ATLANTA PUBLIC SCHOOLS

Making A Difference





ATLANTA INDEPENDENT SCHOOL SYSTEM

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

ATLANTA, GEORGIA

















ATLANTA INDEPENDENT SCHOOL SYSTEM
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015

Office of the Chief Financial Officer
Robert A. Morales, SFO

130 Trinity Avenue, SW

Atlanta, Georgia 30303

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ATLANTA PUBLIC SCHOOLS

Making A Difference

INTRODUCTORY SECTION



2015 INTRODUCTORY SECTION

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December 28, 2015

Dear Citizens of Atlanta:

Atlanta Public Schools (APS) is pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. Atlanta Public Schools financial management officials prepared this report which contains information about the scope and character of the District's fiscal activities and accomplishments in fiscal year 2015. It also illustrates the administration's efforts to achieve the goals established by the Atlanta Board of Education for the school year.

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

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

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

SNAPSHOT OF ATLANTA PUBLIC SCHOOLS

After identifying and addressing numerous and considerable deficiencies, APS underwent a major overhaul from 2011-2015 which has resulted in a much more stable school district and continuous improvements on many fronts. The District continues to renew its commitment to APS stakeholders through academic excellence, educational equity, ethics and engagement. The District remains focused on becoming a high-performing school district where students love to learn, educators inspire, parents are engaged and the community has trust in the District.

APS begins fiscal year 2016 (FY16) poised to prepare students for college and careers. In April 2014, the school board appointed Dr. Meria J. Carstarphen as the new APS superintendent, and the District began operating under her leadership July 7, 2014.

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

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

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

Students

In the 2015 school year, student enrollment stood at about 51,000 students and the District expects to serve a similar number of students at 106 learning cites throughout Atlanta in 2016. More than 2,000 seniors graduated from APS high schools in 2015, earning $100 million in college scholarships. Large numbers of APS students continue to earn awards for academic achievement on the state and national levels.

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

- Bilingual/English as a Second Language – 3.6%
- Gifted and Talented – 12.0%
- Homeless – 6.4%
- Limited English Proficient – 5.7%
- Low Income Students – 76.0%
- Student Ethnic Distribution: African American – 76.0%; Caucasian – 15.0%; Hispanic – 7.0%; Multiracial – 2.0%; Asian, American Indian or Pacific Islander – 1.0%
- Students with Disabilities – 10.7%

Employees

Of the 6,055 full time APS employees, 4,742 are teachers, bus drivers, media specialists, paraprofessionals and school administrators who are on the frontlines every school day to ensure every student receives a quality education. There are an additional 1,952 part time and substitute employees who provide support. More than 80 percent of the APS workforce is employees who see our children daily. The following are the top ten positions that directly support our students and schools:

- Teacher – 51%
- Paraprofessional – 9%
- School Bus Driver – 6%
- Custodian – 3%
- School Counselor – 2%
- Assistant Principal – 2%
- School Clerk – 2%
- School Secretary – 1%
- Media Specialist – 1%
- School Principal – 1%

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

In 2015, APS also made Social and Emotional Learning – SEL – a District priority. Such skills are foundational to the academic success of students. If students can persevere – set goals, overcome obstacles and develop healthy relationships – they will be more successful in work and in life. Research shows that SEL skills – the ability to control your emotions and actions, develop good relationships, and make good decisions – can be taught. The Atlanta Board of Education approved a contract with The Collaborative for Academic, Social, and Emotional Learning (CASEL) to administer its social-emotional learning program within Atlanta Public Schools.

Also, in 2015, the District announced the $20 million Achieve Atlanta partnership spearheaded by The Joseph B. Whitehead Foundation and The Community Foundation for Greater Atlanta. Achieve Atlanta is a big idea with a straightforward goal: to increase the number of APS students graduating from college by 20 percent by the year 2025. The initiative addresses students' academic, social and financial needs to and through college.

The program provides scholarships and grants, including last dollar financial assistance to students who have unmet financial needs for college.

STRATEGIC PLANNING

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

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

2015 DISTRICT HIGHLIGHTS

Student Performance

- For more than 10 years, APS fourth and eighth grade students have demonstrated more consistent and significant gains on the nation's report card, the National Assessment of Educational Progress, than any other school participating in the Trial Urban District Assessment (TUDA).
- Fourteen APS seniors were named 2014 Posse Scholars earning full, four-year scholarships worth approximately $100,000 each.
- APS continues to be one of the leading producers of Gates Millennium Scholars in the state and nation.
- As part of a REACH Statewide Signing Day, APS welcomed 16 eighth and ninth grade students into the Realizing Educational Achievement Can Happen (REACH) Georgia scholarship program for the 2014-2015 school year.
- At one APS high school, Coretta Scott King Young Women's Leadership Academy, every senior was accepted into college in 2015, while at B.E.S.T. Academy, nearly all of the seniors were accepted.

Curriculum/School Achievements

- APS moved to full-implementation of the Common Core Georgia Performance Standards in 2014.
- In Georgia, APS is one of the few school districts that offer foreign language instruction to students in elementary school.
- All APS middle schools offer accelerated math.
- APS launched the Atlanta Virtual Academy (AVA), the District's free online learning experience in 2014. Students can enroll in credit recovery classes and accelerated coursework online. Since the program began in the summer of 2013, enrollment numbers

have tripled.

- The District is transitioning to a world language program that will allow middle school students to earn high school credit.
- The District's revamped graduation-coach program provides every APS middle and high school campus with a graduation coach to identify and assist students at risk of falling behind and dropping out.

FINANCIAL PLANNING

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

Current school renovation projects will improve classroom capacity and transform many older facilities into 21st century learning sites. The District reopened state-of-the-art facilities for E. Rivers Elementary School and Bunche and Sylvan middles schools over the past year. The ultimate goal is for all students to reach their highest possible level of achievement not only through a rigorous curriculum but also in modern facilities.

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

The District will work even harder in fiscal year 2016 to ensure that federal funding is optimized to the fullest potential. The District is committed to using these funds in a manner that enhances classroom instruction, equips its educators with appropriate and sufficient tools to deliver quality instruction, and provides additional instructional support and school services to ensure that we are reaching those students who need it most.

FINANCIAL INFORMATION

The CAFR is prepared pursuant to OCGA 36-81-7. Mauldin & Jenkins, LLC, has issued an unmodified ("clean") opinion on the financial statements for fiscal year ended June 30, 2015. 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 $498 million. Further discussion is included in Management's Discussion and Analysis (MD&A), which immediately follows the independent auditor's report and provides an overview and analysis of the basic financial statements. The MD&A section complements this letter of transmittal and should be read in conjunction with it.

FUND ACCOUNTING

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

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

INTERNAL CONTROL STRUCTURE

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

FINANCIAL AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to APS for its CAFR for the fiscal year ended June 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must also satisfy GAAP and applicable legal requirements.

Further, APS received the Association of School Business Officials International's (ASBO) Certificate of Excellence in Financial Reporting for the CAFR for fiscal year 2014. This is the fifth year the District submitted the CAFR to ASBO. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. The award is valid for one year, and is granted only after an expert panel of certified public accountants and practicing school business officials complete an intensive review of all financial reports.

CLOSING

Again, we are pleased to present to the Atlanta community the CAFR for fiscal year 2015. This community deserves a student-centered, high-performing school district where all students become successful, life-long learners and leaders. Atlanta Public Schools is moving in the right direction: the teachers and leaders are receiving high-quality professional development and support so that they can work more collaboratively; the students are benefitting from more rigorous standards and instruction; the systems are being re-engineered; the dropout rate is declining; and the most recent class of graduates – the class of 2015 – earned more than $100 million in college scholarship offers.

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

Respectfully submitted,

Meria J. Carstarphen, Ed.D
Superintendent

Robert A. Morales, SFO
Chief Financial Officer

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, 2014

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, 2014

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

Mark C. Pepera, MBA, RSBO, SFO
President

John D. Musso, CAE, RSBA
Executive Director

ATLANTA INDEPENDENT SCHOOL SYSTEM
List of Elected Officials
June 30, 2015

SCHOOL SYSTEM BOARD MEMBERS



DISTRICT 1: LESLIE GRANT lgrant@atlantapublicschools.us

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

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

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

Leslie is the founder, creator and President of a small business focused on raising healthy kids from scratch, called Chickin Feed. She has volunteered in schools throughout Georgia, served as an advocate of eating REAL FOOD, Farm to School programs through work with Georgia Organics, Atlanta Farm to School, the Grant Park Farmers Market and other organizations.

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

In advance of her daughter's attendance at Jackson High, Leslie served on the Local School Council at Jackson, worked to support "big-picture" thinking during the renovation so that the finished space would include classrooms for the orchestra and drama programs; championed the successful implementation of the International Baccalaureate Programme; and has worked to develop an innovative environmental science/urban agriculture program.

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



DISTRICT 2: BYRON D. AMOS bamos@atlantapublicschools.us

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

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

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

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

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



DISTRICT 3: MATT WESTMORELAND mwestmoreland@atlantapublicschools.us

Matt Westmoreland is the District 3 Representative on the Atlanta Board of Education, where he serves as chair of the Budget Commission and Legislative Liaison to the Georgia General Assembly. He also serves as Assistant Director of Horizons Atlanta, an educational non-profit serving low-income students across Metro Atlanta through summer enrichment programs.

An Atlanta native, Matt attended Morningside Elementary and Inman Middle before graduating from Grady High. He received his bachelor's degree in history from Princeton University, where he served as editor-in-chief of *The Daily Princetonian*.

After graduation, Matt returned to Atlanta as a Teach for America Corps Member and taught history at Carver Early College High School in southeast Atlanta. At Carver, Matt's students earned among the highest pass and exceed rates of any school in Georgia on the state U.S. History End of Course Test.

Matt previously worked for the Atlanta Regional Commission, D.C. Public Schools system, in the D.C. Office of Congressman John Lewis, and was an Urban Leaders Fellow with Colorado Senator Mike Johnston.

Named one of the 20 People to Watch in 2014 by Creative Loafing and as one of the "Top 30 Under 30" by the Atlanta Business Chronicle in 2015, Westmoreland is an alum of LEAD Atlanta and New Leaders Council-Atlanta, and serves on the Atlanta Regional Commission's Millennial Advisory Committee.

A lifelong and active member of Peachtree Road United Methodist Church, Matt lives in Midtown.



BOARD VICE-CHAIR DISTRICT 4: NANCY M. MEISTER nmeister@atlantapublicschools.us

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

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

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

ACHIEVEMENTS

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

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



DISTRICT 5: STEVEN LEE slee@atlantapublicschools.us

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

Over the years, Steven has demonstrated a strong and principled leadership style, while focusing on community-oriented initiatives. He has run a school for special needs children, a merchant association and other nonprofits. Steven Lee is passionate about serving his community and has done so as a mentor, youth counselor, community volunteer and business owner.

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



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

An Atlanta native and former teacher in Atlanta Public Schools, Eshé P. Collins never wavered from her strong passion for education. Beginning at a young age, she always knew the value of a solid education: a challenging curriculum, a system of great teachers, and strong family and community involvement. Eshé understands the impact of quality education in realizing the potential of the city, and is excited to leverage her passion and experience to provide all students in Atlanta with the education they deserve.

Eshé has an extensive record of commitment and achievement in urban education and communities. As a fourth and fifth grade teacher at A.D. Williams Elementary School, 92 percent of her students met or exceeded expectations on the Criterion-Referenced Competency Test for both grade levels. Eshé also led the after-school, and summer tutoring programs for the Bowen Homes community and co-founded the "Reaching Back, Bridging Gaps" reading program, a community-based literacy initiative. Eshé's work within urban settings has been the combination of her classroom, policy and legal experience on issues that address student achievement and equity in education. She analyzed national education issues and advocated for accessible healthcare at the Children's Defense Fund. Also, Eshe' worked in Cape Town, South Africa, where she helped refugee women and children access quality services and enrollment in local schools.

Currently, Eshe' serves as Georgia State University's project director for Jumpstart, an early education, nonprofit organization that delivers a high-quality curriculum to preschool children in low-income neighborhoods. In this role, she trains adults to teach and lead in their communities; works closely with parents to improve family involvement; and more importantly, inspires children to learn through the love of literacy. Within the program, Eshé has increased community involvement by 150 percent, which has resulted in community members' service of more than 15,000 hours in the classroom and community each year. In pursuit of her passion, Eshé earned a B.A. degree in psychology from Spelman College; M.S. in urban teacher leadership from Georgia State University; and J.D., *cum laude*, from North Carolina Central University School of Law. She holds Georgia educator certifications in early childhood education and educational leadership, and a license to practice law in the state of Georgia. Eshé is a woman of many accomplishments and continues to be an avid servant throughout the Atlanta community.

CHAIR, AT-LARGE SEAT 7, DISTRICTS 1 AND 2: COURTNEY D. ENGLISH
cenglish@atlantapublicschools.us



Courtney English is the chairman of the Atlanta Public Schools (APS) Board of Education. Elected to his first term in 2009 at 24 years old, he is now 29 and serving his second term. Courtney is not only the youngest chairman in the history of the school system, he is the youngest person to be elected citywide in any capacity in the city of Atlanta's history and is the first full-time public school teacher ever elected to the board of education.

Since taking office, Courtney has championed school autonomy, increased rigorous course offerings throughout the district, commissioned a district-wide equity audit to close longstanding resource and achievement gaps, fought to give parents more options for their kids and instituted a number of policies to clean up years of administrative mismanagement – including a widespread cheating scandal.

Additionally, Courtney has worked to build public-private partnerships to address the city's drop-out crisis. To date, his efforts have generated over 2.5 million dollars in additional resources and resulted in the launch of Atlanta's first drop-out prevention and recovery program. As chairman, Courtney has fought to ensure the equitable distribution of resources to Atlanta's neediest students, grew the system's reserves from 44 million to over 90 million dollars without raising taxes, and put the district on track to pay down its unfunded pension fund liability after decades of neglect.

Prior to his election, Courtney was a founding teacher at B.E.S.T. Academy at Benjamin S. Carson, the first all-male school in the city of Atlanta and actually taught 7thgrade social studies in the same room he took 7th grade social studies as a student. During his time in the classroom, over 80% of Courtney's students met or exceeded their learning objectives. Courtney also served as grade level chairperson, and still serves as coach of both the football team and the championship baseball team.

Outside the boardroom, Courtney has worked as a strategy and development consultant for various non-profit organizations, and is the Chief Academic Officer of Edevate©LLC, a technology provider specializing in developing disruptive technologies for mission driven organizations.

Quickly becoming a thought leader in education, Courtney is frequently a guest lecturer at Emory University, Spelman College, Morehouse College and Harvard University. He has also presented at various conferences on education including the National School Boards Association's annual conference, the Council of Urban Boards of Education, and various programs for Teach for America.

Courtney is a native Atlantan and a proud graduate of Frederick Douglass High school. He is a graduate of Morehouse College, where he received his Bachelor of Arts degree in Political Science, and of Teachers College, Columbia University with a Masters of Arts in Organizational Psychology.

Courtney is a member of the LEAD Atlanta class of 2011 and serves on the boards of various non-profit organizations including the National Center for Global Engagement, Child First USA, and the Morehouse College Center for Teacher Preparation Advisory board.



AT-LARGE SEAT 8, DISTRICTS 3 AND 4: CYNTHIA BISCOE BROWN
Cbriscoe_brown@atlantapublicschools.us

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

A graduate of Davidson College and Vanderbilt Law School, Cynthia uses her 27 years of experience as an attorney to help students, teachers and families across the city. She has assisted several APS schools in forming their own nonprofit foundations and frequently donates her expertise to students with legal issues related to college and scholarship applications.

Cynthia serves or has served on the boards of the Calvin Center, the Atlanta Partnership for Arts in Learning, the Committee for Teaching About the United Nations/Atlanta, and the Alliance Francaise d'Atlanta, creating partnerships with each organization and opportunities for students and teachers across the city to improve their skills and enrich their lives. As a volunteer with Young Audiences of Atlanta, Cynthia helped develop and implement the smART stART program, using visual and performing arts experiences to improve and encourage the reading skills of economically disadvantaged kindergarten students.

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

Cynthia has served on the PTA executive boards in each of her children's schools. As a trustee of the North Atlanta High School Foundation, she worked to identify and creatively meet the needs of every student. She developed and ran a successful teacher incentive program to engage teachers, build collegiality and reward them for extraordinary support of their students and colleagues. She has participated in several APS facilities construction or renovation project committees on behalf of community stakeholders.

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



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

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

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

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

ATLANTA INDEPENDENT SCHOOL SYSTEM

Appointed officials
June 30, 2015

Superintendent

Meria J. Carstarphen, Ed.D

Senior Cabinet

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

Glenn Brock…….…...General Counsel

Donyall Dickey…….……Chief School Officer

Olivine Roberts.……..……..…..... Chief Academic Officer

Pamela Hall……..……..…….....……..... Chief Human Resources Officer

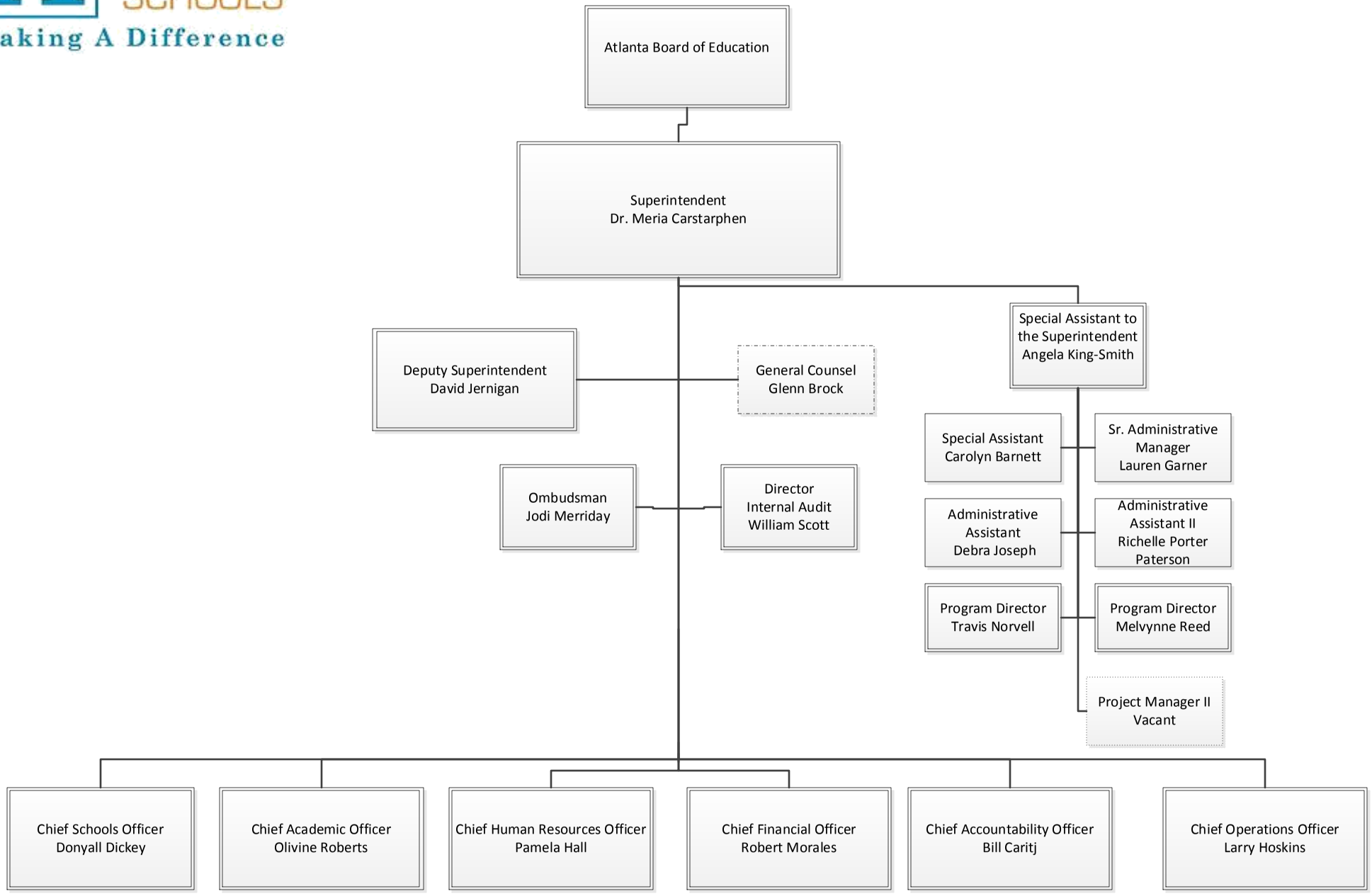
Robert A. Morales ……..…….Chief Financial Officer

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

Larry Hoskins……...Chief Operations Officer

ATLANTA PUBLIC SCHOOLS
Making A Difference

Organizational Chart



ATLANTA PUBLIC SCHOOLS

Making A Difference

FINANCIAL SECTION



2015 FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, 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, 2015, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Footnotes A4.h, H, N, and R, the School System implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. These standards significantly changed the accounting for the School System's net pension liability and the related disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Proportionate Share of the Net Pension Liability (Teachers Retirement System of Georgia), the Schedule of School System's Contributions (Teachers Retirement System of Georgia), the Schedule of Changes in the School System's Net Pension Liability and Related Ratios (City of Atlanta General Employees' Pension Fund), the Schedule of School System's Contributions (City of Atlanta General Employees' Pension Fund), 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 58 through 63, 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 accompanying schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, and the accompanying schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as listed in the table of contents, are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2015 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 28, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

ATLANTA INDEPENDENT SCHOOL SYSTEM
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

The discussion and analysis of the Atlanta Independent School System's financial performance provides an overview of the fiscal year ended June 30, 2015. 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, 2015 and contains required supplementary information and other supplementary information.

