,411	$ 117,422,765	$ 160,970,950	$ 263,570,733	$ 358,284,595	$ 319,835,796	$ 258,446,979

	2011	2012	2013
GASB 54			
General Fund			
Nonspendable	$ 456,347	$ 1,023,447	$ 2,396,733
Restricted	1,104,717	299,867	395,553
Committed	16,995,134	1,589,097	1,139,666
Assigned	16,000,000	28,351,208	25,300,000
Unassigned	46,711,357	50,754,070	55,989,982
Total General Fund	81,267,555	82,017,689	85,221,934
All Other Governmental Funds			
Nonspendable	-	-	2,660,568
Restricted	111,750,353	162,298,650	119,684,839
Assigned	31,109,255	23,492,850	17,583,328
Total All Other Governmental Funds	142,859,608	185,791,500	139,928,735
Total	$ 224,127,163	$ 267,809,189	$ 225,150,669

Source: **Atlanta Independent School System Financial Report for previous years and fiscal year ended June 30, 2013.**

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 2004-2010 is pre GASB 54. Fiscal Year 2011 is when the standard was implemented.**

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

Fiscal Year Ended June 30,	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Local taxes	$ 365,523,133	$ 370,256,829	$ 369,492,043	$ 415,687,665	$ 471,313,094	$ 507,895,487	##########	$ 445,986,671	$ 445,177,849	$ 413,467,525
Sales taxes income	85,604,946	91,202,366	115,953,787	122,980,958	106,562,802	103,765,261	95,443,229	57,678,243	93,097,083	85,979,568
State revenues	152,497,189	137,310,665	141,640,201	151,924,389	163,747,188	129,106,908	110,942,787	132,033,597	142,661,322	146,333,340
Federal revenues	63,594,376	65,118,135	66,535,863	71,658,231	71,651,548	70,336,278	82,463,268	84,046,858	75,794,627	67,825,396
Investment income	1,995,307	4,658,043	7,319,327	13,315,151	13,648,335	6,419,960	410,218	282,686	134,088	198,096
Facility rental fees	709,320	876,965	949,298	-	1,604,301	1,246,236	995,042	783,989	996,731	1,158,726
Tuition charges	45,748	11,707	243,698	-	114,350	140,047	90,084	31,492	3,490	2,591
Charges for services	-	-	904,128	2,071,921	3,749,416	767,348	754,773	670,918	724,400	3,373,883
Other	9,545,822	9,578,369	15,066,259	15,884,882	13,512,915	23,817,861	22,081,274	13,897,009	20,717,752	31,594,799
Total Revenues	**679,515,841**	**679,013,079**	**718,104,604**	**793,523,197**	**845,903,950**	**843,495,386**	**807,006,466**	**735,411,463**	**779,307,342**	**749,933,924**
Expenditures										
Current Expenditures										
Instruction	405,869,137	395,383,620	358,003,139	405,189,908	373,703,960	394,246,196	403,804,829	373,889,853	369,977,089	384,975,252
Support Services:										
Pupil Services	21,853,555	23,972,046	28,296,328	23,654,225	33,795,599	35,859,316	36,234,070	38,474,947	29,461,159	25,023,266
Improvement of instructional services	21,181,874	20,071,788	31,811,061	31,501,828	38,823,821	38,318,666	39,447,284	49,820,431	38,215,985	42,917,654
Educational media	6,738,907	7,080,214	11,128,439	9,119,001	10,507,784	9,081,715	8,145,710	9,446,870	8,916,740	8,828,329
Federal grant administration	-	-	-	-	-	-	-	-	1,118,206	1,973,342
General administration	13,504,910	9,832,227	15,066,526	15,833,120	17,134,640	15,572,414	13,763,790	14,320,518	17,882,230	14,324,803
School administration	24,230,800	23,525,692	35,579,029	28,207,534	32,147,765	26,227,397	27,509,235	32,841,337	30,826,584	40,648,067
Business administration	5,482,136	6,795,841	12,959,536	15,632,317	23,625,597	17,182,008	15,934,176	16,837,414	16,653,106	12,509,036
Maintenance and operation of facilities	61,539,367	48,442,054	59,941,395	60,202,421	84,456,521	89,297,173	90,301,296	96,145,841	98,718,040	77,738,813
Student transportation	13,022,959	12,815,478	19,331,040	17,344,114	37,822,559	51,723,141	36,256,980	26,016,620	27,596,737	22,567,164
Central Support	30,515,657	26,393,782	26,567,407	28,680,154	29,586,277	38,517,074	47,399,446	36,238,019	28,294,967	23,304,350
Other support services	526,684	220,262	-	-	983,284	3,676,062	-	4,323,494	13,035,152	3,011,547
Nutrition	-	-	-	-	49,014	12,500	-	15,657	358,681	910,473
Other	-	-	796,364	2,386,576	-	-	3,274,650	-	-	-
Other Operations of Non-Instructional Services	-	-	48,270	-	7,974,781	-	-	-	-	-
Capital Outlays	169,069,406	107,635,321	78,371,573	56,735,237	67,911,787	151,389,516	139,770,104	170,374,153	46,053,815	117,779,131
Debt Service:										
Principal	6,066,632	4,386,236	2,700,668	3,840,761	2,387,590	6,800,416	2,022,585	5,934,366	7,904,791	9,538,823
Interest and fiscal charges	690,836	538,613	403,266	-	1,788,213	2,295,941	5,755,506	1,803,937	5,331,323	6,684,960
Total Expenditures	**780,292,860**	**687,093,174**	**681,004,041**	**698,327,196**	**762,699,192**	**880,199,535**	**869,619,661**	**877,950,004**	**740,344,605**	**792,735,010**

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

Fiscal Year Ended June 30,	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Excess / (Deficiency) of Revenues over (under) Expenditures	**(100,777,019)**	**(8,080,095)**	**37,100,563**	**95,196,001**	**83,204,756**	**(36,704,149)**	**(62,613,195)**	**(142,538,541)**	**38,962,737**	**(42,801,086)**
Other Financing Sources (Uses)										
Proceeds from Bonds	13,270,248	11,875,815	3,907,884	3,921,678	-	-	-	104,415,000	-	-
Premium on bonds	-	-	-	-	-	-	-	3,097,709	-	-
Proceeds from Capital Leases	2,952,010	-	-	2,638,066	20,000,000	-	-	-	4,467,505	-
Proceeds from sale of capital assets	-	-	3,131,798	3,169,238	909,104	932,980	1,224,378	706,016	251,784	142,566
Proceeds from issuance of note payables	-	-	40,000	10,115,000	-	-	-	-	-	-
Transfers in	18,158,072	18,128,500	19,874,172	27,635,695	25,307,215	34,055,410	44,664,147	10,974,126	600,090	5,925,802
Transfers out	(19,750,557)	(19,924,792)	(19,874,172)	(44,051,769)	(34,707,215)	(34,055,410)	(44,664,147)	(10,974,126)	(600,090)	(5,925,802)
Total Other Financing Sources/(Uses)	**14,629,773**	**10,079,523**	**7,079,682**	**3,427,908**	**11,509,104**	**932,980**	**1,224,378**	**108,218,725**	**4,719,289**	**142,566**
Extraordinary Items	**-**	**-**	**-**	**(1,981,811)**	**-**	**-**	**-**	**-**	**-**	**-**
Net Change in Fund Balances	(86,147,246)	1,999,428	44,180,245	96,642,098	94,713,862	(35,771,169)	(61,388,817)	(34,319,816)	43,682,026	(42,658,520)
Fund Balance at Beginning of Fiscal Year	185,019,657	115,423,338	116,292,413	166,928,634	263,570,733	355,606,965	323,846,887	258,446,979	224,127,163	267,809,189
Prior Period Corrections	-	-	498,296	-	-	-	-	-	-	-
Change in accounting practice	-	-	-	-	-	-	(4,011,091)	-	-	-
FUND BALANCE AT END OF FISCAL YEAR	**$ 98,872,411**	**$ 117,422,766**	**$ 160,970,954**	**$ 263,570,733**	**$ 358,284,596**	**$ 319,835,796**	**$ 258,446,979**	**$ 224,127,163**	**$ 267,809,189**	**$ 225,150,669**
FUND BALANCE AT END OF FISCAL YEAR	98,872,411	117,422,766	160,970,954	263,570,733	358,284,596	319,835,796	258,446,979	224,127,163	267,809,189	225,150,669
Debt service as a percentage of noncapital expenditures	0.87%	0.72%	0.46%	0.60%	0.60%	1.26%	1.08%	1.30%	1.94%	2.46%

Source: **Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2013.**

Notes: **Extraordinary item in 2007 closing of two charter schools.**
Changes in Instruction support 2007 to 2008 due to proper allocation of salary and benefits in 2008.
In fiscal year 2008 change in pension expenditure.
Large fluctuations in expenditures due to reclasses within functions in FY2009-2011 .
Decrease in Sales tax income between FY10 and FY11 was due in part to the adjustment for overpayement of SPLOST proceeds.

ATLANTA INDEPENDENT SCHOOL SYSTEM
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
Schedule 5

Fiscal Year	Instruction [1]	Pupil Services	General and 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
2004	359,444,397	15,259,936	52,257,050	68,966,619	-	37,341,209	533,269,211	1.32%	0.00%	3.11%
2005	360,922,790	15,635,773	23,265,642	65,285,140	3,029,090	34,293,523	502,431,958	-6.21%	100.00%	-5.78%
2006	328,733,992	20,886,301	42,964,459	85,768,267	-	31,105,339	509,458,358	2.85%	0.00%	1.40%
2007	371,030,700	10,491,218	34,463,418	87,064,138	2,638,066	31,071,989	536,759,529	5.16%	100.00%	5.36%
2008	346,276,544	16,742,092	41,041,883	140,274,918	8,257,558	39,184,963	591,777,958	8.21%	68.05%	10.25%
2009	385,984,855	20,045,172	36,636,052	133,410,584	-	42,590,714	618,667,377	5.83%	0.00%	4.54%
2010 [4]	397,022,707	19,336,072	36,787,333	136,817,366	-	40,770,273	630,733,751	2.41%	0.00%	1.95%
2011 [4]	370,061,246	24,014,862	42,918,150	133,081,824	-	39,937,929	610,014,011	-3.37%	0.00%	-3.29%
2012	354,658,932	23,126,330	43,942,259	136,262,413	-	46,644,887	604,634,821	-2.12%	0.00%	-0.88%
2013	375,555,820	22,019,608	49,946,736	105,425,858	-	23,440,250	576,388,272	-0.90%	0.00%	-4.67%