FINANCIAL HIGHLIGHTS

Overall, net position in fiscal year 2015 increased by 6.1% over fiscal year 2014. This was primarily due to an increase in tax revenue combined with approximately $9 million in principal forgiveness on debts. The key financial highlights for fiscal year 2015 as represented are the following:

- Total net position for the School System increased from approximately $469.55 million in fiscal year 2014 to approximately $497.97 million in fiscal year 2015, an increase of approximately $28.42 million or 6.1% due to a combination of increased revenues and principal forgiveness on debt. Net position increased by approximately $27.09 million for Governmental Activities and increased by $1.33 million for Business-type Activities.

- Total revenues increased from approximately $808.31 million in fiscal year 2014 to approximately $863.15 million in fiscal year 2015, an increase of approximately $54.84 million or 6.8%. Revenue for Governmental Activities increased approximately $53.78 million while revenue for Business-type activities increased by approximately $1.06 million.

- Total expenses increased approximately $34.25 million or 4.3% from approximately $800.48 million in fiscal year 2014 to approximately $834.73 million in fiscal year 2015. Expenses increased in Governmental Activities by approximately $32.99 million and increased by approximately $1.26 million in Business-type Activities.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

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

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

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

	Governmental Activities		Business-type Activities		Total School System		
	2015	Restated 2014	2015	2014	2015	Restated 2014	percentage change
Current and other assets	$ 257.96	$ 293.79	$ 8.51	$ 7.13	$ 266.47	$ 300.92	-11.4%
Net capital assets	1,366.33	1,323.41	0.08	0.11	1,366.41	1,323.52	3.2%
Total assets	1,624.29	1,617.20	8.59	7.24	1,632.88	1,624.44	0.5%
Deferred outflows of resources	123.43	86.45	-	-	123.43	86.45	42.8%
Long-term debt outstanding	1,011.85	1,158.23	-	-	1,011.85	1,158.23	-12.6%
Other liabilities	100.81	83.02	0.11	0.09	100.92	83.11	21.4%
Total liabilities	1,112.66	1,241.25	0.11	0.09	1,112.77	1,241.34	-10.4%
Deferred inflows of resources	145.57	-	-	-	145.57	-	100.0%
Net position							
Net investment in capital assets	1,265.46	1,215.51	0.08	0.11	1,265.54	1,215.62	4.1%
Restricted for debt service	1.73	0.96	-	-	1.73	0.96	80.2%
Restricted for capital projects	67.30	99.47	-	-	67.30	99.47	-32.3%
Restriced for state and local programs	1.65	2.79	-	-	1.65	2.79	-40.9%
Unrestricted (deficit)	(846.65)	(856.33)	8.40	7.04	(838.25)	(849.29)	-1.3%
Total net position	$ 489.49	$ 462.40	$ 8.48	$ 7.15	$ 497.97	$ 469.55	

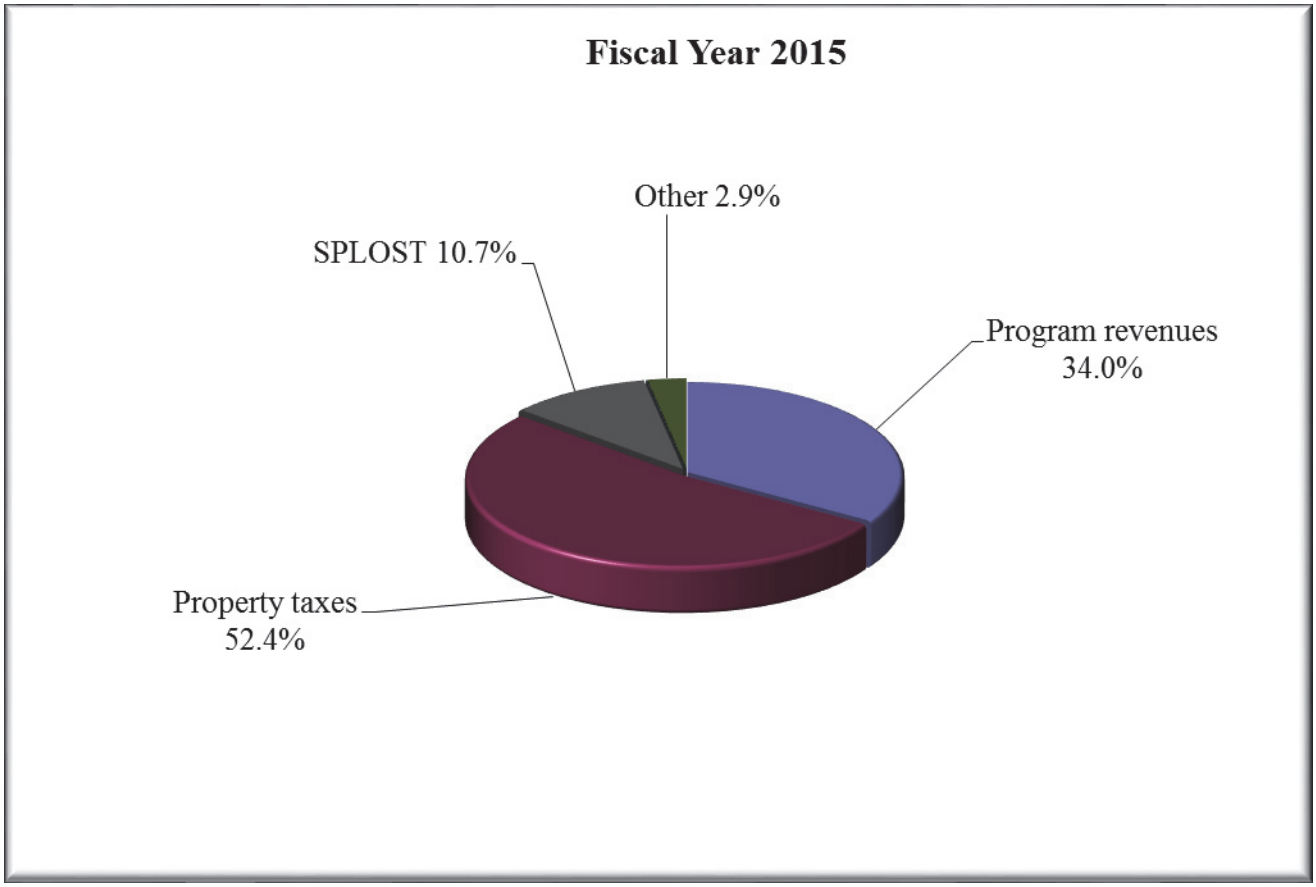
- **Total assets** increased by roughly $8.44 million or 0.5%.
- **Current and other assets** decreased by roughly $34.45 million or 11.4%.
- **Capital assets, net of accumulated depreciation** for all activities at the District-wide level increased by roughly $42.89 million. The increase primarily represents 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 $146.38 million or 12.6%. The decrease was due to the decrease in the net pension liability, scheduled principal payments on outstanding debt during the current fiscal year, and the forgiveness of debt (as discussed in Footnote H).

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

	Governmental Activities		Business-type Activities		Total School System		
	2015	Restated 2014	2015	2014	2015	Restated 2014	Percentage Change
Revenues							
Program revenues							
Charges for services	$ 4.40	$ 4.25	$ 1.21	$ 0.96	$ 5.61	$ 5.21	7.7%
Operating grants and contributions	250.97	240.06	25.28	24.47	276.25	264.53	4.4%
Capital grants and contributions	11.47	7.84	-	-	11.47	7.84	46.3%
General revenues							
Property taxes, levied for general purposes	450.32	429.45	-	-	450.32	429.45	4.9%
Special Purpose Local Option Sales Tax	92.66	88.60	-	-	92.66	88.60	4.6%
Investment earnings	0.16	0.07	-	-	0.16	0.07	128.6%
Grants and Contributions not restricted to specific programs	12.21	10.22	-	-	12.21	10.22	19.5%
Property taxes levied for debt service	2.32	2.39	-	-	2.32	2.39	-2.9%
Gain on the sale of capital assets	2.87	-	-	-	2.87	-	
Special item - principal forgiveness	9.28	-	-	-	9.28	-	-100.0%
Total Revenues	836.66	782.88	26.49	25.43	863.15	808.31	6.8%
Expenses:							
Instruction	481.54	463.06	-	-	481.54	463.06	4.0%
Support Services:							
Pupil services	30.76	27.83	-	-	30.76	27.83	10.5%
Improvement of instructional services	48.05	40.34	-	-	48.05	40.34	19.1%
Educational media	10.92	9.06	-	-	10.92	9.06	20.5%
Federal grant administration	2.41	2.22	-	-	2.41	2.22	0.0%
General administration	16.70	13.45	-	-	16.70	13.45	24.1%
School administration	41.93	42.09	-	-	41.93	42.09	-0.4%
Business administration	12.35	12.48	-	-	12.35	12.48	-1.0%
Maintenance and operation of facilities	100.31	89.28	-	-	100.31	89.28	12.4%
Student transportation	29.80	30.99	-	-	29.80	30.99	-3.8%
Central support	24.68	25.04	-	-	24.68	25.04	-1.4%
Nutrition	1.08	1.21	25.16	23.90	26.24	25.11	4.5%
Other support services	3.56	13.93	-	-	3.56	13.93	-74.4%
Interest and fiscal charges	5.48	5.60	-	-	5.48	5.60	-2.2%
Total Expenses	809.57	776.58	25.16	23.90	834.73	800.48	4.3%
Change in Net Position	$ 27.09	$ 6.30	$ 1.33	$ 1.53	$ 28.42	$ 7.83	262.9%
Beginning Net Position, As Restated - See Note R	462.40	456.10	7.15	5.62	469.55	461.72	
Ending Net Position	$ 489.49	$ 462.40	$ 8.48	$ 7.15	$ 497.97	$ 469.55	

Primary Government

Sources of Revenues



Total revenues, increased $54.84 million or 6.8% from fiscal year 2014 to fiscal year 2015. This change is mainly due to an increase in Property Tax Revenues.

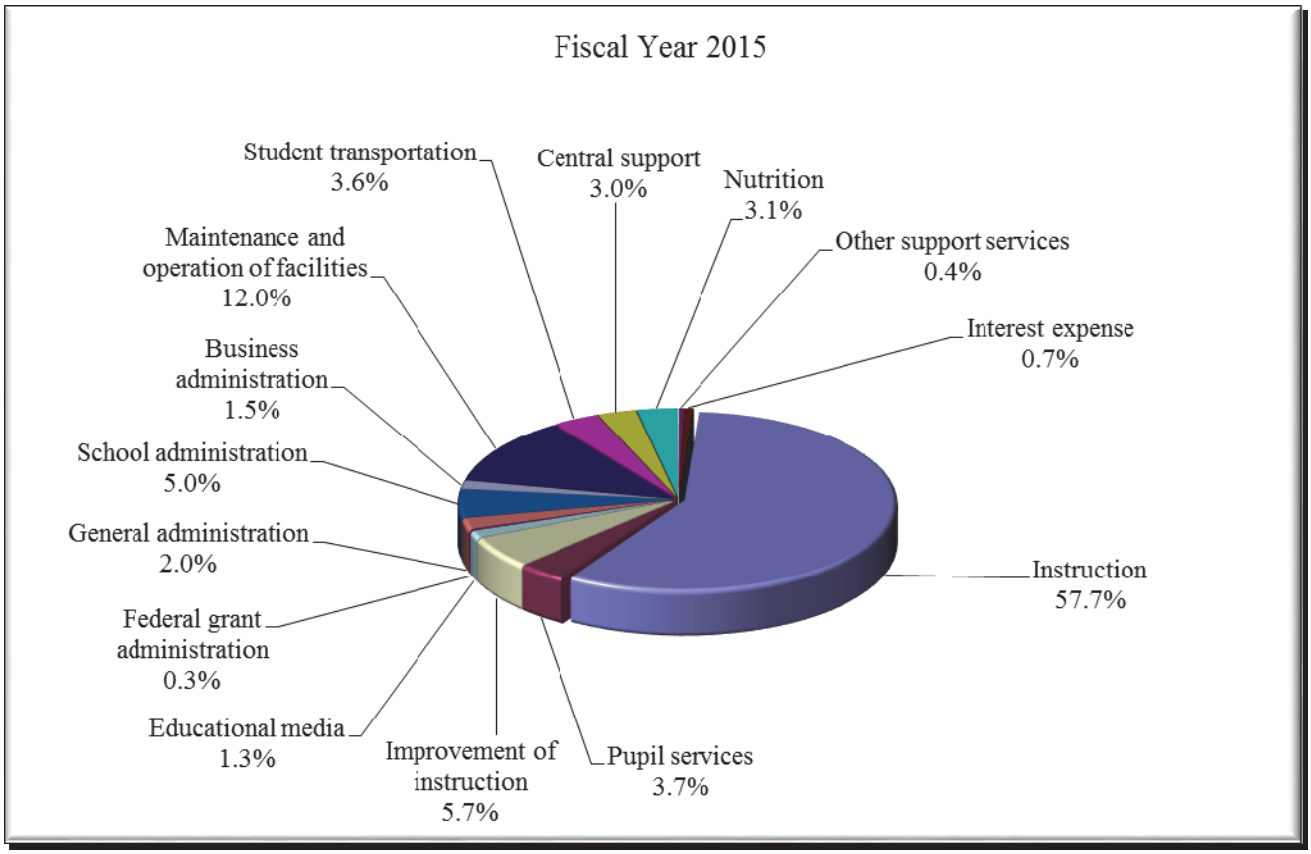
- Program revenues are primarily grant related and account for approximately $293.3 million or 34.0% of total revenues received and include State QBE revenue.

- General revenues represent the major revenue stream for the School System. These revenues account for 66.0% or $569.82 million of total revenues received in fiscal year 2015.

- Business-type activities revenues increased from 2014 to 2015 by $1.06 million or 4.2%. Revenues increased due to an increase in the Child Nutrition Program Service Grant and The Child and Adult Care Food Program.

Primary Government

Expenses



Total expenses increased from 2014 to 2015 by 4.3% or $34.25 million. This increase is primarily due to additional spending for supplies and purchased services.

- Governmental activities account for 97.0% or $809.57 million of total School System spending. Four groups of activities account for 90.4% or $731.64 million of governmental spending: instruction ($481.54 million or 59.5%); pupil services and improvement of instructional services ($78.81 million or 9.7%); administration and business services ($70.98 million or 8.8%); and maintenance and operations ($100.31 million or 12.4%).