Source: **Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2013.**

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	State	Federal	Other
2004	362,726,900	141,848,193	1,153,791	8,086,373	513,815,257	71%	27.61%	0.22%	1.57%
2005	370,256,829	124,113,881	1,326,039	13,084,964	508,781,713	73%	24.39%	0.26%	2.57%
2006	384,221,179	133,943,879	3,870,753	15,437,607	537,473,418	71%	24.92%	0.72%	2.87%
2007	430,844,808	145,105,716	1,112,951	19,069,158	596,132,633	72%	24.34%	0.19%	3.20%
2008	480,152,929	154,892,058	1,347,241	17,353,301	653,745,529	73%	23.69%	0.21%	2.65%
2009	514,075,346	122,514,004	4,328,538	16,548,410	657,466,298	78%	18.63%	0.66%	2.52%
2010	493,825,791	107,237,545	15,452,007	9,262,323	625,777,666	79%	17.14%	2.47%	1.48%
2011	445,986,671	127,235,844	10,747,543	7,841,900	591,811,958	75%	21.50%	1.82%	1.33%
2012	445,177,849	140,134,932	1,409,596	14,525,430	601,247,807	74%	23.31%	0.23%	2.42%
2013	413,467,525	143,710,200	1,315,257	26,882,771	585,375,753	71%	24.55%	0.22%	4.59%

Source: **Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2013.**

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

Fiscal Year Ended [4]	Residential Property	Commercial Property	Industrial Property	Other Property [1]	Less Tax-Exempt Property [2]	Total Taxable Assessed Value [3]	Total Direct Tax Rate
December 31, 2004	10,282,698,452	7,433,699,007	308,725,135	1,626,457,946	1,732,722,383	17,918,858,157	31.00%
December 31, 2005	10,842,205,309	7,255,025,020	618,322,584	1,590,005,363	186,756,118	20,118,802,158	30.09%
June 30, 2006	11,954,278,920	8,069,483,015	699,409,813	1,621,488,855	1,720,017,791	20,624,642,812	32.13%
June 30, 2007	13,202,618,136	9,744,120,546	776,908,905	1,595,456,173	1,887,341,520	23,431,762,240	31.61%
June 30, 2008	13,980,076,949	13,067,992,615	1,031,326,231	1,615,241,347	2,093,949,974	27,600,687,168	30.49%
June 30, 2009	13,611,726,261	11,379,465,585	801,084,215	1,758,938,922	2,409,353,965	25,141,861,018	30.49%
June 30, 2010	12,749,326,810	11,746,535,282	806,421,455	1,542,422,321	2,831,876,995	24,012,828,873	33.63%
June 30, 2011	12,609,751,900	10,924,151,062	775,954,220	1,525,316,851	2,731,195,758	23,103,978,275	33.63%
June 30, 2012	11,506,413,986	11,148,297,009	758,400,890	1,528,992,043	2,880,803,214	22,061,300,714	33.63%
June 30, 2013	10,896,664,314	10,752,062,104	723,400,082	1,658,974,465	2,660,010,749	21,371,090,216	33.68%

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

Notes:

1 Other Property consist of Historical, Agricultural, Conservation, Utility, Motor Vehicle, Heavy Equipment, Timber, Motor Homes, etc.
2 Tax Exempt Property consist 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.
4 The City of Atlanta changed from a December 31 fiscal year to a June 30 fiscal year in 2006.

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

	City Direct Rates						Overlapping Rates					
									Fulton County, Georgia			
Fiscal Year Ended [4]	General Levy	School Levy	Parks Levy	City Bond Levy	School Bond Levy	Total Direct Tax Rate [2]	Atlanta/ DeKalb County Special Tax District	Downtown Improvement District Special Tax District [1]	County Levy [3]	County Bond Levy	Georgia State Levy	Total
December 31, 2004	8.25	20.87	0.50	1.27	0.11	31.00	1.05	4.20	11.59 **(3)**	0.07	0.25	11.91
December 31, 2005	7.64	20.42	0.50	1.43	0.10	30.09	2.05	5.00	11.58 **(3)**	0.06	0.25	11.89
June 30, 2006	7.53	22.64	0.50	1.41	0.05	32.13	0.99	5.00	11.40 **(3)**	0.06	0.25	11.72
June 30, 2007	7.09	22.64	0.50	1.33	0.05	31.61	0.96	5.00	10.28 **(3)**	0.06	0.25	10.58
June 30, 2008	7.12	21.64	0.50	1.18	0.05	30.49	0.83	5.00	10.28 **(3)**	0.60	0.25	10.59
June 30, 2009	7.12	21.64	0.50	1.18	0.05	30.49	0.83	5.00	10.28 **(3)**	0.00	0.25	10.53
June 30, 2010	10.24	21.64	0.50	1.20	0.05	33.63	1.00	5.00	10.28 **(3)**	0.00	0.25	10.53
June 30, 2011	10.24	21.64	0.50	1.20	0.05	33.63	0.88	5.00	10.28 **(3)**	0.00	0.25	10.53
June 30, 2012	10.24	21.64	0.50	1.20	0.05	33.63	0.88	5.00	10.28 **(3)**	0.27	0.25	10.80
June 30, 2013	10.24	21.64	0.50	1.20	0.10	33.68	1.224	5.00	10.21 **(3)**	0.00	0.25	10.46