- Business-type activity expenses increased by $1.26 million or 5.3%. 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		
	2015	2014	Percentage Change	2015	2014	Percentage Change
Instruction	$ 481.54	$ 463.06	4.0%	$ 337.01	$ 335.31	0.5%
Support Services :						
Pupil services	30.76	27.83	10.5%	17.08	13.87	23.1%
Improvement of instructional services	48.05	40.34	19.1%	9.75	6.78	43.8%
Educational media	10.92	9.06	20.5%	7.98	6.67	19.6%
Federal grant administration	2.41	2.22	8.3%	(0.03)	-	0.0%
General administration	16.70	13.45	24.1%	7.38	6.43	14.7%
School administration	41.93	42.09	-0.4%	30.49	31.01	-1.7%
Business administration	12.35	12.48	-1.0%	9.74	9.83	-0.9%
Maintenance and operation of facilities	100.31	89.28	12.4%	80.77	69.33	16.5%
Student transportation	29.80	30.99	-3.8%	21.52	22.07	-2.5%
Central support	24.68	25.04	-1.4%	18.26	18.50	-1.3%
Other support services	3.56	13.93	-74.4%	0.39	1.95	-80.0%
Nutrition	1.08	1.21	-10.5%	0.32	0.44	0.0%
Interest and fiscal charges	5.48	5.60	-2.2%	2.07	2.23	-7.2%
Total Expenses	$ 809.57	$ 776.58	4.2%	$ 542.73	$ 524.42	3.5%

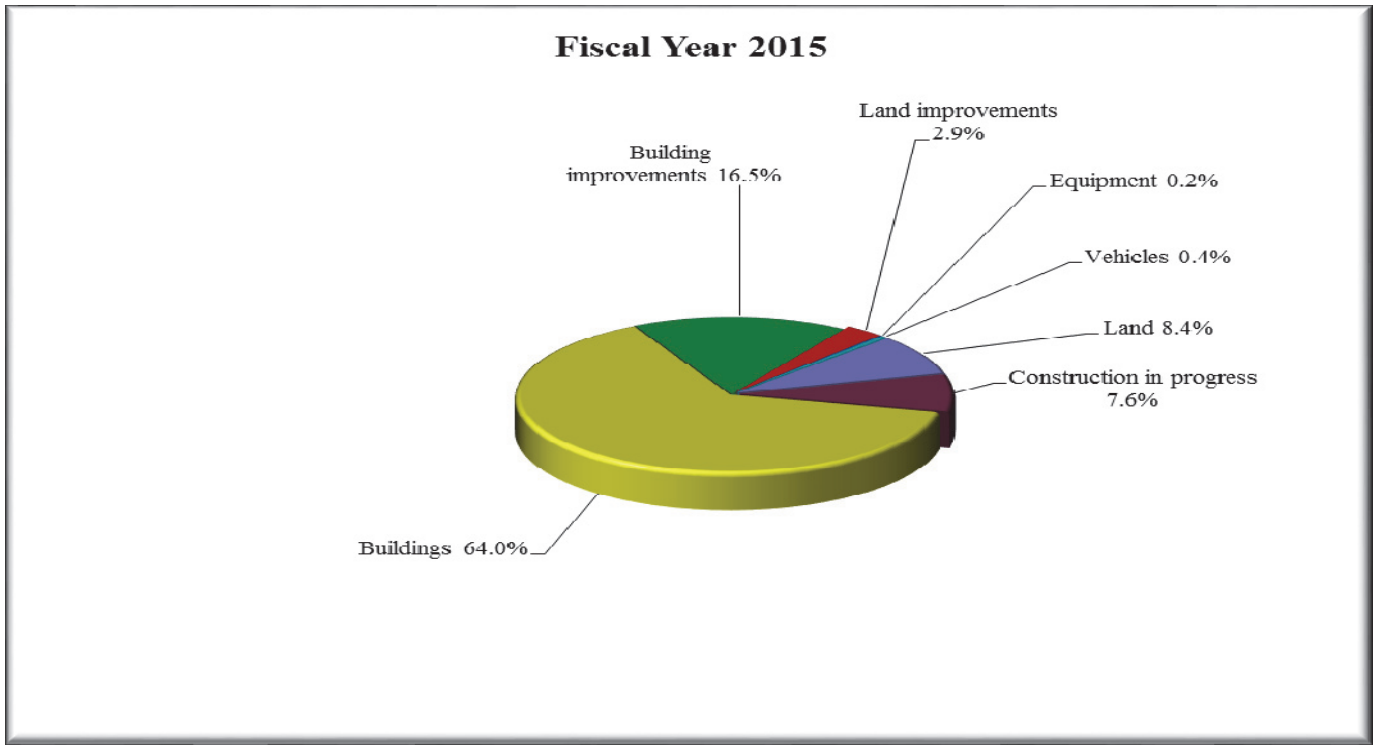
The net cost of governmental activities represents the cost of operating the School System to be covered by general revenues, including property taxes. The net cost of services increase is attributable to an increase in program expenses.

Capital Assets

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

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

	Governmental Activities		Business-type Activities		Total School System		
	2015	2014	2015	2014	2015	2014	Percentage change
Land	$ 115.21	$ 115.04	$ -	$ -	$ 115.21	$ 115.04	0.2%
Construction in progress	103.12	55.36	-	-	103.12	55.36	86.3%
Buildings	875.04	881.60	-	-	875.04	881.60	-0.7%
Building improvements	224.56	223.59	-	-	224.56	223.59	0.4%
Land Improvements	40.21	35.61	-	-	40.21	35.61	12.9%
Furniture and fixtures	0.02	0.03	-	-	0.02	0.03	-26.9%
Equipment	2.46	4.09	0.14	0.11	2.60	4.20	-38.1%
Vehicles	5.71	8.09	-	-	5.71	8.09	-29.5%
Total	$ 1,366.33	$ 1,323.41	$ 0.14	$ $ 0.11	$ 1,366.47	$ 1,323.52	3.2%



Construction in Progress and Buildings

SPLOST IV construction programs to renovate or construct academic facilities are in the 36th 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 were $1.01 billion. The following table provides a summary of long term debt activity:

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

	Total School System		
	2015	Restated 2014	Percentage change
Capital leases	$ 3.45	$ 4.75	-27.4%
Intergovernmental agreement- City of Atlanta	4.52	15.17	-70.2%
ERS, Inc (COPS, Series 2006/2007)	5.76	6.40	-10.0%
ERS, Inc (COPS, Series 2011A)	72.46	72.46	0.0%
ERS, Inc (COPS, Series 2011B)	13.66	19.99	-31.7%
Unamortized premium 2011B	0.56	1.10	-49.1%
Net pension liability	900.06	1,026.26	-12.3%
Compensated absences	5.49	5.09	7.9%
Contingent Liabilities - Legal	1.01	1.20	-15.8%
Workers' compensation	4.88	5.81	-16.0%
	$ 1,011.85	$ 1,158.23	-12.6%

Outstanding long-term debt and obligations decreased in the current fiscal year due to the decrease in the net pension liability, scheduled principal payments on outstanding debt during the current fiscal year, and the forgiveness of debt.

For more detailed information on the School System's long-term debt, see Note H in the Notes to the Basic Financial Statements.

Fund Financial Statements

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

The School System has three types of funds:

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

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

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

The following table 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, 2015 as compared to June 30, 2014.

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

	Governmental Funds			
	2015	2014	Increase (Decrease)	Percentage Change
Local taxes	$ 454.93	$ 434.00	$ 20.93	4.8%
Sales taxes income	92.65	88.60	4.05	4.6%
State revenues	170.98	166.92	4.06	2.4%
Federal revenues	88.06	78.96	9.10	11.5%
Investment income	0.16	0.07	0.09	128.6%
Facility rental fees	1.01	0.99	0.02	2.0%
Tuition charges	0.01	0.03	(0.02)	-66.7%
Charges for services	3.38	3.24	0.14	4.3%
Other	16.01	14.59	1.42	9.7%
Proceeds from sale of capital assets	2.93	0.05	2.88	5760.0%
Total Revenues and other financing sources	$ 830.12	$ 787.45	$ 42.67	5.0%

The following table presents a summary of the General Fund, Capital Projects Fund, and other governmental funds by type of expenditures for the fiscal year ended June 30, 2015 as compared to June 30, 2014.

Table 7 - Expenditures (in millions of dollars)

	Governmental Funds			
	2015	2014	Increase (Decrease)	Percentage Change
Instruction	$ 452.83	$ 406.43	$ 46.40	11.4%
Support services				
Pupil services	31.53	27.82	3.71	13.3%
Improvement of instructional services	48.83	40.37	8.46	21.0%
Educational media	11.24	9.02	2.22	24.6%
Federal grant administration	2.44	2.22	0.22	9.9%
General administration	16.91	13.47	3.44	25.5%
School administration	43.53	42.21	1.32	3.1%
Business administration	9.95	9.83	0.12	1.2%
Maintenance and operation of facilities	77.20	77.36	(0.16)	-0.2%
Student transportation	28.71	28.40	0.31	1.1%
Central support	25.10	25.14	(0.04)	-0.2%
Other support services and nutrition	3.61	13.93	(10.32)	-74.1%
Nutrition	1.06	1.21	(0.15)	-12.4%
Capital outlays	114.18	91.46	22.72	24.8%
Debt service	15.78	15.67	0.11	0.7%
Total Expenditures	882.90	804.54	78.36	9.7%
Excess (deficiency) of revenues over (under) expenditures - **See Table 6**	(52.78)	(17.09)	(35.69)	
Transfers in	0.29	1.24	(0.95)	
Transfers out	(0.29)	(1.24)	0.95	
Fund Balances, Beginning of Fiscal Year	203.00	220.09	(17.09)	
Fund Balances, End of Fiscal Year	$ 150.22	$ 203.00	$ (52.78)	

Analysis of Major Funds

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

General Fund

As of June 30, 2015, total fund balance in the General Fund was approximately $75.37 million. This balance includes $1.73 million restricted, approximately $1.09 million committed, $2.80 million assigned, and approximately $69.75 million unassigned fund balance. As a result of operations in fiscal year 2015, the fund balance decreased by approximately $13.10 million. The decrease in fund balance is attributable to an increase in Instructional Salaries as well as payments to Charter Schools.

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

Instruction	$ 7,333,625	Due to additional increases in Instructional Services in school areas such as Early Intervention, Classroom Instruction, and Exceptional Children program.
Pupil Services	$ 1,445,817	Due to an increase in supplemental supplies for Pupil Services.
Educational Media Services	$ 1,147,568	Due to the allocation of Techology Information Services.
School Administration	$ 677,247	Due to the alignment of State function within the District.
Maintenance and Operation	$ 768,778	Due to the increase in District utility costs.
Debt Service - Principal	$ 368,260	Due to unbudgeted principal payments.

For financial statement purposes, the General Fund includes revenues of $3,696,022 and expenditures of $3,730,994 resulting from local school activity accounts. Because the District does not budget for these Pupil Service specific expenditures, including these expenditures in the financial statement has resulted in an overall variance with final budget for total expenditures in the General Fund of $2,012,797.

Capital Projects Fund

As of June 30, 2015, total fund balance in the Capital Projects Fund was approximately $70.89 million. This balance includes $67.30 million restricted and $3.59 million assigned. The fund balance decreased by $37.77 million due primarily to an increase in SPLOST expenditures specifically major building renovations to several schools.

Other Governmental Funds

As of June 30, 2015, total fund balance in Nonmajor Governmental Funds was approximately $3.96 million. This balance included approximately $1.65 million restricted and approximately $2.31 million assigned. The fund balance decreased by $1.91 million due primarily to an increase in instructional expenditures.

Current Issues

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

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

Continuing revenue from SPLOST should facilitate the District's ability to replace and improve existing schools and add additional classrooms. Despite challenges, the District remains committed to using its financial resources efficiently to provide an exceptional educational experience for the District's students.

In October 2014, the City of Atlanta retired several of the outstanding bond series for which the School System owed a portion. The School System considers this debt to be extinguished for financial reporting purposes as the School System will not be required to make any future payments with respect to the bond series that were retired by the City of Atlanta. More information can be obtained in Note H of the Notes to Basic Financial Statements.

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.

ATLANTA PUBLIC SCHOOLS

Making A Difference

BASIC FINANCIAL STATEMENTS



2015 BASIC FINANCIAL STATEMENTS

ATLANTA INDEPENDENT SCHOOL SYSTEM

Statement of Net Position

June 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 188,371,635	$ 8,551,848	$ 196,923,483
Receivables (net of allowance for uncollectibles):			
Taxes	18,055,171	-	18,055,171
Other	442,232	130,829	573,061
Due from other governments	48,942,593	271,887	49,214,480
Internal balances	820,745	(820,745)	-
Inventory	-	369,383	369,383
Prepaid items	1,328,525	-	1,328,525
Total Current Assets	257,960,901	8,503,202	266,464,103
Noncurrent Assets:			
Capital Assets:			
Nondepreciable capital assets	218,334,999	-	218,334,999
Depreciable capital assets, net	1,147,996,178	81,950	1,148,078,128
Total Noncurrent Assets	1,366,331,177	81,950	1,366,413,127
TOTAL ASSETS	1,624,292,078	8,585,152	1,632,877,230
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	123,431,409	-	123,431,409
LIABILITIES			
Current Liabilities:			
Accounts payable	33,442,502	471	33,442,973
Contracts payable	16,989,123	-	16,989,123
Accrued liabilities	45,358,735	-	45,358,735
Retainage payable	4,990,459	-	4,990,459
Due to other governments	24,151	-	24,151
Deposits and unearned revenues	-	107,184	107,184
Compensated absences payable, current portion	3,719,005	-	3,719,005
Capital leases payable, current portion	1,330,758	-	1,330,758
Certificates of participation, current portion	7,390,000	-	7,390,000
Claims payable, current portion	2,085,626	-	2,085,626
Intergovernmental agreement, current portion	543,250	-	543,250
Contingent liabilities, current portion	1,015,000	-	1,015,000
Total Current Liabilities	116,888,609	107,655	116,996,264
Noncurrent Liabilities:			
Compensated absences payable	1,773,496	-	1,773,496
Capital leases payable	2,114,322	-	2,114,322
Certificates of participation	85,047,941	-	85,047,941
Claims payable	2,793,790	-	2,793,790
Intergovernmental agreement	3,975,675	-	3,975,675
Net pension liabilities	900,061,373	-	900,061,373
Total Noncurrent Liabilities	995,766,597	-	995,766,597
TOTAL LIABILITIES	1,112,655,206	107,655	1,112,762,861
DEFERRED INFLOWS OF RESOURCES			
Pension related items	145,570,464	-	145,570,464
NET POSITION			
Net investment in capital assets	1,265,457,697	81,950	1,265,539,647
Restricted for:			
Debt service	1,732,429	-	1,732,429
Capital projects	67,300,552	-	67,300,552
Other state and local programs	1,653,276	-	1,653,276
Unrestricted (deficit)	(846,646,137)	8,395,547	(838,250,590)
TOTAL NET POSITION	$ 489,497,817	$ 8,477,497	$ 497,975,314

See accompanying notes to the basic financial statements.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Statement of Activities

For the Fiscal Year Ended June 30, 2015

		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	$ 481,535,172	$ 12,616	$ 134,257,445	$ 10,245,276	$ (337,019,835)	$ -	$ (337,019,835)
Support services:							
Pupil services	30,763,057	3,382,328	10,295,171	-	(17,085,558)	-	(17,085,558)
Improvement of instructional services	48,046,569	-	37,136,248	1,165,151	(9,745,170)	-	(9,745,170)
Educational media	10,921,506	-	2,939,771	-	(7,981,735)	-	(7,981,735)
Federal grant administration	2,405,337	-	2,440,200	-	34,863	-	34,863
General administration	16,697,432	-	9,321,899	-	(7,375,533)	-	(7,375,533)
School administration	41,929,991	-	11,438,765	-	(30,491,226)	-	(30,491,226)
Business administration	12,353,040	-	2,608,697	-	(9,744,343)	-	(9,744,343)
Maintenance and operation of facilities	100,306,868	1,006,553	18,473,478	60,759	(80,766,078)	-	(80,766,078)
Student transportation	29,800,605	-	8,283,087	-	(21,517,518)	-	(21,517,518)
Central support	24,684,505	-	6,422,446	-	(18,262,059)	-	(18,262,059)
Other support services	3,563,951	-	3,175,348	-	(388,603)	-	(388,603)
Nutrition	1,083,116	-	764,632	-	(318,484)	-	(318,484)
Interest and fiscal charges	5,475,553	-	3,408,579	-	(2,066,974)	-	(2,066,974)
Total Governmental Activities	809,566,702	4,401,497	250,965,766	11,471,186	(542,728,253)	-	(542,728,253)
Business-Type Activities:							
Food services	25,167,134	1,214,353	25,279,757	-	-	1,326,976	1,326,976
Total Business-Type Activities	25,167,134	1,214,353	25,279,757	-	-	1,326,976	1,326,976
Total - Primary Government	$ 834,733,836	$ 5,615,850	$ 276,245,523	$ 11,471,186	(542,728,253)	1,326,976	(541,401,277)
		GENERAL REVENUES:					
		Taxes:					
		Property taxes levied for general purposes			450,321,405	-	450,321,405
		Property taxes levied for debt service			2,319,188	-	2,319,188
		Special purpose local option sales tax			92,655,880	-	92,655,880
		Unrestricted grants and contributions			12,209,288	-	12,209,288
		Unrestricted investment earnings			156,570	-	156,570
		Gain on the sale of capital assets			2,870,395	-	2,870,395
		Special item - principal forgiveness of debt (See Note H)			9,283,900	-	9,283,900
		Total General Revenues and Special Item			569,816,626	-	569,816,626
		Change in Net Position			27,088,373	1,326,976	28,415,349
		NET POSITION, beginning of fiscal year, as restated (See Note R)			462,409,444	7,150,521	469,559,965
		NET POSITION, end of fiscal year			$ 489,497,817	$ 8,477,497	$ 497,975,314

See accompanying notes to the basic financial statements.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 102,841,936	$ 85,529,699	$ -	$ 188,371,635
Receivables (net of allowance for uncollectibles):				
Taxes	10,060,760	7,994,411	-	18,055,171
Other	442,232	-	-	442,232
Due from other governments	26,717,751	-	22,224,842	48,942,593
Due from other funds	34,228,565	14,449,340	4,606,905	53,284,810
TOTAL ASSETS	$ 174,291,244	$ 107,973,450	$ 26,831,747	$ 309,096,441
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 28,899,398	$ 4,543,104	$ -	$ 33,442,502
Contracts payable	-	16,989,123	-	16,989,123
Accrued liabilities	43,661,380	-	-	43,661,380
Retainage payable	-	4,990,459	-	4,990,459
Due to other governments	-	-	24,151	24,151
Due to other funds	19,056,245	10,559,208	22,848,612	52,464,065
TOTAL LIABILITIES	91,617,023	37,081,894	22,872,763	151,571,680
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	7,081,929	-	-	7,081,929
Unavailable revenues - intergovernmental	223,658	-	-	223,658
TOTAL DEFERRED INFLOWS OF RESOURCES	7,305,587	-	-	7,305,587
FUND BALANCES				
Restricted:				
Debt service	1,732,429	-	-	1,732,429
Capital projects	-	67,300,552	-	67,300,552
Other state and local programs	-	-	1,653,276	1,653,276
Committed:				
School based activities	1,089,486	-	-	1,089,486
Assigned:				
Fiscal year 2016 operations	2,800,000	-	-	2,800,000
Capital projects	-	3,591,004	-	3,591,004
Local school programs	-	-	2,305,708	2,305,708
Unassigned	69,746,719	-	-	69,746,719
TOTAL FUND BALANCES	75,368,634	70,891,556	3,958,984	150,219,174
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 174,291,244	$ 107,973,450	$ 26,831,747	$ 309,096,441

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, 2015

TOTAL GOVERNMENTAL FUND BALANCES		$ 150,219,174
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	$ 218,334,999	
Depreciable, net of accumulated depreciation	1,147,996,178	1,366,331,177
Prepaid items are costs applicable to future periods and, therefore, are not reported in the funds.		1,328,525
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds.		7,305,587
Deferred outflows of resources and deferred inflows of resources related to the School System's pension plans are applicable to future periods and, therefore, are not reported in the funds.		
Contributions subsequent to the measurement date	90,897,145	
Changes in proportion and differences between School System contributions and proportionate share of contributions	32,534,264	
Net difference between projected and actual earnings on pension plan investments	(145,570,464)	(22,139,055)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest	(1,697,355)	
Bonds premium, net of amortization	(557,941)	
Capital leases payable	(3,445,080)	
Certificates of participation	(91,880,000)	
Intergovernmental agreement - City of Atlanta	(4,518,925)	
Compensated absences	(5,492,501)	
Workers compensation claims payable	(4,879,416)	
Contingent liabilities	(1,015,000)	
Net pension liabilities	(900,061,373)	(1,013,547,591)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 489,497,817

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, 2015

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Local taxes	$ 454,927,297	$ -	$ -	$ 454,927,297
Sales tax income	-	92,655,880	-	92,655,880
State revenues	167,216,672	60,759	3,700,070	170,977,501
Federal revenues	1,248,478	3,408,579	83,404,649	88,061,706
Investment income	97,985	58,585	-	156,570
Facility rental fees	1,006,553	-	-	1,006,553
Tuition charges	12,616	-	-	12,616
Charges for services	3,382,328	-	-	3,382,328
Other	12,843,150	-	3,162,950	16,006,100
TOTAL REVENUES	640,735,079	96,183,803	90,267,669	827,186,551
EXPENDITURES				
Current:				
Instruction	416,378,801	-	36,454,840	452,833,641
Support services:				
Pupil services	28,028,356	-	3,498,383	31,526,739
Improvement of instructional services	13,455,776	-	35,374,523	48,830,299
Educational media	11,101,882	-	136,685	11,238,567
Federal grant administration	-	-	2,440,200	2,440,200
General administration	10,028,251	19,470	6,865,987	16,913,708
School administration	42,923,569	-	601,912	43,525,481
Business administration	9,812,707	2,322	136,204	9,951,233
Maintenance and operation of facilities	71,589,343	5,447,346	159,051	77,195,740
Student transportation	26,943,014	370,692	1,395,210	28,708,916
Central support	21,026,080	2,566,152	1,503,412	25,095,644
Other support services	473,342	-	3,134,807	3,608,149
Nutrition	299,212	-	764,632	1,063,844
Capital outlays	-	114,183,045	-	114,183,045
Debt service:				
Principal	3,303,101	6,340,000	-	9,643,101
Interest and fiscal charges	1,112,046	5,028,892	-	6,140,938
TOTAL EXPENDITURES	656,475,480	133,957,919	92,465,846	882,899,245
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(15,740,401)	(37,774,116)	(2,198,177)	(55,712,694)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	288,955	288,955
Transfers out	(288,955)	-	-	(288,955)
Proceeds from sale of capital assets	2,930,530	-	-	2,930,530
TOTAL OTHER FINANCING SOURCES (USES)	2,641,575	-	288,955	2,930,530
NET CHANGE IN FUND BALANCES	(13,098,826)	(37,774,116)	(1,909,222)	(52,782,164)
FUND BALANCES - BEGINNING OF FISCAL YEAR	88,467,460	108,665,672	5,868,206	203,001,338
FUND BALANCES - END OF FISCAL YEAR	$ 75,368,634	$ 70,891,556	$ 3,958,984	$ 150,219,174

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, 2015

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ (52,782,164)
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	$ (47,637,390)	
Capital outlay	90,616,438	42,979,048
In the statement of activities, only the gain or loss on the disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed.		
Gain on the sale of capital assets	2,870,395	
Proceeds from the sale of capital assets	(2,930,530)	(60,135)
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.		
Property taxes	(2,286,704)	
State revenues	(3,404)	(2,290,108)
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	1,308,301	
Principal retirement - certificates of participation	6,970,000	
Principal retirement - intergovernmental agreement	1,364,800	
Amortization of bond premium	540,244	10,183,345
The special item for the principal forgiveness of debt reduced the outstanding balance of the intergovernmental agreement payable but did not provide any current financial resources to be reported in the funds.		9,283,900
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.		
Prepaid items	1,328,525	
Compensated absences	(398,496)	
Workers compensation claims payable	932,873	
Contingent legal liabilities	180,000	
Changes in the net pension liability and the deferred inflows and outflows of resources related to pensions	17,606,444	
Accrued interest payable	125,141	19,774,487
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 27,088,373

See accompanying notes to the basic financial statements.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Statement of Net Position
Proprietary Fund - Food Services
June 30, 2015

ASSETS		
Current Assets:		
Cash and cash equivalents	$	8,551,848
Accounts receivable		130,829
Due from other governments		271,887
Inventory		369,383
Total current assets		9,323,947
Noncurrent Assets:		
Machinery and equipment		149,000
Less accumulated depreciation		(67,050)
Total noncurrent assets		81,950
TOTAL ASSETS	$	9,405,897
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts payable	$	471
Due to other funds		820,745
Deposits and unearned revenue		107,184
TOTAL LIABILITIES		928,400
NET POSITION		
Investment in capital assets		81,950
Unrestricted		8,395,547
TOTAL NET POSITION		8,477,497
TOTAL LIABILITIES AND NET POSITION	$	9,405,897

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, 2015

OPERATING REVENUES	
Charges for services	$ 1,214,353
OPERATING EXPENSES	
Personnel costs	3,176,228
Purchased and contractual services	17,600,209
Supplies and materials	2,600,050
Other operating costs	1,760,847
Depreciation	29,800
TOTAL OPERATING EXPENSES	25,167,134
OPERATING LOSS	(23,952,781)
NON-OPERATING INCOME	
Intergovernmental	25,203,523
Other non-operating revenue	76,234
TOTAL NON-OPERATING INCOME	25,279,757
CHANGE IN NET POSITION	1,326,976
NET POSITION, BEGINNING OF FISCAL YEAR	7,150,521
NET POSITION, END OF FISCAL YEAR	$ 8,477,497

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, 2015

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$	1,097,996
Cash payments to employees for services		(3,443,539)
Cash payments for goods and services		(21,736,017)
NET CASH USED IN OPERATING ACTIVITIES		(24,081,560)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Intergovernmental receipts		25,256,657
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES		25,256,657
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,175,097
CASH AND CASH EQUIVALENTS - BEGINNING OF FISCAL YEAR		7,376,751
CASH AND CASH EQUIVALENTS - END OF FISCAL YEAR	$	8,551,848
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	$	(23,952,781)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		29,800
Changes in assets and liabilities		
Increase in accounts receivable		(130,829)
Decrease in inventories		224,757
Increase in deposits and unearned revenue		14,472
Decrease in due to other funds		(267,311)
Increase in accounts payable		332
Net cash used in operating activities	$	(24,081,560)
NONCASH NON-CAPITAL FINANCING ACTIVITIES		
USDA donated food commodities	$	1,462,380

See accompanying notes to the basic financial statements.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Statement of Fiduciary Assets and Liabilities

June 30, 2015

	Agency Fund Local School Club and Class Funds
ASSETS	
Cash and cash equivalents	$ 560,631
LIABILITIES	
Due to local schools and student groups	$ 560,631

See accompanying notes to the basic financial statements.

Atlanta Independent School System

Notes to the Basic Financial Statements

June 30, 2015

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

2. Government-Wide and Fund Financial Statements

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School System considers revenues from taxes to be available if they are collected within 30 days of the end of the current fiscal period. Other revenues susceptible to accrual are considered available if they are collected within 180 days of the end of the current fiscal period.

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

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

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

Fund Financial Statements

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

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

The School System reports the following major governmental funds:

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

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

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

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

The School System reports the following major proprietary fund:

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

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

The School System reports the following fiduciary fund:

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

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

4. Assets, Liabilities, and Net Position or Equity

a. Cash Equivalents

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

b. Investments

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

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

2) Obligations issued by the United States government;

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

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

5) Prime banker's acceptances;

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

7) Repurchase agreements; and

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

c. Receivables

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

d. Inventories and Prepaid Items

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

Prepaid items are payments made to vendors for services that will benefit periods beyond June 30, 2015 and are recorded as expenditures using the purchase method.

e. Capital Assets

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

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

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

g. Long-term Obligations

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

h. Implementation of New GASB Standards

In fiscal year 2015, the District implemented the following Governmental Accounting Standards Board Statement (GASB) Standards:

GASB Statement No. 68, *Accounting and Reporting for Pensions – an amendment of GASB Statement No. 27* as well as *GASB* Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which are both effective July 1, 2014. As a result, the adoption of GASB Statement No. 68 and 71 in this fiscal year required the recognition of the District's proportionate share of the collective net pension liability as it relates to the Teachers Retirement System of Georgia (TRS) Plan and its net pension liability as it relates to the City of Atlanta General Employees' Pension Plan. See footnote R for the effect these standards had on beginning net position of the District's governmental activities.

i. Pensions

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

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

j. Fund Equity

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

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

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

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

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

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

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

k. Net Position

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

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

l. Deferred Outflows of Resources and Deferred Inflows of Resources

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

revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes and 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.

The School System also has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the School System's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of Plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the School System to the pension plan before fiscal year end but subsequent to the measurement date of the School System's net pension liability are reported as deferred outflows of resources.

m. <u>Use of Estimates</u>

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

Worker's Compensation:

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

B. Budgets and Budgetary Accounting

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

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

1. Budget requests are normally completed in January.

2. Proposed budgets are consolidated and reviewed by the Budget Department, then submitted to the Senior Cabinet of the District and Budget Commission for additional review prior to the approval by the Atlanta Independent School System's Board.

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

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

5. The administrative level of budgetary control upon adoption is at the program level. Transfer of budgeted amounts between object categories within programs requires the approval of the budget center manager.

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

7. The Atlanta Independent School System's Board 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	$	7,333,625
Pupil Services		1,445,817
Educational Media Services		1,147,568
School Administration		677,247
Maintenance and Operation		768,778
Debt Service - Principal		368,260

SPECIAL REVENUE - COMBINED

Educational Media Services	$	51,498
Central Support		327,842

For financial statement purposes, the General Fund includes revenues of $3,696,022 and expenditures of $3,730,994 resulting from local school activity accounts. Because the District does not budget for these Pupil Service specific expenditures, including these expenditures in the financial statements has resulted in an overall variance with final budget for total expenditures in the General Fund of $2,012,797.

D. Deposits and Investments Risks

Deposits (Governmental Funds)

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

At June 30, 2015, all investments of the District were invested in certificates of deposits and Georgia Fund 1, the local government investment pool administered by the State of Georgia. The Georgia Fund 1 investment pool is not subject to credit risk classification and the carrying amount of $168,425,707 is reported at fair value. The Georgia Fund 1 was rated AAAf by Standard & Poor's.

Credit risk, value, and interest risk at June 30, 2015 are as follows:

Credit Risk		Value	Interest Risk
AAAf rated	$	168,425,707	56 day WAM

Categorization of Deposits

As of June 30, 2015, all of the School System's deposits were covered either by FDIC or collateralized by the financial institution or a combination of both. With the exception of the Certificates of Deposit, all other investments were transferred to Georgia Fund 1.

Categorization of Investments

The School System's investments as of June 30, 2015 are presented in this table. All investments are presented by investment type and debt securities are presented by maturity.

Investment	Fair Value	Investment Maturity Less than One Year
Georgia Fund 1	$ 168,425,707	$ 168,425,707
Certificates of Deposit	5,000,000	5,000,000
Total	$ 173,425,707	$ 173,425,707

Interest Rate Risk

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

Custodial Credit Risk

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

Credit Quality Risk

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

The investment policy states Repurchase Agreements may only be purchased from a financial institution that has short-term ratings of AA or higher by Standard & Poor's (S&P) or Aa2 by Moody's.

Concentration of Credit Risk

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

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

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

As of June 30, 2015, the District had 97.12% and 2.88% of its investments invested in the Georgia Fund 1 and certificates of deposits, respectively.

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 Tax Receivables	Allowance for Uncollectible	Net Property Tax Receivables
General Fund	$ 23,217,198	$ (13,156,438)	$ 10,060,760

	Other Receivables	Allowance for Uncollectible	Net Other Receivables
General Fund	$ 892,232	$ (450,000)	$ 442,232

	SPLOST Tax Receivables	Allowance for Uncollectible	Net SPLOST Receivables
Capital Projects Fund	$ 7,994,411	$ -	$ 7,994,411

	Other Receivables	Allowance for Uncollectible	Net Accounts Receivables
Food Services Fund	$ 130,829	$ -	$ 130,829

G. Capital Assets

The following is a summary of changes in capital assets during the fiscal year ended June 30, 2015:

	Beginning Balance	Increases	Decreases & Transfers to In Service	Ending Balance
Governmental Activities:				
Land	$ 115,049,926	$ 223,327	$ (60,135)	$ 115,213,118
Construction in Progress	55,356,071	90,239,111	(42,473,301)	103,121,881
Total Non-Depreciable Assets	170,405,997	90,462,438	(42,533,436)	218,334,999
Buildings	1,198,386,491	17,261,867	-	1,215,648,358
Building Improvements	304,196,530	17,831,765	-	322,028,295
Land Improvements	48,132,449	7,381,225	-	55,513,674
Equipment	14,777,755	152,444	-	14,930,199
Furniture & Fixtures	56,030	-	-	56,030
Vehicles	30,829,934	-	(1,117,697)	29,712,237
Total Depreciable Assets	1,596,379,189	42,627,301	(1,117,697)	1,637,888,793
Total at Historical Cost	1,766,785,186	133,089,739	(43,651,133)	1,856,223,792
Less Accumulated Depreciation				
Buildings	316,784,411	23,827,386	-	340,611,797
Building Improvements	80,608,877	16,861,934	-	97,470,811
Land Improvements	12,525,213	2,774,709	-	15,299,922
Equipment	10,689,612	1,779,514	-	12,469,126
Furniture & Fixtures	28,482	5,603	-	34,085
Vehicles	22,736,327	2,388,244	(1,117,697)	24,006,874
Total Accumulated Depreciation	443,372,922	47,637,390	(1,117,697)	489,892,615
Govermental Activities Capital Assets, Net	$ 1,323,412,264	$ 85,452,349	$ (42,533,436)	$ 1,366,331,177
Business-Type Activities:				
Equipment	$ 149,000	$ -	$ -	$ 149,000
Less Accumulated Depreciation				
Equipment	37,250	29,800	-	67,050
Business-Type Activities Capital Assets, Net	$ 111,750	$ 29,800	$ -	$ 81,950

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 42,723,605
Support Services:	
Pupil Services	4,540
Educational Media Services	32,295
Support Services - Business	2,700,854
Maintenance & Operations	63,397
Student Transportation	2,112,699
Total	$ 47,637,390

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

School Nutrition Program	$ 29,800

H. Long-term Debt and Obligations

Capital Leases

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

The capital assets acquired through capital leases are as follow:

Asset	Governmental Activities
Buses	$ 9,899,536
Less: Accumulated depreciation	(8,185,278)
	$ 1,714,258

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

Fiscal Year Ending	Governmental Activities
2016	$ 1,412,486
2017	1,092,703
2018	1,092,703
Total minimum payments	3,597,892
Less: Amount representing interest	(152,812)
Present value of minimum payments	$ 3,445,080

Intergovernmental Agreement

Over the years, the City of Atlanta has issued various annual general obligation bonds and general obligation refunding bonds on behalf of the School System. The debt service for the bonds has been funded through the School System's bonded debt portion of the annual tax levy. The maturity date for the bond is June 30, 2017. The bonded debt portion of property taxes collected by the City on behalf of the School System is retained by the City and used to pay the annual debt service on the outstanding bonds. The debt service payments are calculated using assumptions and estimates based on the most current information available. As of June 30, 2015, $1,732,429 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%	$ 4,518,925

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, 2015, $36,180,000 of bonds is outstanding and is considered defeased.

Education Reform Success, Inc. (ERS)

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

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

Changes in long-term debt and obligations during the fiscal year ended June 30, 2015 were as follows:

	Restated Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due within One Year
Governmental activities:					
Long-term debt					
Capital leases	$ 4,753,381	$ -	$ (1,308,301)	$ 3,445,080	$ 1,330,758
Intergovernmental agreement- City of Atlanta	15,167,625	-	(10,648,700)	4,518,925	543,250
ERS, Inc (COPS, Series 2006/2007)	6,395,000	-	(630,000)	5,765,000	730,000
ERS, Inc (COPS, Series 2011A)	72,460,000	-	-	72,460,000	-
ERS, Inc (COPS, Series 2011B)	19,995,000	-	(6,340,000)	13,655,000	6,660,000
Unamortized premium 2011B	1,098,185	-	(540,244)	557,941	-
Total long-term debt	119,869,191	-	(19,467,245)	100,401,946	9,264,008
Other long-term liabilities					
Net pension liability	1,026,260,861	118,355,745	(244,555,233)	900,061,373	-
Compensated absences	5,094,005	3,809,008	(3,410,512)	5,492,501	3,719,005
Contingent legal liabilities	1,195,000	-	(180,000)	1,015,000	1,015,000
Workers' compensation	5,812,289	3,211,301	(4,144,174)	4,879,416	2,085,626
Total other long-term liabilities	1,038,362,155	125,376,054	(252,289,919)	911,448,290	6,819,631
Total long-term obligations	$ 1,158,231,346	$ 125,376,054	$ (271,757,164)	$ 1,011,850,236	$ 16,083,639

The General Fund has been typically used to liquidate the liability for the net pension liability, compensated absences, contingent liabilities, and workers' compensation. Beginning balance for long-term debt and obligations has been restated as a result of the implementation of GASB Statement No. 68 and 71. For further discussion, see Footnote R.

During the fiscal year ended June 30, 2015, the City of Atlanta retired several of the outstanding bond series of which the School System owed a portion. In accordance with GASB Statement No. 62, the School System considers this debt to be extinguished for financial reporting purposes as the School System will not be required to make any future payments with respect to the bond series that were retired by the City of Atlanta during the fiscal year.

The School System has reported this principal reduction in its liability as a special item in the Statement of Activities and the below table reconciles the special item and principal payments made by the School System to the total reduction of the liability in the table shown on above:

Principal Payments	$ 1,364,800
Principal Reduction / Extinguishment of Debt	9,283,900
Total Deductions - Intergovernmental Agreement	$ 10,648,700

At June 30, 2015, payments due by fiscal year, which include principal and interest for the capital leases, intergovernmental agreement payable, and COPS debt are as follows:

Fiscal Year Ending	Capital Leases		Intergovernmental Agreements City of Atlanta	
	Principal	Interest	Principal	Interest
2016	$ 1,330,758	$ 81,728	$ 543,250	$ 424,928
2017	1,045,535	47,168	363,000	303,283
2018	1,068,787	23,916	188,375	142,167
2019	-	-	227,300	138,574
2020	-	-	864,525	120,764
2021-2025	-	-	2,088,500	189,427
2026-2027	-	-	243,975	11,653
Total Principal and Interest	$ 3,445,080	$ 152,812	$ 4,518,925	$ 1,330,796

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
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	176,742	-	4,029,142	-	-
2019	820,000	144,120	-	4,029,142	-	-
2020	855,000	110,258	-	4,029,142	-	-
2021-2025	1,815,000	113,150	22,460,000	20,145,711	-	-
2026-2027	-	-	50,000,000	4,217,750	-	-
Total Principal and Interest	$ 5,765,000	$ 990,256	$ 72,460,000	$ 44,509,171	$ 13,655,000	$ 1,032,500

I. Inter-fund Receivables

Inter-fund Receivables and payables balances as of June 30, 2015 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Fund	$ 10,559,208
General Fund	Food Service Fund	820,745
General Fund	Nonmajor Funds	22,848,612
Capital Projects Fund	General Fund	14,449,340
Nonmajor Funds	General Fund	4,606,905
		$ 53,284,810

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**.**

J. Inter-fund Transfers

Transfers within the governmental funds for the fiscal year ended June 30, 2015 are as follows:

	Transfers In	Transfers Out
Governmental funds:		
General Fund	$ -	$ (288,955)
Nonmajor Governmental Funds	288,955	-
	$ 288,955	$ (288,955)

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

K. 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 2014	$ -	$ 130,962	$ (130,962)	$ -
Fiscal year 2015	$ -	$ 181,051	$ (181,051)	$ -

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	Claims and Changed in Estimates	Claims paid	Balance at End of Fiscal Year
Fiscal year 2014	$ 5,436,573	$ 3,727,013	$ (3,351,297)	$ 5,812,289
Fiscal year 2015	$ 5,812,289	$ 3,211,301	$ (4,144,174)	$ 4,879,416

L. Nonmonetary Transactions

The School System received from the United States Department of Agriculture through the Georgia Department of Education approximately $1,462,380 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.