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

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

ATLANTA INDEPENDENT SCHOOL SYSTEM
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2012 AND NINE YEARS AGO [1]
Schedule 9

2012

Tax Payer	Type of Business	Taxable Assessed Value [1]	Rank	Percentage of Total City Taxable Assessed Value
Development Authority of Fulton [2]	Government	$ 643,688,110	1	3.15%
Georgia Power Company	Utility Service	278,823,406	2	1.36%
Coca-Cola Company	Marketing and Manufacturing	158,398,076	3	0.77%
Post Apartment Homes	Residential Real Estate	154,833,309	4	0.47%
BF ATL, LLC	Commercial Real Estate	76,031,870	8	0.76%
Sun Trust Plaza Association	Commercial Real Estate	96,136,850	5	0.43%
Georgia Pacific Company	Pulp and Paper Manufacturing	78,922,880	7	0.37%
Hines One Atlantic Center LP	Commercial Real Estate	72,158,940	10	0.35%
Corporate Property Corporation	Commercial Real Estate	87,837,149	6	0.35%
IEP PEACHTREE, LLC	Commercial Real Estate	72,222,920	9	0.39%
Total		$ 1,719,053,510		8.40%

2003

Tax Payer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Bell South	Communication Service	$ 311,493,227	1	1.69%
Coca-Cola Company	Marketing and Manufacturing	162,670,820	2	0.88%
Georgia Power Company	Utility Service	138,389,311	3	0.75%
Post Apartment Homes	Residential Real Estate	116,171,210	4	0.63%
Georgia Pacific Company	Pulp and Paper Manufacturing	90,792,750	5	0.49%
CSC Associates	Commercial Real Estate	87,338,740	6	0.47%
Sun Trust Plaza Association	Commercial Real Estate	82,038,220	7	0.44%
One Ninety One Peachtree Association	Commercial Real Estate	76,478,710	8	0.41%
Sumito Life Realty, Inc.	Commercial Real Estate	63,170,490	9	0.34%
Atlanta Center LTD	Commerical Real Estate	58,083,570	10	0.31%
Total		$ 1,186,627,048		6.41%

Sources:

2012 - Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2012.
2003 - Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2012.

Notes:

1. **Information for FY2013 was not available.**
2. **Development Authority of Fulton does not pay taxes but does temporarily hold property for others who pay taxes.**

ATLANTA INDEPENDENT SCHOOL SYSTEM
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
Schedule 10

Fiscal Year Ended [3]	Taxes Levies for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
		Amount [1]	Percentage of Levy		Amount	Percentage of Levy
December 31, 2004	180,733,587	170,502,285	94.34%	9,752,408 [2]	180,254,693	99.74%
December 31, 2005	178,703,068	160,301,279	89.70%	17,909,963 [2]	178,211,242	99.72%
June 30, 2006	6,750,195	6,750,195	100.00%	-	6,750,195	100.00%
June 30, 2007	179,606,933	164,976,460	91.85%	13,929,773 [2]	178,906,233	99.61%
June 30, 2008	182,020,745	173,030,142	95.06%	7,984,231	181,014,373	99.45%
June 30, 2009	198,377,854	190,475,498	96.02%	6,292,394	196,767,892	99.19%
June 30, 2010	264,371,198	257,062,077	97.24%	4,473,563	261,535,640	98.93%
June 30, 2011	240,585,957	234,894,781	97.63%	2,379,716	237,274,497	98.62%
June 30, 2012	222,632,704	218,471,864	98.13%	1,394,434	218,471,864	98.13%
June 30, 2013	219,176,582	214,493,637	97.86%	-	214,493,637	97.86%

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

Notes: **1 Does not include tax revenues retained by Fulton and DeKalb County for administrative expenditures; therefore, the collection rate shown is slightly less than actual.**
2 Adjusted to collection in subsequent year.
3 The City of Atlanta changed from a December 31 fiscal year to a June 30 fiscal year in 2006.

ATLANTA INDEPENDENT SCHOOL SYSTEM
COMPARISON OF PROPERTY TAX MILLAGE RATES
AS OF JUNE 30, 2013
Last Ten Fiscal Years
Schedule 11

	TOTAL RATE	MAINTENANCE AND OPERATION	DEBT SERVICE
Atlanta Public Schools	21.74	21.64	0.10
Clayton County Schools	20.00	20.00	0.00
Cobb County Schools	18.90	18.90	0.00
DeKalb County Schools	23.98	23.98	0.00
Douglas County Schools	21.95	19.85	2.10
Fulton County Schools	18.50	18.50	0.00
Gwinnett County Schools	20.55	19.25	1.30
Rockdale County Schools	24.50	24.50	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
2004	20.42	0.10	20.524	Decrease of 1.05 mills
2005	20.42	0.10	20.524	No change from 2004
2006	22.64	0.054	22.694	Increase of 2.17 mills
2007	22.64	0.054	22.694	No change from 2006
2008	21.64	0.054	21.694	Decrease of 1.000 mills
2009	21.64	0.054	21.694	No change from 2008
2010	21.64	0.054	21.694	No change from 2009
2011	21.64	0.054	21.694	No change from 2010
2012	21.64	0.100	21.740	Increase of .046 mills
2013	21.64	0.100	21.740	No change from 2012