M. On-Behalf Payments for Fringe Benefits

The School System has recognized revenues and expenditures in the amount of $166,303 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.

N. Retirement Plans

General Information about the Teachers Retirement System

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

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00 % of their annual pay during fiscal year 2015. The School System's contractually required contribution rate for the year ended June 30, 2015 was 13.15 % of annual payroll. School System contributions to TRS were $41,997,145 for the fiscal year ended June 30, 2015.

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

Effective July 1, 2014, the School System implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* as well as *Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which significantly changed the School System's accounting for pension amounts. The information disclosed below is presented in accordance with these new standards.

At June 30, 2015, the School System reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the School System by the State of Georgia for certain public school support personnel. The amount recognized by the School System as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School System were as follows:

School System's proportionate share of the net pension	$	387,782,626
State of Georgia's proportionate share of the net pension		2,346,201
Total	$	390,128,827

The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The School System's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2014. At June 30 2014, the School System's proportion was 3.069435%, which was an increase of 0.229146% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the School System recognized pension expense of $238,199 and revenue of $238,199 for support provided by the State of Georgia for certain support personnel. At June 30, 2015, the School System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 135,189,244
Changes in proportion and differences between School System contributions and proportionate share of contributions	32,534,264	-
School System contributions subsequent to the measurement date	41,997,145	-
Total	$ 74,531,409	$ 135,189,244

School System contributions subsequent to the measurement date of $41,997,145 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending June 30:	
2016	$ (26,403,152)
2017	(26,403,152)
2018	(26,403,152)
2019	(26,403,183)
2020	2,957,659
Thereafter	-
Total	$ (102,654,980)

Actuarial assumptions: The total pension liability as of June 30, 2014 was determined by an actuarial valuation as of June 30, 2013 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75 - 7.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females set back two years for males and set back three years for females.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.00%
Domestic large equities	39.70	6.50
Domestic mid equities	3.70	10.00
Domestic small equities	1.60	13.00
International developed market equities	18.90	6.50
International emerging market equities	6.10	11.00
Total	100.00%	

* Rates shown are net of the 3.00% assumed rate of inflation

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

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

	1% Decrease (6.5%)	Current discount rate (7.5%)	1% Increase (8.5%)
School System's proportionate share of the net pension liability	$ 714,631,351	$ 387,782,626	$ 118,629,488

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

Payables to the pension plan: As of June 30, 2015, the School System reports a payable to TRS in the amount of $1,710,387. This amount is included in the accounts payable balance reported by the General Fund and is comprised of employer and employee contributions owed to TRS but not yet remitted as of the end of the fiscal year.

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

Plan Description: All permanent employees of the School System who are not covered under the Teachers' Retirement System of Georgia (TRS) are eligible to participate in the City of Atlanta General Employees' Pension Plan (the "Plan"). In addition, certain School System employees employed prior to July 1, 1979 who participate in TRS may also be eligible to participate in the Plan. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive, initially, 2% of the employee's highest average monthly base compensation over any 36-month period. A participant in the Plan may retire at age 65 or, after 15 years of service, at age 60. Cost-of-living increases are awarded annually, up to a 3% maximum increase.

The Plan is an agent multiple-employer plan administered by a Board of Trustees which includes the Mayor of the City of Atlanta or his/her designee, the City's Chief Financial Officer, one member of the Atlanta City Council, one member of the School System, one member elected by eligible employees of the City, one member elected by eligible employees of the School System, one member elected by retired employees of the School System, and one member elected by retired employees of the City. The Board of Trustees has the authority to establish and amend the benefit provisions of the Plan. The Plan issues a publicly available financial report that includes all financial statements and required supplementary information for the Plan. The report may be obtained from the following address:

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

Plan Membership. As of July 1, 2014, the date of the most recent actuarial valuation, the pension plan membership consisted of the following:

Retired participants and beneficiaries currently receiving benefits	2,141
Terminated participants entitled to but not receiving benefits	43
Active Plan members	698
Total	2,882

Contributions. Obligations to contribute to the Plan are subject to minimum funding standards of the Georgia Public Retirement Systems Standards law and are established by the Board of Trustees. Previously, the School System's policy was to contribute to the Plan based on a level percent of payroll amortization method using a closed amortization period with 12.5 years remaining. By resolution adopted by the Atlanta Independent School System's Board on June 2, 2014, the School System changed its funding policy whereby each year's employer contribution will be equal to the prior year's amount, increased by 3%, until the Plan is fully funded. In addition, active participants are required to contribute 7% of pay to the Plan (8% if a participant is married or elects to name a covered beneficiary). For the fiscal year ended June 30, 2015, the School System's contributions to the Plan were $48,900,000.

Net Pension Liability of the City. Effective July 1, 2014, the School System implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68,* which significantly changed the School System's accounting for pension amounts. The information disclosed below is presented in accordance with these new standards.

The School System's net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2013 with update procedures performed by the actuary to roll forward to the total pension liability measured as of June 30, 2014.

Actuarial assumptions. The total pension liability in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

reasonably reflect future mortality improvement based on the review of mortality experience for the 2003 through 2011 period.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2003 to June 30, 2011.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Domestic equity	55%	5.70%
Fixed income	25%	2.80
International equity	10%	6.30
Alternative investments	5%	6.30
Balanced	5%	4.20
Cash	—%	—
Total	100%	

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

Changes in the Net Pension Liability of the School System. The changes in the components of the net pension liability of the School System for the fiscal year ended June 30, 2015, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/14	$ 646,852,911	$ 115,509,000	$ 531,343,911
Changes for the year:			
Service cost	4,432,230	-	4,432,230
Interest	46,411,606	-	46,411,606
Contributions—employer	-	48,000,000	(48,000,000)
Contributions—employee	-	1,554,000	(1,554,000)
Net investment income	-	21,358,000	(21,358,000)
Benefit payments, including refunds of employee contributions	(56,063,000)	(56,063,000)	-
Administrative expense	-	(1,003,000)	1,003,000
Net changes	(5,219,164)	13,846,000	(19,065,164)
Balances at 6/30/15	$ 641,633,747	$ 129,355,000	$ 512,278,747

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
School System's net pension liability	$ 573,986,526	$ 512,278,747	$ 459,662,876

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2014 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the fiscal year ended June 30, 2015, the School System recognized pension expense of $39,316,056. At June 30, 2015, the School System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 10,381,220
School System contributions subsequent to the measurement date	48,900,000	-
Total	$ 48,900,000	$ 10,381,220

School System contributions subsequent to the measurement date of $48,900,000 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year ending June 30:	
2016	$ (2,595,305)
2017	(2,595,305)
2018	(2,595,305)
2019	(2,595,305)
2020	-
Thereafter	-
Total	$ (10,381,220)

O. 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 post-employment healthcare plan that covers eligible former employees of public school systems, libraries, and regional educational service agencies. The School OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the State Employees Health Insurance Plan administered by the Georgia Department of Community Health. The Official Code of Georgia Annotated (OCGA) assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Board of Community Health (Board). The Georgia Department of Community Health issues a publicly available financial report that includes financial statements and required supplementary information for the School OPEB Fund. That

report may be obtained from the Georgia Department of Community Health at 2 Peachtree Street, Atlanta, Georgia 30303.

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

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

The employer contribution rates for the combined active and retiree plans for the fiscal year ending June 30, 2015, were as follows:

Certificated Employees	
July 2014- June 2015	$945.00 per month
Non-Certificated Employees	
July 2014- June 2015	$596.20 per month

The School System's contribution to the health insurance plans for the fiscal year June 30, 2015, June 30, 2014, and June 30, 2013 were $56,576,015, $50,607,578, and $43,426,063, respectively. These contributions equaled the required contribution/annual OPEB cost.

P. Commitments and Contingencies

Construction Commitments

The School System has active construction projects as of June 30, 2015. The projects relate to construction, renovation of school buildings, and other projects. At fiscal year-end, the School System's commitments with contractors were $33,275,983.

Litigation and Other Contingencies

The School System is a defendant in various lawsuits, which arose, in the ordinary course of its activities. The School System believes its liability in these matters is $1,015,000. In addition, the School System has identified cases that either the outcome is reasonably probable but cannot be reasonably estimated or the amount is reasonably estimable; however, the outcome is still

uncertain. The School System has estimated $625,000 in such cases that is not accrued as a contingent liability as of the June 30, 2015.

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

Q. Pollution Remediation Obligations

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

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

The School System paid $434,515 during fiscal year 2015 for remediation activities.

R. Changes in Accounting Principle

As discussed in Footnotes A4.h, H, and N, the School System implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, effective July 1, 2014. These new standards significantly changed the School System's accounting for pension amounts. As a result of this change in accounting principle, the School System was required to restate beginning net position for governmental activities as shown below:

Net position, governmental activities, as previously reported	$ 1,414,955,370
Beginning balance, net pension liability, TRS	(494,916,950)
Beginning balance, deferred outflows of resources, TRS	38,453,989
Beginning balance, net pension liability, City of Atlanta Plan	(531,343,911)
Beginning balance, deferred outflows of resources, City of Atlanta Plan	48,000,000
Net pension asset, City of Atlanta Plan, as previously reported under GASB 27	(12,739,054)
Beginning net position, governmental activities, restated	$ 462,409,444

ATLANTA PUBLIC SCHOOLS

Making A Difference

REQUIRED SUPPLEMENTARY INFORMATION



2015 REQUIRED SUPPLEMENTARY INFORMATION

ATLANTA INDEPENDENT SCHOOL SYSTEM

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

		2015
School System's proportion of the net pension liability		3.069435%
School System's proportionate share of the net pension liability	$	387,782,626
State of Georgia's proportionate share of the net pension liability associated with the District		2,346,201
Total	$	390,128,827
School System's covered-employee payroll	$	319,369,924
School System's proportionate share of the net pension liability as a percentage of its covered-employee payroll		121.42%
Plan fiduciary net position as a percentage of the total pension liability		84.03%

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

ATLANTA INDEPENDENT SCHOOL SYSTEM

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

	2015	2014	2013	2012	2011
Contractually required contributions	$ 41,997,145	$ 38,496,248	$ 35,714,946	$ 33,138,997	$ 32,515,502
Contributions in relation to the contractually required contributions	41,997,145	38,496,248	35,714,946	33,138,997	32,515,502
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School System's covered-employee payroll	319,369,924	313,487,362	313,014,426	322,363,784	316,298,658
Contributions as a percentage of covered-employee payroll	13.15%	12.28%	11.41%	10.28%	10.28%

Contractually required contributions	2010	2009	2008	2007	2006
	$ 32,863,759	$ 30,872,725	$ 29,935,263	$ 28,437,198	$ 27,154,487
Contributions in relation to the contractually required contributions	32,863,759	30,872,725	29,935,263	28,437,198	27,154,487
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School System's covered-employee payroll	337,410,257	332,680,226	322,578,265	306,435,323	293,879,729
Contributions as a percentage of covered-employee payroll	9.74%	9.28%	9.28%	9.28%	9.24%

ATLANTA INDEPENDENT SCHOOL SYSTEM

Notes to Required Supplementary Information
Teachers Retirement System of Georgia

Changes of assumptions: In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability, and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three (3) years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the fiscal year June 30, 2015 reported in that schedule:

Valuation date	June 30, 2012
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Asset valuation method	7-year smoothed market
Inflation rate	3%
Salary increases	3.75 - 7.00%, including inflation.
Investment Rate of Return	7.5%, net of pension plan investment expense including inflation.
Post-Retirement Benefit Increases	1.50% semi-annually

ATLANTA INDEPENDENT SCHOOL SYSTEM

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

		2015
Total pension liability		
Service cost	$	4,432,230
Interest		46,411,606
Benefit payments, including refunds of employee contributions		(56,063,000)
Net change in total pension liability		(5,219,164)
Total pension liability - beginning		646,852,911
Total pension liability - ending (a)	$	641,633,747
Plan fiduciary net position		
Contributions - employer	$	48,000,000
Contributions - employee		1,554,000
Net investment income		21,358,000
Benefit payments, including refunds of employee contributions		(56,063,000)
Administrative expense		(1,003,000)
Net change in plan fiduciary net position		13,846,000
Plan fiduciary net position - beginning		115,509,000
Plan fiduciary net position - ending (b)	$	129,355,000
School System's net pension liability - ending (a) - (b)	$	512,278,747
Plan fiduciary net position as a percentage of the total pension liability		20.16%
Covered-employee payroll	$	20,072,615
School System's net pension liability as a percentage of covered-employee payroll		2552.13%

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

ATLANTA INDEPENDENT SCHOOL SYSTEM

Required Supplementary Information

Schedule of School System's Contributions

City of Atlanta General Employees' Pension Fund

	2015
Actuarially determined contribution	$ 47,435,217
Contributions in relation to the actuarially determined contribution	48,000,000
Contribution deficiency (excess)	$ (564,783)
Covered-employee payroll	$ 20,072,615
Contributions as a percentage of covered-employee payroll	239.13%

Notes to the Schedule

(1) Actuarial Assumptions:

Valuation Date	July 1, 2013
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Market value of assets less unrecognized returns in each of the last five years.
Assumed Rate of Return on Investments	7.50%, net of investment and administrative expenses
Projected Salary Increases	4.00% - 9.75% (including 2.75% for inflation)
Cost-of-living Adjustment	3.00%, compounded annually
Amortization Method	Closed level percent of payroll
Remaining Amortization Period	12.5 years

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

ATLANTA INDEPENDENT SCHOOL SYSTEM

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (GAAP BASIS)

For the Fiscal Year Ended June 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Local taxes	$ 469,085,919	$ 469,085,919	$ 454,927,297	$ (14,158,622)
Investment income	1,000,000	1,000,000	97,985	(902,015)
Tuition charges	10,000	10,000	12,616	2,616
Facility rental fees	1,000,000	1,000,000	1,006,553	6,553
State revenues	151,162,248	151,162,248	167,216,672	16,054,424
Federal revenues	2,050,000	2,050,000	1,248,478	(801,522)
Charges for services	-	-	3,382,328	3,382,328
Other	10,649,178	10,649,178	12,843,150	2,193,972
TOTAL REVENUES	$ 634,957,345	$ 634,957,345	$ 640,735,079	$ 5,777,734
EXPENDITURES				
Current:				
Instruction	$ 365,816,156	$ 409,045,176	$ 416,378,801	$ (7,333,625)
Support services				
Pupil services	24,967,144	26,582,539	28,028,356	(1,445,817)
Improvement of instructional services	9,869,717	14,909,294	13,455,776	1,453,518
Educational media	8,221,700	9,954,314	11,101,882	(1,147,568)
General administration	9,318,419	10,939,062	10,028,251	910,811
School administration	36,888,630	42,246,322	42,923,569	(677,247)
Business administration	30,595,665	17,592,918	9,812,707	7,780,211
Maintenance and operation of facilities	61,627,041	70,820,565	71,589,343	(768,778)
Student transportation	21,624,187	27,027,333	26,943,014	84,319
Central support	84,587,724	23,533,055	21,026,080	2,506,975
Other support services	1,014,396	513,900	473,342	40,558
Nutrition	-	618,667	299,212	319,455
Debt service:				
Principal	3,342,981	2,934,841	3,303,101	(368,260)
Interest and fiscal charges	1,780,291	1,770,291	1,112,046	658,245
TOTAL EXPENDITURES	659,654,051	658,488,277	656,475,480	2,012,797
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(24,696,706)	(23,530,932)	(15,740,401)	7,790,531
OTHER FINANCING SOURCES (USES)				
Transfers out	(303,294)	(1,469,068)	(288,955)	1,180,113
Proceeds from sale of capital assets	-	-	2,930,530	2,930,530
TOTAL OTHER FINANCING SOURCES (USES)	(303,294)	(1,469,068)	2,641,575	4,110,643
NET CHANGE IN FUND BALANCES	(25,000,000)	(25,000,000)	(13,098,826)	11,901,174
FUND BALANCES - BEGINNING OF FISCAL YEAR	88,467,460	88,467,460	88,467,460	-
FUND BALANCES - END OF FISCAL YEAR	$ 63,467,460	$ 63,467,460	$ 75,368,634	$ 11,901,174

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

ATLANTA PUBLIC SCHOOLS

Making A Difference

OTHER SUPPLEMENTARY INFORMATION



2015 OTHER SUPPLEMENTARY INFORMATION

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds

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

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

Title 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

Combining 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.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2015

	Special Revenue Funds						
	Title I Fund	Title II Fund	Title VI-B Fund	Lottery Grants Fund	Other Federal Programs Fund	Other Special Projects Fund	Total Nonmajor Governmental Funds
ASSETS							
Due from other governments	$ 13,991,781	$ 1,446,780	$ 3,015,355	$ -	$ 2,967,333	$ 803,593	$ 22,224,842
Due from other funds	180,551	41,298	276,863	99,763	8,667	3,999,763	4,606,905
TOTAL ASSETS	$ 14,172,332	$ 1,488,078	$ 3,292,218	$ 99,763	$ 2,976,000	$ 4,803,356	$ 26,831,747
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Due to other governments	$ -	$ -	$ -	$ 24,151	$ -	$ -	$ 24,151
Due to other funds	14,172,332	1,488,078	3,292,218	12,041	2,976,000	907,943	22,848,612
TOTAL LIABILITIES	14,172,332	1,488,078	3,292,218	36,192	2,976,000	907,943	22,872,763
FUND BALANCES							
Restricted:							
Other state and local programs	-	-	-	63,571	-	1,589,705	1,653,276
Assigned:							
Local school programs	-	-	-	-	-	2,305,708	2,305,708
TOTAL FUND BALANCES	-	-	-	63,571	-	3,895,413	3,958,984
TOTAL LIABILITIES AND FUND BALANCES	$ 14,172,332	$ 1,488,078	$ 3,292,218	$ 99,763	$ 2,976,000	$ 4,803,356	$ 26,831,747

ATLANTA INDEPENDENT SCHOOL SYSTEM

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015

	Special Revenue Funds						
	Title I Fund	Title II Fund	Title VI-B Fund	Lottery Grants Fund	Other Federal Programs Fund	Other Special Projects Fund	Total Nonmajor Governmental Funds
REVENUES							
State revenues	$ -	$ -	$ -	$ 2,768,423	$ -	$ 931,647	$ 3,700,070
Federal revenues	51,154,993	5,729,738	9,565,024	-	16,475,763	479,131	83,404,649
Other	-	-	-	-	-	3,162,950	3,162,950
TOTAL REVENUES	51,154,993	5,729,738	9,565,024	2,768,423	16,475,763	4,573,728	90,267,669
EXPENDITURES							
Current:							
Instruction	23,242,508	-	5,608,859	2,688,832	3,930,481	984,160	36,454,840
Support services							
Pupil services	406,279	-	1,773,724	-	127,014	1,191,366	3,498,383
Improvement of instructional services	18,454,219	5,164,063	374,553	6,590	9,787,363	1,587,735	35,374,523
Educational media services	-	-	-	-	-	136,685	136,685
Federal grant administration	1,611,677	203,624	8,510	-	616,389	-	2,440,200
General administration	4,526,094	307,085	702,587	-	976,780	353,441	6,865,987
School administration	1,114	-	-	-	69,875	530,923	601,912
Business administration	-	-	-	-	-	136,204	136,204
Maintenance and operation of facilities	-	-	-	-	-	159,051	159,051
Student transportation	57,437	-	1,096,791	9,430	157,034	74,518	1,395,210
Central support	-	54,966	-	-	11,549	1,436,897	1,503,412
Other support services	2,855,665	-	-	-	34,646	244,496	3,134,807
Nutrition	-	-	-	-	764,632	-	764,632
TOTAL EXPENDITURES	51,154,993	5,729,738	9,565,024	2,704,852	16,475,763	6,835,476	92,465,846
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	63,571	-	(2,261,748)	(2,198,177)
OTHER FINANCING SOURCES							
Transfers in	-	-	-	-	-	288,955	288,955
TOTAL OTHER FINANCING SOURCES	-	-	-	-	-	288,955	288,955
NET CHANGE IN FUND BALANCES	-	-	-	63,571	-	(1,972,793)	(1,909,222)
FUND BALANCES, BEGINNING OF FISCAL YEAR	-	-	-	-	-	5,868,206	5,868,206
FUND BALANCES, END OF FISCAL YEAR	$ -	$ -	$ -	$ 63,571	$ -	$ 3,895,413	$ 3,958,984