Sources: **Atlanta Public Schools June 2010 Tax Levy Board Resolutions for tax year 2011**
Georgia Department of Revenue for tax years 2004-2010, 2013

ATLANTA INDEPENDENT SCHOOL SYSTEM
RATIOS OF TOTAL DEBT OUTSTANDING BY TYPE (UNAUDITED)
GOVERNMENTAL ACTIVITIES
FOR THE LAST TEN FISCAL YEARS
Schedule 13

Fiscal Year Ended June 30,	Education Reform Success (COPS)	Intergovernmental Agreement	Capital Leases	Total Debt (2)	Estimated Actual Value of Taxable Property (3)	Ratio of Total Debt to Est. Actual Value	Personal Income (4)	Ratio of Total Debt to Personal Income
2004 (1)	-	-	11,248,793	11,248,793	17,918,858,157	0.06%	162,297,000	6.93%
2005 (1)	-	-	6,862,557	6,862,557	20,118,802,158	0.03%	173,159,000	3.96%
2006	-	18,697,134	4,219,951	22,917,085	20,624,642,812	0.11%	184,186,000	12.44%
2007	10,115,000	22,112,675	5,159,414	37,387,089	23,431,762,240	0.16%	184,186,000	20.30%
2008	10,115,000	21,385,800	23,618,868	55,119,668	27,600,687,168	0.20%	196,683,000	28.02%
2009	9,565,000	20,488,750	18,255,388	48,309,138	25,141,861,018	0.19%	198,580,000	24.33%
2010	8,995,000	19,461,875	13,998,496	42,455,371	24,012,828,873	0.18%	206,462,000	20.56%
2011	115,912,709	18,439,000	9,682,005	144,033,714	23,103,978,275	0.62%	203,137,000	70.90%
2012	114,764,042	17,398,125	7,905,594	140,067,761	22,061,300,714	0.63%	202,577,000	69.14%
2013	107,431,623	16,311,250	6,018,646	129,761,519	21,371,090,216	0.61%	212,830,000	60.97%

Source: **Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2013.**

Notes:
1 The City of Atlanta changed from a December 31 fiscal year to a June 30 fiscal year in 2006.
2 See the schedule of Long Term Debt in the Notes for each year for more information on the debt.
3 See schedule 7 - Assessed and Estimated Actual Value of Taxable Property .
4 See schedule 15 - Demographics Statistics.

ATLANTA INDEPENDENT SCHOOL SYSTEM
SCHOOL BUILDINGS, ACREAGE, AND CAPACITY
June 30, 2013
Schedule 14
School Acreage, Square Footage, Planning Capacity, Area per Student, Effective Age

	Elementary Schools	Region	Acres	Sq.Ft.	Planning Capacity @ 25/1	SF per Student	Core Classrooms	Original Construction	Renovation	Actual Age (2013 basis)	Effective Age Basis	Effective Age (2013 basis)
1	Adamsville	W	4.9	75,058	750	100	30	1970	2001	43	2001	12
2	Beecher Hills	W	9.5	49,925	525	95	21	1959	1999	54	1999	14
3	Benteen	E	4.0	68,440	600	114	24	1957	2000	56	2000	13
4	Bethune	W	4.5	78,561	825	95	33	1949	1999	64	1999	14
5	Bolton Academy	N	4.0	83,653	900	93	36	2003		10	2003	10
6	Boyd	N	19.7	72,405	575	126	23	1971		42	1971	42
7	Brandon	N	10.0	86,138	875	98	35	1947	1994	66	1994	19
8	Brandon Primary	N	9.8	59,941	625	96	25	1954	2009	59	2009	4
9	Burgess-Peterson	E	8.3	85,836	875	98	35	2004		9	2004	9
10	Cascade	W	8.7	70,286	625	112	25	1995		18	1995	18
11	Centennial Place	E	5.0	63,806	650	98	26	1998		15	1998	15
12	Cleveland	S	4.8	75,880	675	112	27	1996		17	1996	17
13	Connally	W	3.7	88,417	1,000	88	40	1975	2000	38	2000	13
14	Continental Colony	W	8.7	85,562	600	143	24	1963	2011	50	2011	2
15	Deerwood Academy	W	21.0	88,980	900	99	36	2004		9	2004	9
16	Dobbs	S	19.6	86,370	900	96	36	2003		10	2003	10
17	Dunbar	E	5.3	98,959	500	198	20	1969	2009	44	2009	4
18	Fain	N	8.0	83,782	700	120	28	1987		26	1987	26
19	Fickett	W	12.0	86,490	900	96	36	1972	1994	41	1994	19
20	Finch	S	4.1	95,024	950	100	38	2005		8	2005	8
21	Garden Hills	N	8.0	82,176	775	106	31	1938	2003	75	2003	10
22	Gideons	S	4.5	72,402	825	88	33	1958	2000	55	2000	13
23	Grove Park	N	7.0	88,921	725	123	29	1967	2000	46	2000	13
24	Heritage Academy	S	7.0	80,864	850	95	34	2002		11	2002	11
25	Hope - Hill	E	2.4	65,886	700	94	28	2002		11	2002	11
26	Humphries	S	8.2	66,228	650	102	26	1940	1998	73	1998	15
27	Hutchinson	S	8.5	70,797	825	86	33	1956	1994	57	1994	19
28	Jackson	N	12.5	95,591	850	112	34	1967	1994	46	1994	19
29	Jackson Primary	N	7.2	48,982	500	98	20	1959	2008	54	2008	5
30	Jones, M. A.	W	7.5	92,272	875	105	35	2005		8	2005	8
31	Kimberly	W	7.2	63,379	825	77	33	1958	1999	55	1999	14
32	Lin, Mary	E	5.2	60,414	600	101	24	1930	1994	83	1994	19
33	Miles	W	15.0	82,211	900	91	36	2003		10	2003	10
34	Morningside	E	5.2	97,995	900	109	36	1930	1994	83	1994	19
35	Parkside	E	8.3	80,836	775	104	31	2001		12	2001	12
36	Perkerson	S	9.0	75,297	700	108	28	1994		19	1994	19
37	Peyton Forest	W	25.0	64,300	625	103	25	1968	1999	45	1999	14
38	Rivers (@ fmr Sutton MS)	N	12.5	160,667	1,000	161	40	1950	1999	63	1999	14
39	Scott	N	8.0	72,891	800	91	32	1960	2006	53	2006	7
40	Slater	S	13.0	78,232	800	98	32	1952	2002	61	2002	11
41	Smith, Sarah	N	10.3	70,545	750	94	30	1952	1994	61	1994	19
42	Smith Intermediate	N	6.2	78,173	750	104	30	2009		4	2009	4
43	Springdale Park	E	4.5	56,418	625	90	25	2009		4	2009	4
44	Stanton, D. H.	E	6.0	75,674	825	92	33	1959	2000	54	2000	13