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, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
State revenues	$ 2,496,665	$ 3,597,330	$ 3,700,070	$ 102,740
Federal revenues	82,730,028	142,989,392	83,404,649	(59,584,743)
Other	7,696,675	9,043,605	3,162,950	(5,880,655)
TOTAL REVENUES	92,923,368	155,630,327	90,267,669	(65,362,658)
EXPENDITURES				
Current:				
Instruction	30,227,822	63,076,319	36,454,840	26,621,479
Support services:				
Pupil services	4,313,483	4,181,740	3,498,383	683,357
Improvement of instructional services	35,693,591	61,278,277	35,374,523	25,903,754
Educational media	18,228	85,187	136,685	(51,498)
Federal grant administration	2,806,985	4,034,072	2,440,200	1,593,872
General administration	8,182,878	9,434,865	6,865,987	2,568,878
School administration	69,321	1,342,566	601,912	740,654
Business administration	1,365,971	141,536	136,204	5,332
Maintenance and operation of facilities	774,310	981,256	159,051	822,205
Student transportation	3,462,848	3,720,416	1,395,210	2,325,206
Central support	1,214,382	1,175,570	1,503,412	(327,842)
Other support services	4,017,989	5,413,807	3,134,807	2,279,000
Nutrition	775,560	764,716	764,632	84
TOTAL EXPENDITURES	92,923,368	155,630,327	92,465,846	63,164,481
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	-	(2,198,177)	(2,198,177)
OTHER FINANCING SOURCES				
Transfers in	-	-	288,955	288,955
TOTAL OTHER FINANCING SOURCES	-	-	288,955	288,955
NET CHANGE IN FUND BALANCES	-	-	(1,909,222)	(1,909,222)
FUND BALANCES - BEGINNING OF FISCAL YEAR	5,868,206	5,868,206	5,868,206	-
FUND BALANCES - END OF FISCAL YEAR	$ 5,868,206	$ 5,868,206	$ 3,958,984	$ (1,909,222)

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, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal revenues	$ 53,037,120	$ 94,041,877	$ 51,154,993	$ (42,886,884)
TOTAL REVENUES	53,037,120	94,041,877	51,154,993	(42,886,884)
EXPENDITURES				
Current:				
Instruction	18,232,836	45,627,402	23,242,508	22,384,894
Support services:				
Pupil services	32,837	466,714	406,279	60,435
Improvement of instructional services	21,467,969	32,241,217	18,454,219	13,786,998
Federal grant administration	2,082,540	2,761,039	1,611,677	1,149,362
General administration	6,666,865	6,795,614	4,526,094	2,269,520
School administration	77	8,933	1,114	7,819
Student transportation	731,497	1,312,543	57,437	1,255,106
Other support services	3,822,499	4,828,415	2,855,665	1,972,750
TOTAL EXPENDITURES	53,037,120	94,041,877	51,154,993	42,886,884
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, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal revenues	$ 7,368,605	$ 10,214,309	$ 5,729,738	$ (4,484,571)
TOTAL REVENUES	7,368,605	10,214,309	5,729,738	(4,484,571)
EXPENDITURES				
Current:				
Instruction	189,757	45,459	-	45,459
Support services:				
Improvement of instructional services	6,685,765	9,378,601	5,164,063	4,214,538
Federal grant administration	397,355	373,890	203,624	170,266
General administration	81,033	307,085	307,085	-
Central support	14,695	97,025	54,966	42,059
Other support services	-	12,249	-	12,249
TOTAL EXPENDITURES	7,368,605	10,214,309	5,729,738	4,484,571
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, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal revenues	$ 12,599,212	$ 9,802,048	$ 9,565,024	$ (237,024)
TOTAL REVENUES	12,599,212	9,802,048	9,565,024	(237,024)
EXPENDITURES				
Current:				
Instruction	6,522,267	5,661,499	5,608,859	52,640
Support services:				
Pupil services	3,357,689	1,937,189	1,773,724	163,465
Improvement of instructional services	551,632	373,162	374,553	(1,391)
Federal grant administration	7,650	7,514	8,510	(996)
General administration	802,642	726,073	702,587	23,486
Business administration	14,625	-	-	-
Student transportation	1,342,707	1,096,611	1,096,791	(180)
TOTAL EXPENDITURES	12,599,212	9,802,048	9,565,024	237,024
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, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
State revenues	$ 2,141,009	$ 2,452,678	2,768,423	$ 315,745
TOTAL REVENUES	2,141,009	2,452,678	2,768,423	315,745
EXPENDITURES				
Current:				
Instruction	2,133,386	2,400,191	2,688,832	(288,641)
Support services:				
Pupil services	7,623	7,623	-	7,623
Improvement of instructional services	-	18,002	6,590	11,412
Student transportation	-	26,862	9,430	17,432
TOTAL EXPENDITURES	2,141,009	2,452,678	2,704,852	(252,174)
NET CHANGE IN FUND BALANCES	-	-	63,571	63,571
FUND BALANCES - BEGINNING OF FISCAL YEAR	-	-	-	-
FUND BALANCES - END OF FISCAL YEAR	$ -	$ -	$ 63,571	$ 63,571

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, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal revenues	$ 9,207,670	$ 28,445,758	$ 16,475,763	$ (11,969,995)
TOTAL REVENUES	9,207,670	28,445,758	16,475,763	(11,969,995)
EXPENDITURES				
Current:				
Instruction	1,947,037	7,754,111	3,930,481	3,823,630
Support services:				
Pupil services	492,697	254,724	127,014	127,710
Improvement of instructional services	5,198,760	16,758,770	9,787,363	6,971,407
Federal grant administration	319,440	891,629	616,389	275,240
General administration	142,878	1,367,134	976,780	390,354
School administration	-	172,730	69,875	102,855
Student transportation	255,165	319,106	157,034	162,072
Central support	10,643	11,215	11,549	(334)
Other support services	65,490	151,623	34,646	116,977
Nutrition	775,560	764,716	764,632	84
TOTAL EXPENDITURES	9,207,670	28,445,758	16,475,763	11,969,995
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - BEGINNING OF FISCAL YEAR	-	-	-	-
FUND BALANCES - END OF FISCAL YEAR	$ -	$ -	$ -	$ -

ATLANTA INDEPENDENT SCHOOL SYSTEM

Other Special Projects Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
State revenues	$ 355,656	$ 1,144,652	$ 931,647	$ (213,005)
Federal revenues	517,421	485,400	479,131	(6,269)
Other	7,696,675	9,043,605	3,162,950	(5,880,655)
TOTAL REVENUES	8,569,752	10,673,657	4,573,728	(6,099,929)
EXPENDITURES				
Current:				
Instruction	1,202,539	1,587,657	984,160	603,497
Support services:				
Pupil services	422,637	1,515,490	1,191,366	324,124
Improvement of instructional services	1,789,465	2,508,525	1,587,735	920,790
Educational media services	18,228	85,187	136,685	(51,498)
General administration	489,460	238,959	353,441	(114,482)
School administration	69,244	1,160,903	530,923	629,980
Business administration	1,351,346	141,536	136,204	5,332
Maintenance and operation of facilities	774,310	981,256	159,051	822,205
Student transportation	1,133,479	965,294	74,518	890,776
Central support	1,189,044	1,067,330	1,436,897	(369,567)
Other support services	130,000	421,520	244,496	177,024
TOTAL EXPENDITURES	8,569,752	10,673,657	6,835,476	3,838,181
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	-	(2,261,748)	(2,261,748)
OTHER FINANCING SOURCES				
Transfers in	-	-	288,955	288,955
TOTAL OTHER FINANCING SOURCES	-	-	288,955	288,955
NET CHANGE IN FUND BALANCES	-	-	(1,972,793)	(1,972,793)
FUND BALANCES - BEGINNING OF FISCAL YEAR	5,868,206	5,868,206	5,868,206	-
FUND BALANCES - END OF FISCAL YEAR	$ 5,868,206	$ 5,868,206	$ 3,895,413	$ (1,972,793)

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, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Sales tax income	$ -	$ 194,054,170	$ 92,655,880	$ (101,398,290)
State revenues	-	-	60,759	60,759
Federal revenues	-	14,643	3,408,579	3,393,936
Investment income	-	-	58,585	58,585
TOTAL REVENUES	-	194,068,813	96,183,803	(97,885,010)
EXPENDITURES				
Current:				
Support services:				
General administration	111,106	305,955	19,470	286,485
Business administration	862,411	38,865	2,322	36,543
Maintenance and operation of facilities	256,063	8,505,465	5,447,346	3,058,119
Student transportation	1,078,323	1,366,466	370,692	995,774
Central support	903,457	4,699,561	2,566,152	2,133,409
Debt service:				
Principal retirements	-	6,340,000	6,340,000	-
Interest	-	5,028,892	5,028,892	-
Capital outlays:				
Facilities acquisition and construction	200,849	176,974,489	114,183,045	62,791,444
TOTAL EXPENDITURES	3,412,209	203,259,693	133,957,919	69,301,774
NET CHANGE IN FUND BALANCES	(3,412,209)	(9,190,880)	(37,774,116)	(28,583,236)
FUND BALANCES - BEGINNING OF FISCAL YEAR	108,665,672	108,665,672	108,665,672	-
FUND BALANCES - END OF FISCAL YEAR	$ 105,253,463	$ 99,474,792	$ 70,891,556	$ (28,583,236)

ATLANTA INDEPENDENT SCHOOL SYSTEM

Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2015

	Balance July 01, 2014	Additions	Deductions	Balance June 30, 2015
ASSETS				
Cash and cash equivalents	$ 483,504	$ 1,897,022	$ (1,819,895)	$ 560,631
LIABILITIES				
Due to local schools and student groups	$ 483,504	$ 1,897,022	$ (1,819,895)	$ 560,631

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, 2015

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
General Fund - Quality Basic Education Program (QBE)
Schedule of Allotments and Expenditures - By Program
Fiscal Year Ended June 30, 2015

Description	Allotments From Georgia Department of Education (1)	Eligible QBE Program Costs Salaries	Eligible QBE Program Costs Operations	Total
Direct Instructional Programs				
Kindergarten Program	$ 23,963,316	$ 22,270,780	$ -	$ 22,270,780
Kindergarten Program-Early Intervention Program	4,847,791	599,080	-	599,080
Primary Grades (1-3) Program	51,400,240	47,764,820	2,043,425	49,808,245
Primary Grades-Early Intervention (1-3) Program	14,263,979	12,080,671	-	12,080,671
Upper Elementary Grades (4-5) Program	21,027,255	38,850,085	-	38,850,085
Upper Elem Grades-Early Intervention (4-5) Program	8,837,823	3,163,486	-	3,163,486
Middle Grades (6-8) Program	-	36,284,325	186,201	36,470,526
Middle School (6-8) Program	35,470,946	773,711	519,960	1,293,671
High School General Education (9-12) Program	29,437,002	50,720,731	1,215,132	51,935,863
Vocational Laboratory (9-12) Program	5,505,097	5,888,018	384,216	6,272,234
Students with Disabilities				-
Category I	3,116,604	8,539,619	2,256,088	10,795,707
Category II	2,390,231	5,513,012	-	5,513,012
Category III	17,362,306	24,567,418	-	24,567,418
Category IV	4,862,567	4,597,640	-	4,597,640
Category V	1,144,378	1,281,015	-	1,281,015
Gifted Student - Category VI	11,613,731	12,298,864	215,379	12,514,243
Remedial Education Program	4,345,624	4,487,804	673,427	5,161,231
Alternative Education Program	2,357,107	313,406	-	313,406
English Speakers of Other Languages (ESOL)	2,898,263	5,182,077	5,856	5,187,933
TOTAL DIRECT INSTRUCTIONAL PROGRAMS	$ 244,844,260	$ 285,176,562	$ 7,499,684	$ 292,676,246
Media Center Program	6,990,708	7,623,600	746,867	8,370,467
Staff and Professional Development	1,094,370	946	154,792	155,738
TOTAL QBE FORMULA FUNDS	$ 252,929,338	$ 292,801,108	$ 8,401,343	$ 301,202,451
Twenty days additional Instruction		-	-	-
Pupil Transportation		16,377,604	6,273,604	22,651,208
On behalf		-	-	-
Indirect costs - Central Admin.		-	-	-
Indirect costs - School Admin.		-	-	-
Indirect costs - Facilities M&O		-	-	-
Nurses		1,367,616	-	1,367,616
		$ 310,546,328	$ 14,674,947	$ 325,221,275

(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, 2015

	Pre-Kindergarten Program
Salaries	$ 1,748,099
Employee benefits	557,050
Employee travel	3,640
Other purchased services	37,543
Materials and supplies	358,520
	$ 2,704,852

ATLANTA INDEPENDENT SCHOOL SYSTEM

Schedule of Approved Local Option Sales Tax Projects
Fiscal Year Ended June 30, 2015

Project	Original Estimated Cost (1)	Current Estimated Costs (2)	Amount Expended In Current Fiscal Year (3)	Amount Expended In Prior Fiscal Year (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	24,228,342	-	24,228,342	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	192,318	453,204,349	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	111,690,816	70,706,553.00	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	13,423,155	12,943,001.00	Ongoing
Totals	$ **1,092,332,070**	$ **1,010,432,859**	$ **125,306,289**	$ **561,082,245**	

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

Expenditures from above paid by SPLOST funding	$125,306,289
Expenditures not reflected above that were paid from other local sources of the School System	8,651,630
Total Capital Projects Expenditures	**$133,957,919**

Notes:

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

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

(3) The voters of Fulton and Dekalb Counties approved the imposition of a 1% sales tax to fund the above projects and retire associated debt. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

(4) The School System's amounts expended in prior years related to the above projects.

(5) The SPLOST III Amount Expended in Prior 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, 2015

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES GENERAL FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL
GRANTS			
Georgia Department of Early Care and Learning			
Bright from the Start (Lottery)			
Pre-Kindergarten Program	$ -	$ 2,768,424	$ 2,768,424
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	14,430,988	-	14,430,988
Kindergarten Program - Early Intervention Program	2,968,478	-	2,968,478
Primary Grades (1-3) Program	30,875,080	-	30,875,080
Primary Grades - Early Intervention (1-3) Program	8,777,439	-	8,777,439
Upper Elementary Grades (4-5) Program	12,652,731	-	12,652,731
Upper Elementary Grades - Early Intervention (4-5) Program	5,464,005	-	5,464,005
Middle School (6-8) Program	21,351,025	-	21,351,025
High School General Education (9-12) Program	17,780,620	-	17,780,620
Vocational Laboratory (9-12) Program	3,267,726	-	3,267,726
Students with Disabilities - All Categories	17,462,417	-	17,462,417
Gifted Student - Category VI	6,974,897	-	6,974,897
Remedial Education Program	2,640,719	-	2,640,719
Alternative Education Program	1,420,554	-	1,420,554
English Speakers of Other Languages (ESOL)	1,765,912	-	1,765,912
Media Center Program	4,214,157	-	4,214,157
20 Days Additional Instruction	1,278,929	-	1,278,929
Staff and Professional Development	655,569	-	655,569
Principal Staff and Prof Development	20,208	-	20,208
Indirect Cost			
Central Administration	2,918,617	-	2,918,617
School Administration	9,344,812	-	9,344,812
Facility Maintenance and Operations	9,003,302	-	9,003,302
Categorical Grants			
Pupil Transportation			
Regular	2,956,123	-	2,956,123
Bus Replacement	30,112	-	30,112
Nursing Services	983,501	-	983,501
Austerity Reduction	(15,538,304)	-	(15,538,304)
Other State Programs			
Charter Schools - Facilities	817,478	-	817,478
Technology for Connections to Classrooms	675,813	-	675,813
CTAE - Apprenticeship	37,890	-	37,890
CTAE - CTE Extended Day	216,629	-	216,629
CTAE - Supervision	52,272	-	52,272
Vocational Industry Certification	33,252	-	33,252
Math and Science Supplement	531,440	-	531,440
Teacher of the Year	1,014		1,014
Preschool Handicapped State Grant	528,405	-	528,405
Residential Treatment Centers Grant	456,559	-	456,559
Teacher's Retirement	166,303	-	166,303
Georgia SHAPE Grant	-	5,750	5,750
Dept. of Behavioral Health & Developmental Disabilities	-	30,000	30,000
Governors Office of Student Achievement	-	547,098	547,098
Technical and Adult Education, Georgia Department of			
Adult Education	-	348,799	348,799
Capital Outlay Grant			
Dunbar School Improvement	-	60,759	60,759
Total	$ 167,216,672	$ 3,760,830	$ 170,977,502

ATLANTA PUBLIC SCHOOLS

Making A Difference

STATISTICAL SECTION

(Unaudited)



2015 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.

Revenue Capacity 7-12

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

Debt Capacity 13-14

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

Demographic and Economic Information 15 - 20

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

Operating Information 21 - 23

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

Data Source:

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

ATLANTA INDEPENDENT SCHOOL SYSTEM
Net Position by Component
Last Ten Fiscal Years
Schedule 1

Fiscal Year Ended June 30,	2006	2007	2008	2009	2010	2011	2012	2013	Restated 2014	2015
Governmental Activities										
Net investment in capital assets	$ 831,829,656	$ 893,683,701	$ 854,305,957	$ 959,621,519	$ 1,056,744,474	$ 1,104,601,221	$ 1,171,493,160	$ 1,187,165,191	$ 1,215,512,729	$ 1,265,457,697
Restricted	26,478,370	106,980,587	182,517,605	152,371,189	111,943,417	112,855,070	116,028,486	119,946,096	103,222,132	70,686,257
Unrestricted (deficit)	125,881,509	157,963,991	191,270,394	168,743,024	128,194,970	147,834,977	95,879,455	101,540,763	(856,325,984)	(846,646,137)
Total Governmental Activities Net Position	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	1,408,652,050	462,408,877	489,497,817
Business-Type Activities										
Net investment in capital assets	5,776,388	8,504,052	-	-	-	-	-	141,550	111,750	81,950
Unrestricted (deficit)	(26,121,644)	(9,964,379)	484,935	1,972,799	2,038,487	2,183,644	4,893,181	5,481,550	7,038,771	8,395,547
Total Business-Type Activities Net Position	(20,345,256)	(1,460,327)	484,935	1,972,799	1,972,799	2,183,644	4,893,181	5,623,100	7,150,521	8,477,497
Primary Government Activities										
Net investment in capital assets	837,606,044	902,187,753	854,305,957	959,621,519	1,056,744,474	1,104,601,221	1,171,493,160	1,187,306,741	1,215,624,479	1,265,539,647
Restricted	26,478,370	106,980,587	182,517,605	152,371,189	111,943,417	112,855,070	116,028,486	119,946,096	103,222,132	70,686,257
Unrestricted (deficit)	99,759,865	147,999,612	191,755,329	170,715,823	130,233,457	150,018,621	100,772,636	107,022,313	(849,287,213)	(838,250,590)
Total Primary Government Activities Net Position	**$ 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**	**$ 1,414,275,150**	**$ 469,559,398**	**$ 497,975,314**

Source: Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2015
Note: All restatements are due to prior period adjustments for change in accounting principle. For fiscal year 2014, see Note R.