ATLANTA INDEPENDENT SCHOOL SYSTEM
SCHOOL BUILDINGS, ACREAGE, AND CAPACITY
June 30, 2013
Schedule 14

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

Elementary Schools		Region	Acres	Sq.Ft.	Planning Capacity @ 25/1	SF per Student	Core Classrooms	Original Construction	Renovation	Actual Age (2013 basis)	Effective Age Basis	Effective Age (2013 basis)
45	Stanton, F. L.	N	5.2	62,930	425	148	17	1928	2000	85	2000	13
46	Thomasville Heights	S	11.2	83,023	950	87	38	1971	2001	42	2001	12
47	Toomer	E	10.6	70,012	700	100	28	1967	1998	46	1998	15
48	Towns	N	8.9	70,084	675	104	27	1963	2000	50	2000	13
49	Usher - Collier	N	14.0	102,962	900	114	36	1969	2003	44	2003	10
50	Venetian Hills	W	9.3	60,924	600	102	24	1954	1994	59	1994	19
51	West Manor	W	10.8	37,150	400	93	16	1956	2000	57	2000	13
52	Whitefoord	E	2.3	62,712	650	96	26	1928	1994	85	1994	19
53	Woodson	N	4.1	79,637	675	118	27	1971	1998	42	1998	15
Elementary School Totals			**460.2**	**4,094,098**	**39,375**	**105**	**1,575**	**1971**		**42**	**2000**	**13**
Middle Schools		**Region**	**Acres**	**Sq.Ft.**	**Planning Capacity @ 25/1**	**SF per Student**	**Core Classrooms**	**Original Construction**	**Renovation**	**Actual Age (2013 basis)**	**Effective Age Basis**	**Effective Age (2013 basis)**
1	BEST (see HS)	N										
2	Brown	W	15.6	153,243	975	157	39	1928	2001	85	2001	12
3	Bunche (@ fmr Archer HS)	W	19.5	247,360	1,625	152	65	1957	1972	56	1972	41
4	Coan (@ fmr East Lake ES)	E	2.7	66,168	575	115	23	1949	1994	64	1994	19
5	Harper - Archer	N	18.1	229,745	1,100	209	44	1963	2002	50	2002	11
6	Inman	E	4.2	151,713	875	173	35	1923	2005	90	2005	8
7	Kennedy	W	5.0	228,028	1,025	222	41	1970	2004	43	2004	9
8	King, C.S. (see HS)	N										
9	King, M.L.	E	6.5	176,547	1,000	177	40	1973	2003	40	2003	10
10	Long	S	15.6	125,236	900	139	36	1958	2006	55	2006	7
11	Price	S	19.0	167,168	975	171	39	1954	2002	59	2002	11
12	Sutton (@ fmr N. Atlanta HS)	N	17.5	208,445	1,300	160	52	1951	2011	62	2011	2
13	Sylvan (@ fmr Parks MS)	S	5.8	79,630	625	127	25	1966	1996	47	1996	17
14	Young	W	15.0	172,986	975	177	39	1951	2009	62	2009	4
Middle School Totals			**144.5**	**2,006,269**	**11,950**	**165**	**478**	**1954**		**59**	**2000**	**13**
High Schools		**Region**	**Acres**	**Sq.Ft.**	**Planning Capacity @ 25/1**	**SF per Student**	**Core Classrooms**	**Original Construction**	**Renovation**	**Actual Age (2013 basis)**	**Effective Age Basis**	**Effective Age (2013 basis)**
1	BEST (includes MS)	N	15.1	217,578	1,750	124	70	2009		4	2009	4
2	Carver	S	35.4	271,429	1,525	178	61	1920	2005	93	2005	8
3	Crim	E	17.9	203,949	925	220	37	1940	2007	73	2007	6
4	Douglass	N	32.0	336,101	1,950	172	78	1968	2004	45	2004	9
5	Forrest Hill	S	5.8	69,254	750	92	30	2008		5	2008	5
6	Grady	E	19.5	274,560	1,275	215	51	1924	2005	89	2005	8
7	Jackson, M. (@ Coan MS)	E	16.1	167,169	1,025	163	41	1967	2003	46	2003	10
8	King, C.S. (includes MS)	N	21.2	264,874	1,750	151	70	2009		4	2009	4
9	Mays	W	70.0	339,758	1,550	219	62	1981	2011	32	2011	2
10	North Atlanta (New)	N	56.6	507,093	2,425	209	97	1978	2013	35	2013	0
11	South Atlanta	S	50.2	277,779	1,500	185	60	1973	2008	40	2008	5
12	Therrell	W	17.3	261,273	1,150	227	46	1960	2011	53	2011	2
13	Washington	W	21.1	261,269	1,625	161	65	1924	2005	89	2005	8
High School Totals			**378.2**	**3,452,086**	**19,200**	**178**	**768**	**1,966**		**47**	**2007**	**6**