ATLANTA INDEPENDENT SCHOOL SYSTEM
Change in Net Position
Last Ten Fiscal Years
Schedule 2

Fiscal Year Ended June 30,	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**Restated 2014**	**2015**
Expenses										
Governmental Activities										
Instruction	$ 393,121,077	$ 384,275,604	$ 442,325,531	$ 427,131,947	$ 438,036,127	$ 377,491,180	$ 405,995,101	$ 426,037,447	$ 463,069,508	$ 481,535,172
Pupil Services	29,201,941	20,424,786	36,915,697	36,130,943	37,303,898	39,024,421	29,543,231	25,105,338	27,826,272	30,763,057
Improvement of instructional services	31,910,382	27,779,791	42,180,829	38,598,585	40,427,290	50,496,694	38,215,985	42,917,654	40,341,847	48,046,569
Educational media	11,326,263	8,112,792	11,637,527	9,220,728	8,394,083	9,616,559	8,958,197	8,869,786	9,056,362	10,921,506
Federal grant administration	-	-	-	-	-	-	1,118,206	1,973,342	2,217,909	2,405,337
General administration	22,244,328	22,613,568	18,659,059	15,698,105	14,110,681	14,514,905	17,882,230	14,324,803	13,450,517	16,697,432
School administration	36,313,409	25,103,296	34,558,215	26,425,185	28,239,428	33,287,126	30,826,584	40,648,067	42,089,001	41,929,991
Business administration	12,973,297	14,960,540	11,483,553	24,150,131	15,327,591	17,889,836	22,610,577	15,157,828	12,480,379	12,353,040
Maintenance and operation of facilities	60,098,358	57,871,414	91,600,184	88,484,674	90,747,017	96,333,469	97,084,662	80,783,550	89,278,591	100,306,868
Student transportation	21,658,991	19,865,342	42,709,556	53,662,233	39,593,169	28,898,209	29,770,071	24,892,766	30,987,580	29,800,605
Central support	26,764,937	25,086,693	32,899,945	38,798,862	48,566,805	36,729,914	28,379,529	28,361,651	25,040,308	24,684,505
Community services	-	(13,721)	-	-	-	-	-	-	-	-
Other support services	837,701	2,267,033	9,330,309	3,707,098	3,350,291	4,382,181	13,035,152	3,011,547	13,929,445	3,563,951
Nutrition	-	-	-	-	-	15,657	358,681	910,473	1,209,017	1,083,116
Interest and fiscal charges	1,855,674	1,031,588	1,788,213	2,295,941	2,022,585	2,258,183	6,418,786	5,851,816	5,603,226	5,475,553
Total Governmental Activities Expenses	648,306,358	609,378,726	776,088,617	764,304,432	766,118,965	710,938,335	730,196,992	718,846,068	776,579,962	809,566,702
Business-Type Activities										
Food services	21,711,551	19,204,656	30,519,130	21,752,821	23,222,029	23,800,532	22,705,598	23,680,487	23,898,174	25,167,134
Total Business-Type Activities Expenses	21,711,551	19,204,656	30,519,130	21,752,821	23,222,029	23,800,532	22,705,598	23,680,487	23,898,174	25,167,134
Total Primary Government Activities Expenses	**$ 670,017,909**	**$ 628,583,382**	**$ 806,607,747**	**$ 786,057,253**	**$ 789,340,994**	**$ 734,738,867**	**$ 752,902,590**	**$ 742,526,555**	**$ 800,478,136**	**$ 834,733,836**
Program Revenues										
Governmental Activities										
Charges for Services										
Instruction	$ -	$ 1,004,517	$ 114,350	$ 140,047	$ 90,084	$ 31,492	$ 3,490	$ 2,591	$ 26,383	$ 12,616
Pupil services	-	-	-	-	-	-		3,373,883	3,237,092	3,382,328
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	988,989	1,006,553
Other support services	-	-	-	-	-	670,918	724,400	-	-	-
Nutrition	-	-	3,749,416	767,347	754,773	-	-	-	-	-
Operating Grants and Contributions										
Instruction	176,215,716	156,075,020	168,958,774	108,327,712	110,873,809	111,426,958	110,219,318	113,724,544	120,464,226	134,257,445
Pupil services	7,400,136	14,951,701	18,133,132	20,282,835	14,470,057	18,641,247	11,780,166	8,489,114	10,715,721	10,295,171
Improvement of instructional services	11,712,590	16,073,230	16,110,597	20,193,588	27,647,132	33,328,056	30,489,786	34,826,333	32,986,455	37,136,248
Educational media	1,491,330	2,424,655	3,745,884	2,899,356	1,404,768	2,000,787	-	2,223,907	2,389,577	2,939,771
Federal grant administration	-	-	-	-	-	-	1,118,206	1,973,342	2,217,909	2,440,200
General administration	4,516,383	3,336,077	3,104,288	5,788,541	3,705,087	5,053,926	7,689,306	6,213,208	7,024,079	9,321,899
School administration	355,600	6,065,020	3,498,951	5,874,998	6,841,227	7,958,215	7,325,735	10,237,170	11,077,536	11,438,765
Business administration	1,115,379	1,102,416	9,106,449	3,933,403	2,925,304	4,077,543	4,105,440	3,227,896	2,653,498	2,608,697
Maintenance and operation of facilities	261,388	8,740,838	9,262,487	17,293,612	15,521,798	20,416,518	22,290,143	18,353,454	18,959,112	18,473,478
Student transportation	1,960,211	5,206,251	5,337,639	8,537,786	8,286,759	6,735,023	8,218,788	6,767,808	8,914,204	8,283,087
Central support	104,874	984,451	660,429	7,680,398	9,984,164	9,260,421	7,961,419	5,947,248	6,540,388	6,422,446
Community Services	-	65,551	226,806	2,811,038	2,116,177	-	-	-	-	-
Other support services	677,385	7,365,780	1,307,102	-	-	2,845,306	4,210,388	2,467,522	11,980,412	3,175,348
Nutrition	-	-	-	12,691	-	14,696	358,681	407,762	771,988	764,632
Interest and fiscal charges	-	-	-	-	-	-	2,520,803	3,659,230	3,368,321	3,408,579
Capital Grants and Contributions										
Instruction	8,927	-	-	-	-	25,367,686	8,803,308	3,904,228	7,268,111	10,245,276
Improvement of instructional services	-	-	-	-	-	-	-	135,500	576,500	1,165,151
Maintenance and operation of facilities	-	1,191,630	2,207,605	-	-	-	-	135,650	-	60,759
Student transportation	1,640,644	-	653,047	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	209,611,500	225,654,541	246,176,956	205,789,588	205,616,181	248,612,781	228,816,108	227,229,116	252,160,501	266,838,449
Business-Type Activities										
Charges for Services										
Food Services	2,580,828	2,534,746	2,187,375	2,291,777	1,836,912	1,695,061	1,638,841	1,279,087	958,435	1,214,353
Operating Grants and Contributions										
Food Services	18,265,689	19,068,852	20,877,018	20,948,908	21,442,603	22,233,560	23,774,887	23,131,319	24,467,160	25,279,757
Total Business-Type Activities Program Revenues	20,846,517	21,603,598	23,064,393	23,240,685	23,279,515	23,928,621	25,413,728	24,410,406	25,425,595	26,494,110
Total Primary Government Activities Program Revenues	**$ 230,458,017**	**$ 247,258,139**	**$ 269,241,349**	**$ 229,030,273**	**$ 228,895,696**	**$ 272,541,402**	**$ 254,229,836**	**$ 251,639,522**	**$ 277,586,096**	**$ 293,332,559**

Continued on next page

ATLANTA INDEPENDENT SCHOOL SYSTEM
Change in Net Position
Last Ten Fiscal Years
Schedule 2

Fiscal Year Ended June 30,	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**Restated 2014**	**2015**
Net (Expense)/Revenue										
Governmental Activities										
Instruction	$ (216,896,434)	$ (227,196,067)	$ (273,252,407)	$ (318,664,187)	$ (327,072,234)	$ (240,665,044)	$ (286,968,985)	$ (308,406,084)	$ (335,310,788)	$ (337,019,835)
Pupil Services	(21,801,805)	(5,473,085)	(18,782,565)	(15,848,107)	(22,833,841)	(20,383,174)	(17,763,065)	(13,242,341)	(13,873,459)	(17,085,558)
Improvement of instructional services	(20,197,792)	(11,706,561)	(26,070,232)	(18,404,997)	(12,780,158)	(17,168,638)	(7,726,199)	(7,955,821)	(6,778,892)	(9,745,170)
Educational media	(9,834,933)	(5,688,137)	(7,891,643)	(6,321,372)	(6,989,315)	(7,615,772)	(8,958,197)	(6,645,879)	(6,666,785)	(7,981,735)
Federal grant administration	-	-	-	-	-	-	-	-	-	34,863
General administration	(17,727,945)	(19,277,491)	(15,554,771)	(9,909,564)	(10,405,594)	(9,460,979)	(10,192,924)	(8,111,595)	(6,426,438)	(7,375,533)
School administration	(33,860,685)	(19,038,276)	(31,059,264)	(20,550,187)	(21,398,201)	(25,328,911)	(23,500,849)	(30,410,897)	(31,011,465)	(30,491,226)
Business administration	(11,857,918)	(13,858,124)	(2,377,104)	(20,216,730)	(12,402,287)	(13,812,293)	(18,505,137)	(11,929,932)	(9,826,881)	(9,744,343)
Maintenance and operation of facilities	(59,836,970)	(48,063,172)	(80,130,092)	(69,944,826)	(74,230,177)	(75,132,962)	(73,797,788)	(61,135,720)	(69,330,490)	(80,766,078)
Student transportation	(18,058,136)	(13,467,461)	(36,718,870)	(45,124,446)	(31,306,410)	(22,163,186)	(21,551,283)	(18,124,958)	(22,073,376)	(21,517,518)
Central support	(26,660,063)	(24,102,242)	(32,239,516)	(31,118,464)	(38,582,641)	(27,469,493)	(20,418,110)	(22,414,403)	(18,499,920)	(18,262,059)
Community Services	-	79,272	(8,023,207)	2,811,038	2,116,177	-	-	-	-	-
Other support services	(106,503)	5,098,747	226,806	(3,707,098)	(3,350,291)	(865,957)	(8,100,364)	(544,025)	(1,949,033)	(388,603)
Nutrition	-	-	3,749,416	780,038	754,773	(961)	-	(502,711)	(437,029)	(318,484)
Interest and fiscal charges	(1,855,674)	(1,031,588)	(1,788,213)	(2,295,941)	(2,022,585)	(2,258,183)	(3,897,983)	(2,192,586)	(2,234,905)	(2,066,974)
Total Governmental Activities Net (Expenses)/Revenues	(438,694,858)	(383,724,185)	(529,911,661)	(558,514,843)	(560,502,784)	(462,325,554)	(501,380,884)	(491,616,952)	(524,419,461)	(542,728,253)
Business-Type Activities										
Food Services	(865,034)	2,398,942	(7,454,737)	1,487,864	57,486	128,089	2,708,130	729,919	1,527,421	1,326,976
Total Business-Type Activities Net (Expenses)/Revenues	(865,034)	2,398,942	(7,454,737)	1,487,864	57,486	128,089	2,708,130	729,919	1,527,421	1,326,976
Total Primary Government Activities Net Expense	**$ (439,559,892)**	**$ (381,325,243)**	**$ (537,366,398)**	**$ (557,026,979)**	**$ (560,445,298)**	**$ (462,197,465)**	**$ (498,672,754)**	**$ (490,887,033)**	**$ (522,892,040)**	**$ (541,401,277)**
General Revenues and Other Charges in Net Position										
Governmental Activities										
Taxes										
Property Taxes levied for general purposes	$ 361,839,014	$ 436,902,846	$ 470,036,120	$ 479,629,504	$ 498,921,379	$ 469,310,346	$ 414,313,637	$ 416,364,236	$ 429,448,006	$ 450,321,405
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	2,385,690	2,319,188
Special Local Option Sales Tax & Other Taxes	117,933,347	121,568,835	115,735,907	108,957,224	63,438,076	52,901,075	93,699,732	85,376,919	88,603,776	92,655,880
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	10,216,768	12,209,288
Investment Earnings	7,319,327	13,315,151	13,648,335	6,419,960	230,484	124,833	134,088	198,096	68,541	156,570
Other	6,316,574	15,129,339	6,855,522	15,296,550	10,583,834	5,298,494	-	-	-	2,870,395
Gain on sale of capital assets	2,505,987	3,129,377	-	528,432	897,453	614,466	-	-	-	9,283,900
Transfers	(1,036,966)	(16,416,074)	(9,400,000)	-	-	-	-	-	-	-
Extra ordinary items	-	(1,981,811)	-	-	-	-	-	(7,928,325)	-	-
Total Governmental Activities	504,288,656	572,683,913	599,376,972	616,422,668	576,649,912	530,733,961	520,872,094	516,867,901	530,722,781	569,816,626
Business-Type Activities										
Investment Earnings	59,711	(9,535)	-	-	8,202	17,068	1,407	-	-	-
Transfers	1,036,966	16,416,074	9,400,000	-	-	-	-	-	-	-
Other	-	79,445	-	-	-	-	-	-	-	-
Total Business-Type Activities	1,096,677	16,485,984	9,400,000	-	8,202	17,068	1,407	-	-	-
Total Primary Government Activities	**$ 505,385,333**	**$ 589,169,897**	**$ 608,776,972**	**$ 616,422,668**	**$ 576,658,114**	**$ 530,751,029**	**$ 520,873,501**	**$ 516,867,901**	**$ 530,722,781**	**$ 569,816,626**
Change in Net Position										
Governmental Activities	65,593,798	188,959,728	69,465,311	57,907,825	16,147,128	68,408,407	19,491,818	25,250,949	6,303,320	27,088,373
Business-Type Activities	231,643	18,884,926	1,945,263	1,487,864	65,688	145,157	2,709,537	729,919	1,527,421	1,326,976
Total Primary Government	**$ 65,825,441**	**$ 207,844,654**	**$ 71,410,574**	**$ 59,395,689**	**$ 16,212,816**	**$ 68,553,564**	**$ 22,201,355**	**$ 25,980,868**	**$ 7,830,741**	**$ 28,415,349**

Source: **Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2015**

Notes: **In fiscal year 2008, change in pension expense allocation.**
In fiscal year 2007, change in allocation of capital assets.
Changes in Instruction support 2007 to 2008 due to proper allocation of salary and benefits in 2008.
In fiscal year 2010, sales tax decreased due to sales tax refund/repayment.
Decrease in Sales Tax revenue in fiscal years 2011 and 2012 due in part to the economic downturn.
All restatements (if any) are due to prior period adjustments for change in accounting principle. For fiscal year 2014, see Note R.

ATLANTA INDEPENDENT SCHOOL SYSTEM
Governmental Fund Balances
Last Ten Fiscal Years
Schedule 3

Fiscal Year Ended June 30,	**2006**	**2007**	**2008**	**2009**	**2010**
Pre-GASB 54					
General Fund					
Reserved	$ 13,692,102	$ 21,785,030	$ 20,198,038	$ 72,359,684	$ 33,799,205
Unreserved	73,372,473	91,809,975	131,566,427	85,541,272	75,928,012
Total General Fund	$ 87,064,575	$ 113,595,005	$ 151,764,465	$ 157,900,956	$ 109,727,217
All Other Governmental Funds					
Reserved	$ 22,216,154	$ 103,139,827	$ 168,623,662	$ 149,939,551	$ 136,951,993
Unreserved, reported in:					
Capital Project Funds	39,512,697	34,183,429	23,702,646	-	-
Special Revenue Funds	12,177,524	12,652,472	14,193,822	11,995,289	11,767,769
Total All Other Governmental Funds	73,906,375	149,975,728	206,520,130	161,934,840	148,719,762
Total	$ 160,970,950	$ 263,570,733	$ 358,284,595	$ 319,835,796	$ 258,446,979

	2011	**2012**	**2013**	**2014**	**2015**
GASB 54					
General Fund					
Nonspendable	$ 456,347	$ 1,023,447	$ -	$ -	$ -
Restricted	1,104,717	299,867	395,553	955,364	1,732,429
Committed	16,995,134	1,589,097	1,139,666	1,124,458	1,089,486
Assigned	16,000,000	28,351,208	25,300,000	25,000,000	2,800,000
Unassigned	46,711,357	50,754,070	55,989,982	61,387,638	69,746,719
Total General Fund	$ 81,267,555	$ 82,017,689	$ 82,825,201	$ 88,467,460	$ 75,368,634
All Other Governmental Funds					
Capital Projects					
Restricted	$ 56,905,042	$ 112,372,048	$ 113,874,603	$ 99,474,791	$ 67,300,552
Assigned	28,898,894	21,363,504	15,219,006	9,190,881	3,591,004
Special Revenue Funds					
Restricted	54,845,311	49,926,602	5,810,236	2,791,977	1,653,276
Assigned	2,210,361	2,129,346	2,364,322	3,076,229	2,305,708
Total All Other Governmental Funds	$ 142,859,608	$ 185,791,500	$ 137,268,167	$ 114,533,878	$ 74,850,540
Total	$ 224,127,163	$ 267,809,189	$ 220,093,368	$ 203,001,338	$ 150,219,174

Source: **Atlanta Independent School System Financial Report for previous years and fiscal year ended June 30, 2015.**