ATLANTA INDEPENDENT SCHOOL SYSTEM
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
Schedule 15

Fiscal Year Ended [1]	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
December 31, 2004	434,900	162,297	33,838	33.8	51,358	7.4%
December 31, 2005	442,100	173,159	34,825	34.7	50,188	5.9%
June 30, 2006	451,600	184,186	35,846	34.7	49,924	5.3%
June 30, 2007	451,600	184,186	35,846	34.7	49,707	4.5%
June 30, 2008	461,956	196,683	36,309	32.0	51,377	5.9%
June 30, 2009	477,300	198,580	37,744	35.0	48,093	10.3%
June 30, 2010	480,700	206,462	38,336	35.0	48,696	10.0%
June 30, 2011	420,003	203,137	37,101	34.0	49,874	10.5%
June 30, 2012	432,427	202,577	38,321	32.9	49,474	8.9%
June 30, 2013	443,775	212,830	39,713	33.0	48,831	8.6%

Sources: **1 Statistical section of the City of Atlanta, Georgia 2013 Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2013.**

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

ATLANTA INDEPENDENT SCHOOL SYSTEM
PRINCIPAL EMPLOYERS
JUNE 30, 2012 AND NINE YEARS AGO
Schedule 16

2012

Employer	Type Of Business	Employees	Percentage of Total City Employment
Delta Air Lines, Inc	Transportation	3,815	1.98%
The Coca-Cola Company	Marketing and Manufacturing	3,469	1.80%
International Business Machine Corp.	Technology Services	4,228	2.20%
Turner Broadcasting System, Inc.	Media/Entertainment	2,163	1.12%
Cable News Network, Inc.	Media	1,873	0.97%
AT & T Services Inc.	Telecommunication	1,845	0.96%
Air Service Corp	Transportation	1,733	0.90%
Accenture LLP	Consulting	1,791	0.93%
Allied Barton Security Systems	Security Services	1,448	0.75%
Tenet Health System, Inc.	Healthcare	1,140	0.59%
Total		**23,505**	**12.20%**

2003

Employer	Type Of Business	Employees	Percentage of Total City Employment
International Business Machine Corp	Technology Services	3,683	1.90%
Georgia-Pacific	Pulp and Paper Manufacturing	3,352	1.73%
Efficeiency Plus Consultants	Consulting	3,200	1.65%
The Coca-Cola Company	Marketing and Manufacturing	3,095	1.60%
Cable News Network, Inc.	Media	2,087	1.08%
Atlanta Journal and Constitution	Media	1,664	0.86%
Allied Barton Security Service	Security Service	2,395	1.30%
Tenet Health System, Inc.	Healthcare	1,400	0.72%
Turner Entertainment Networks	Entertainment	1,029	0.53%
Turner Broadcasting System, Inc.	Media/Entertainment	912	0.47%
Skanska USA Building, Inc.	Construction-related Services	793	0.41%
Total		**23,610**	**12.25%**

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

ATLANTA INDEPENDENT SCHOOL SYSTEM
GENERAL FUND PER PUPIL COST
LAST TEN FISCAL YEARS
Last Ten Fiscal Years
Schedule 17

Fiscal Year	Expenditures [1]	Active Enrollment [2]	Cost Per Pupil Enrolled	Average Daily Attendance [3]	Cost Per Pupil Attended
2004	533,269	52,103	10,235	49,565	10,759
2005	502,432	51,377	9,779	49,138	10,225
2006	509,458	50,631	10,062	44,534	11,440
2007	536,734	50,631	10,601	48,720	11,017
2008	591,778	49,991	11,838	44,935	13,170
2009	618,667	49,032	12,618	51,449	12,025
2010	630,734	48,909	12,896	52,368	12,044
2011	610,014	49,796	12,250	52,925	11,526
2012	604,635	50,009	12,091	47,192	12,812
2013	576,388	49,558	11,631	46,403	12,421

Sources:
1 Atlanta Independent School System General Fund Expenditures by Function schedule for fiscal year ended June 30, 2013 (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
SCHOOL BREAKFAST PROGRAM
LAST TEN FISCAL YEARS
MEALS SERVED
Schedule 18

Fiscal Year	Total	Free	Reduced	Paid
2004	3,249,614	2,935,318	72,924	241,372
2005	2,788,851	2,499,934	83,064	205,853
2006	2,707,493	2,435,219	85,014	187,260
2007	2,782,559	2,490,514	105,082	186,963
2008	2,854,746	2,597,420	85,533	171,793
2009	2,884,599	2,634,544	78,887	171,168
2010	3,077,775	2,822,180	77,739	177,856
2011	3,499,392	3,173,080	78,260	248,052
2012	3,869,946	3,487,626	86,082	296,238
2013	3,718,353	3,368,341	77,277	272,735

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
2004	6,597,114	5,420,054	230,992	946,068
2005	6,040,086	4,929,194	283,294	827,598
2006	5,980,314	4,924,894	289,292	766,128
2007	5,938,199	4,886,222	314,070	737,907
2008	5,894,475	4,943,800	272,290	678,385
2009	5,919,633	4,961,606	252,189	705,838
2010	5,835,665	4,968,698	223,230	643,737
2011	5,840,231	5,032,509	168,063	639,659
2012	5,803,075	5,043,598	158,924	600,553
2013	5,426,460	4,799,240	126,324	500,896

Source: **Nutrition Department of APS**

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

Fiscal Year	Total	Elementary	Middle	High
2004	89	63	16	10
2005	85	59	16	10
2006	89	59	16	14
2007	94	58	16	20
2008	93	57	17	19
2009	95	57	19	19
2010	96	55	18	23
2011	96	55	16	25
2012	100	58	18	24
2013	86	50	15	21

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

ATLANTA INDEPENDENT SCHOOL SYSTEM
ENROLLMENT BY GRADE LEVEL (UNAUDITED)
LAST TEN FISCAL YEARS
Schedule 21

Grade Level	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
PK	788	841	805	858	890	885	965	991	1,111	1,098
KK	4,481	4,562	4,762	4,758	4,476	4,351	4,501	4,598	4,795	4,822
Grade 1	4,503	4,530	4,501	4,739	4,711	4,503	4,377	4,601	4,609	4,698
Grade 2	4,319	4,290	4,284	4,348	4,545	4,543	4,431	4,248	4,379	4,417
Grade 3	4,383	4,351	4,264	4,286	4,330	4,337	4,431	4,481	4,269	4,289
Grade 4	4,392	3,930	4,086	3,992	4,065	4,040	4,168	4,221	4,266	3,962
Grade 5	4,393	4,261	3,921	3,948	3,874	3,903	3,904	4,177	4,172	4,094
Grade 6	3,898	3,979	3,807	3,526	3,509	3,314	3,451	3,623	3,563	3,603
Grade 7	3,998	3,757	3,794	3,622	3,309	3,347	3,204	3,490	3,503	3,471
Grade 8	3,828	3,815	3,597	3,739	3,580	3,190	3,303	3,242	3,465	3,379
Grade 9	4,131	4,253	4,332	4,073	4,204	4,309	4,420	4,412	4,475	4,395
Grade 10	3,352	3,380	3,268	3,291	3,197	2,948	2,873	2,982	3,003	2,928
Grade 11	2,999	2,885	2,925	2,900	2,854	2,893	2,354	2,299	2,352	2,346
Grade 12	2,638	2,543	2,424	2,551	2,447	2,469	2,527	2,431	2,047	2,056
Totals	52,103	51,377	50,770	50,631	49,991	49,032	48,909	49,796	50,009	49,558

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

ATLANTA INDEPENDENT SCHOOL SYSTEM
EMPLOYEES BY FUNCTION (Unaudited)
FOR THE LAST TEN FISCAL YEARS
Schedule 22

	Fiscal Year Ended June 30,									
Function	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Instruction	5,887	5,464	5,300	5,212	5,298	5,137	5,170	4,892	4,743	4,568
Pupil Services	381	386	335	297	341	365	348	350	303	224
Improvement of Instructional Services	93	110	97	272	265	303	327	314	387	318
Educational Media Services	128	123	122	127	126	124	121	123	118	116
General Administration	63	64	65	46	47	68	79	84	57	64
School Administration	470	453	443	429	453	449	434	438	431	440
Business Administration	87	91	75	159	162	189	188	199	187	161
Maintenance and Operations	802	733	639	564	540	632	628	630	667	578
Student Transportation Services	425	415	412	425	421	424	439	446	431	444
Central Services	198	174	168	132	136	129	128	136	132	142
Other Supporting Services	52	55	56	52	79	81	86	93	180	91
Nutrition Operations	370	218	175	154	143	136	122	119	108	101
Facilities, Acquisition and Contruction	6	5	3	0	0	1	1	2	2	2
Totals	8,962	8,291	7,890	7,869	8,011	8,038	8,071	7,826	7,746	7,249

Source: Information Technology Department of APS