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 2006-2010 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,	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Revenues										
Local Taxes	$ 369,492,043	$ 415,687,665	$ 471,313,094	$ 507,895,487	$ 493,825,791	$ 445,986,671	$ 445,177,849	$ 413,467,525	$ 433,996,780	$ 454,927,297
Sales taxes income	115,953,787	122,980,958	106,562,802	103,765,261	95,443,229	57,678,243	93,097,083	85,979,568	88,603,776	92,655,880
State revenues	141,640,201	151,924,389	163,747,188	129,106,908	110,942,787	132,033,597	142,661,322	146,333,340	166,924,818	170,977,501
Federal revenues	66,535,863	71,658,231	71,651,548	70,336,278	82,463,268	84,046,858	75,794,627	67,825,396	78,966,352	88,061,706
Investment income	7,319,327	13,315,151	13,648,335	6,419,960	410,218	282,686	134,088	198,096	68,541	156,570
Facility rental fees	949,298	-	1,604,301	1,246,236	995,042	783,989	996,731	1,158,726	988,989	1,006,553
Tuition charges	243,698	-	114,350	140,047	90,084	31,492	3,490	2,591	26,383	12,616
Charges for services	904,128	2,071,921	3,749,416	767,348	754,773	670,918	724,400	3,373,883	3,237,092	3,382,328
Other	15,066,259	15,884,882	13,512,915	23,817,861	22,081,274	13,897,009	20,717,752	31,594,799	14,590,435	16,006,100
Total Revenues	**$ 718,104,604**	**$ 793,523,197**	**$ 845,903,950**	**$ 843,495,386**	**$ 807,006,466**	**$ 735,411,463**	**$ 779,307,342**	**$ 749,933,924**	**$ 787,403,166**	**$ 827,186,551**
Expenditures										
Current Expenditures										
Instruction	$ 358,003,139	$ 405,189,908	$ 373,703,960	$ 394,246,196	$ 403,804,829	$ 373,889,853	$ 369,977,089	$ 384,975,252	$ 406,426,726	$ 452,833,641
Support Services:										
Pupil Services	28,296,328	23,654,225	33,795,599	35,859,316	36,234,070	38,474,947	29,461,159	25,023,266	27,819,145	31,526,739
Improvement of instructional services	31,811,061	31,501,828	38,823,821	38,318,666	39,447,284	49,820,431	38,215,985	42,917,654	40,368,632	48,830,299
Educational media	11,128,439	9,119,001	10,507,784	9,081,715	8,145,710	9,446,870	8,916,740	8,828,329	9,019,486	11,238,567
Federal grant administration	-	-	-	-	-	-	1,118,206	1,973,342	2,217,909	2,440,200
General administration	15,066,526	15,833,120	17,134,640	15,572,414	13,763,790	14,320,518	17,882,230	14,324,803	13,474,897	16,913,708
School administration	35,579,029	28,207,534	32,147,765	26,227,397	27,509,235	32,841,337	30,826,584	40,648,067	42,213,686	43,525,481
Business administration	12,959,536	15,632,317	23,625,597	17,182,008	15,934,176	16,837,414	16,653,106	12,509,036	9,829,649	9,951,233
Maintenance and operation of facilities	59,941,395	60,202,421	84,456,521	89,297,173	90,301,296	96,145,841	98,718,040	77,738,813	77,358,846	77,195,740
Student transportation	19,331,040	17,344,114	37,822,559	51,723,141	36,256,980	26,016,620	27,596,737	22,567,164	28,399,995	28,708,916
Central Support	26,567,407	28,680,154	29,586,277	38,517,074	47,399,446	36,238,019	28,294,967	28,361,651	25,140,028	25,095,644
Other support services	-	-	983,284	3,676,062	-	4,323,494	13,035,152	3,011,547	13,929,494	3,608,149
Nutrition	-	-	49,014	12,500	-	15,657	358,681	910,473	1,209,017	1,063,844
Other	796,364	2,386,576	-	-	3,274,650	-	-	-	-	-
Food Services Operation	-	-	-	-	-	-		-		
Other Operations of Non-Instructional Services	48,270	-	7,974,781	-	-	-	-	-	-	-
Capital Outlays	78,371,573	56,735,237	67,911,787	151,389,516	139,770,104	170,374,153	46,053,815	117,779,131	91,461,362	114,183,045
Debt Service:										
Principal	2,700,668	3,840,761	2,387,590	6,800,416	2,022,585	5,934,366	7,904,791	9,538,823	9,188,890	9,643,101
Interest and fiscal charges	403,266	-	1,788,213	2,295,941	5,755,506	1,803,937	5,331,323	6,684,960	6,488,819	6,140,938
Bond issuance cost	-	-	-	-	-	1,466,547	-	-	-	-
Total Expenditures	**$ 681,004,041**	**$ 698,327,196**	**$ 762,699,192**	**$ 880,199,535**	**$ 869,619,661**	**$ 877,950,004**	**$ 740,344,605**	**$ 797,792,311**	**$ 804,546,581**	**$ 882,899,245**
Recorded Fund Balance at End of Year	$ 160,970,954	$ 263,570,733	$ 358,284,596	$ 319,835,796	$ 258,446,979	$ 224,127,163	$ 267,809,189	$ 225,150,669	$ 203,001,338	$ 150,219,174
Debt service as a percentage of noncapital expenditures	0.52%	0.60%	0.60%	1.26%	1.05%	1.30%	1.91%	2.39%	2.16%	1.99%
Total debt service expenditures	$ 3,103,934	$ 3,840,761	$ 4,175,803	$ 9,096,357	$ 7,778,091	$ 9,204,850	$ 13,236,114	$ 16,223,783	$ 15,677,709	$ 15,784,039
Total non-capital expenditures	$ 602,632,468	$ 641,591,958	$ 694,787,405	$ 728,810,019	$ 729,849,557	$ 707,575,851	$ 694,290,790	$ 680,013,180	$ 725,144,263	$ 792,282,807

Continued on next page

ATLANTA INDEPENDENT SCHOOL SYSTEM
Changes in Governmental Fund Balances
Last Ten Fiscal Years
Schedule 4

Fiscal Year Ended June 30,	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Excess / (Deficiency) of Revenues over (under) Expenditures	**$ 37,100,563**	**$ 95,196,001**	**$ 83,204,756**	**$ (36,704,149)**	**$ (62,613,195)**	**$ (142,538,541)**	**$ 38,962,737**	**$ (47,858,387)**	**$ (17,143,415)**	**$ (55,712,694)**
Other Financing Sources (Uses)										
Proceeds from Bonds	3,907,884	3,921,678	-	-	-	104,415,000	-	-	-	-
Premium on bonds	-	-	-	-	-	3,097,709	-	-	-	-
Proceeds from Capital Leases	-	2,638,066	20,000,000	-	-	-	4,467,505	-	-	-
Proceeds from sale of capital assets	3,131,798	3,169,238	909,104	932,980	1,224,378	706,016	251,784	142,566	51,385	2,930,530
Proceeds from issuance of notes payable	40,000	10,115,000	-	-	-	-	-	-	-	-
Transfers in	19,874,172	27,635,695	25,307,215	34,055,410	44,664,147	10,974,126	600,090	5,925,802	1,238,300	288,955
Transfers out	(19,874,172)	(44,051,769)	(34,707,215)	(34,055,410)	(44,664,147)	(10,974,126)	(600,090)	(5,925,802)	(1,238,300)	(288,955)
Total Other Financing Sources/(Uses)	**7,079,682**	**3,427,908**	**11,509,104**	**932,980**	**1,224,378**	**108,218,725**	**4,719,289**	**142,566**	**51,385**	**2,930,530**
Extraordinary Items	**-**	**(1,981,811)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Change in Fund Balances	44,180,245	96,642,098	94,713,862	(35,771,169)	(61,388,817)	(34,319,816)	43,682,026	(47,715,821)	(17,092,030)	(52,782,164)
Fund Balance at Beginning of Fiscal Year	116,292,413	166,928,634	263,570,733	355,606,965	323,846,887	258,446,979	224,127,163	267,809,189	220,093,368	203,001,338
Prior Period Corrections	498,296	-	-	-	-	-	-	-	-	-
Change in accounting practice	-	-	-	-	(4,011,091)	-	-	-	-	-
FUND BALANCE AT END OF FISCAL YEAR	**$ 160,970,954**	**$ 263,570,733**	**$ 358,284,596**	**$ 319,835,796**	**$ 258,446,979**	**$ 224,127,163**	**$ 267,809,189**	**$ 220,093,368**	**$ 203,001,338**	**$ 150,219,174**

Source: **Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2015.**

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 School Admin. Services	Business Services [2]	Capital Outlay	Other [3]	Total	Total Current Expenditures % of Change From Prior Fiscal Year	Total Capital Outlay % of Change From Prior Fiscal Year	Total Expenditures % of Change From Prior Fiscal Year
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	-	25,836,983	578,785,005	-0.90%	0.00%	-4.28%
2014	392,615,401	22,987,226	50,096,842	106,235,157	-	24,962,789	596,897,415	3.43%	0.00%	3.13%
2015	440,936,459	28,028,356	52,951,820	108,345,064	-	26,213,781	656,475,480	10.20%	0.00%	9.98%

Source: **Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2015.**

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
2006	$384,221,179	$133,943,879	$3,870,753	$15,437,607	$537,473,418	71%	24.92%	0.72%	2.87%
2007	430,844,808	145,105,716	1,112,951	19,069,158	596,132,633	72%	24.34%	0.19%	3.20%
2008	480,152,929	154,892,058	1,347,241	17,353,301	653,745,529	73%	23.69%	0.21%	2.65%
2009	514,075,346	122,514,004	4,328,538	16,548,410	657,466,298	78%	18.63%	0.66%	2.52%
2010	493,825,791	107,237,545	15,452,007	9,262,323	625,777,666	79%	17.14%	2.47%	1.48%
2011	445,986,671	127,235,844	10,747,543	7,841,900	591,811,958	75%	21.50%	1.82%	1.33%
2012	445,177,849	140,134,932	1,409,596	14,525,430	601,247,807	74%	23.31%	0.23%	2.42%
2013	413,467,525	143,710,200	1,315,257	26,882,771	585,375,753	71%	24.55%	0.22%	4.59%
2014	433,996,780	153,279,702	1,297,845	15,152,262	603,726,589	72%	25.39%	0.21%	2.51%
2015	454,927,297	167,216,672	1,248,478	17,342,632	640,735,079	71%	26.10%	0.19%	2.71%

Source: **Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2015.**

ATLANTA INDEPENDENT SCHOOL SYSTEM
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Schedule 7

Fiscal Year Ended	Residential Property	Commercial Property	Industrial Property	Other Property [1]	Less Tax-Exempt Property [2]	Total Taxable Assessed Value [3]	Total Direct Tax Rate
June 30, 2006	$ 11,954,278,920	$ 8,069,483,015	$ 699,409,813	$ 1,621,488,855	$ 1,720,017,791	$ 20,624,642,812	32.13%
June 30, 2007	13,202,618,136	9,744,120,546	776,908,905	1,595,456,173	1,887,341,520	23,431,762,240	31.61%
June 30, 2008	13,980,076,949	13,067,992,615	1,031,326,231	1,615,241,347	2,093,949,974	27,600,687,168	30.49%
June 30, 2009	13,611,726,261	11,379,465,585	801,084,215	1,758,938,922	2,409,353,965	25,141,861,018	30.49%
June 30, 2010	12,749,326,810	11,746,535,282	806,421,455	1,542,422,321	2,831,876,995	24,012,828,873	33.63%
June 30, 2011	12,609,751,900	10,924,151,062	775,954,220	1,525,316,851	2,731,195,758	23,103,978,275	33.63%
June 30, 2012	11,506,413,986	11,148,297,009	758,400,890	1,528,992,043	2,880,803,214	22,061,300,714	33.63%
June 30, 2013	10,896,664,314	10,752,062,104	723,400,082	1,658,974,465	2,660,010,749	21,371,090,216	33.68%
June 30, 2014	11,183,385,556	10,556,075,940	687,309,657	1,671,292,251	2,430,432,837	21,667,630,567	33.49%
June 30, 2015	11,687,041,707	11,151,391,836	683,832,400	1,554,353,314	2,599,674,413	22,476,944,844	33.19%

Source: **Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2015.**

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.

ATLANTA INDEPENDENT SCHOOL SYSTEM
Property Tax Rates - All Overlapping Governments
(Per $1,000 Assessed Value) Last Ten Fiscal Years
Schedule 8

	City Direct Rates						Overlapping Rates					
									Fulton County, Georgia			
Fiscal Year Ended	General Levy	School Levy	Parks Levy	City Bond Levy	School Bond Levy	Total Direct Tax Rate [2]	Atlanta/ DeKalb County Special Tax District	Downtown Improvement District Special Tax District [1]	County Levy [3]	County Bond Levy	Georgia State Levy	Total
June 30, 2006	7.53	22.64	0.50	1.41	0.05	32.13	0.99	5.00	11.40 **(3)**	0.06	0.25	11.72
June 30, 2007	7.09	22.64	0.50	1.33	0.05	31.61	0.96	5.00	10.28 **(3)**	0.06	0.25	10.58
June 30, 2008	7.12	21.64	0.50	1.18	0.05	30.49	0.83	5.00	10.28 **(3)**	0.06	0.25	10.59
June 30, 2009	7.12	21.64	0.50	1.18	0.05	30.49	0.83	5.00	10.28 **(3)**	-	0.25	10.53
June 30, 2010	10.24	21.64	0.50	1.20	0.05	33.63	1.00	5.00	10.28 **(3)**	-	0.25	10.53
June 30, 2011	10.24	21.64	0.50	1.20	0.05	33.63	0.88	5.00	10.28 **(3)**	-	0.25	10.53
June 30, 2012	10.24	21.64	0.50	1.20	0.05	33.63	0.88	5.00	10.28 **(3)**	-	0.25	10.80
June 30, 2013	10.24	21.64	0.50	1.20	0.10	33.68	1.224	5.00	10.21 **(3)**	-	0.25	10.46
June 30, 2014	10.05	21.64	0.50	1.20	0.10	33.49	1.220	5.00	10.21 **(3)**	-	0.10	10.31
June 30, 2015	9.75	21.64	0.50	1.20	0.10	33.19	1.060	5.00	11.78 **(3)**	0.27	0.10	12.15

Source: **Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2015.**

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.

ATLANTA INDEPENDENT SCHOOL SYSTEM
Principal Property Taxpayers
June 30, 2014 and Nine Years Ago [1]
Schedule 9

2014

Tax Payer	Type of Business	Taxable Assessed Value [1]	Rank	Percentage of Total City Taxable Assessed Value
Development Authority of Fulton	Government	$ 914,748,466	1	4.27%
Georgia Power Company	Utility Service	281,251,853	2	1.31%
Post Apartment Homes	Residential Real Estate	176,237,783	3	0.82%
Bell South	Communication Service	170,914,613	4	0.80%
Coca-Cola Company	Marketing and Manufacturing	154,851,783	5	0.72%
Corporate Property Corporation	Commercial Real Estate	107,531,880	6	0.50%
Sun Trust Plaza Association	Commercial Real Estate	94,698,251	7	0.44%
Hines One Atlantic Center LP	Commerical Real Estate	80,341,160	8	0.38%
IEP Peachtree LLC		74,371,960	9	0.35%
GA-MET	Manufacturing	72,000,000	10	0.34%
Total		$ 2,126,947,749		9.93%

2005

	Type of Business	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Bell South	Communication Service	$ 386,047,492	1	1.90%
Coca-Cola Company	Marketing and Manufacturing	154,932,948	2	0.76%
Georgia Power Company	Utility Service	139,188,340	3	0.69%
Post Apartment Homes	Residential Real Estate	117,829,980	4	0.58%
Sun Trust Plaza Association	Commercial Real Estate	92,889,700	5	0.46%
Overseas Partners	Commercial Real Estate	86,232,080	6	0.42%
Sumito Life Realty, Inc.	Commercial Real Estate	82,034,230	7	0.40%
Trizec Alliance Center LLC	Commerical Real Estate	81,144,630	8	0.40%
Peachtree TSG Associates LLC	Commercial Real Estate	80,353,590	9	0.40%
CSC Associates	Commerical Real Estate	77,663,640	10	0.38%
Total		$ 1,298,316,630		6.39%

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

Notes:
1 Information for FY2015 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	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
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	219,866,298	98.76%
June 30, 2013	219,176,582	214,493,637	97.86%	2,638,428	217,132,065	99.07%
June 30, 2014	222,103,322	218,184,468	98.24%	2,417,354	220,601,822	99.32%
June 30, 2015	227,841,961	224,808,353	98.67%	148,796	224,957,149	98.73%

Source: **Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2015.**

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

ATLANTA INDEPENDENT SCHOOL SYSTEM
Comparison of Property Tax Millage Rates
As of June 30, 2015
Schedule 11

	TOTAL RATE	MAINTENANCE AND OPERATION	DEBT SERVICE
Atlanta Public Schools	21.74	21.64	0.10
Clayton County Schools	19.10	19.10	0.00
Cobb County Schools	18.90	18.90	0.00
DeKalb County Schools	23.73	23.73	0.00
Douglas County Schools	21.10	19.85	1.25
Fulton County Schools	18.50	18.50	0.00
Gwinnett County Schools	21.85	19.80	2.05
Rockdale County Schools	25.32	25.32	0.00

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

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

ATLANTA INDEPENDENT SCHOOL SYSTEM
Tax Millage Rates
Last Ten Tax Years
Schedule 12

Tax Year	Maintenance and Operations	Sinking Bond Fund	Total Levy	Comments
2006	22.64	0.054	22.694	Increase of 2.17 mills
2007	22.64	0.054	22.694	No change from 2006
2008	21.64	0.054	21.694	Decrease of 1.000 mills
2009	21.64	0.054	21.694	No change from 2008
2010	21.64	0.054	21.694	No change from 2009
2011	21.64	0.054	21.694	No change from 2010
2012	21.64	0.100	21.740	Increase of .046 mills
2013	21.64	0.100	21.740	No change from 2012
2014	21.64	0.100	21.740	No change from 2013
2015	21.64	0.100	21.740	No change from 2014

Sources: **Atlanta Public Schools June 2010 Tax Levy Board Resolutions for tax year 2011**
Georgia Department of Revenue for tax years 2006-2010, 2012-2015

ATLANTA INDEPENDENT SCHOOL SYSTEM
Ratios of Total Debt Outstanding by Type (Unaudited)
Governmental Activities
For the Last Ten Fiscal Years
Schedule 13

Fiscal Year Ended June 30,	Education Reform Success (COPS)	Intergovernmental Agreement	Capital Leases	Fund Balance Restricted to Debt Service	Net Total Debt (1)	Estimated Actual Value of Taxable Property (2)	Ratio of Total Debt to Est. Actual Value	Personal Income (3)	Ratio of Total Debt to Personal Income
2006	$ -	$ 18,697,134	$ 4,219,951	$ (4,396,505)	$ 18,520,580	$ 20,624,642,812	0.09%	$ 184,186,000	10.06%
2007	10,115,000	22,112,675	5,159,414	(3,840,761)	33,546,328	23,431,762,240	0.14%	184,186,000	18.21%
2008	10,115,000	21,385,800	23,618,868	(3,205,377)	51,914,291	27,600,687,168	0.19%	196,683,000	26.39%
2009	9,565,000	20,488,750	18,255,388	(2,579,052)	45,730,086	25,823,713,882	0.18%	198,580,000	23.03%
2010	8,995,000	19,461,875	13,998,496	(1,868,740)	40,586,631	24,012,828,873	0.17%	206,462,000	19.66%
2011	115,912,709	18,439,000	9,682,005	(1,104,717)	142,928,997	22,061,300,714	0.65%	203,137,000	70.36%
2012	115,114,094	17,398,125	7,905,594	(299,867)	140,117,946	22,061,300,714	0.64%	202,577,000	69.17%
2013	107,431,623	16,311,250	6,018,646	(395,553)	129,365,966	21,371,090,216	0.61%	212,830,000	60.78%
2014	99,948,185	15,167,625	4,753,381	(955,364)	118,913,827	21,667,630,567	0.55%	223,569,000	53.19%
2015	92,437,941	4,518,925	3,445,080	(1,732,429)	98,669,517	22,476,944,844	0.44%	228,134,000	43.25%

Source: **Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2015.**

Notes: **1 See the schedule of Long Term Debt in the Notes for each year for more information on the debt.**
2 See schedule 7 - Assessed and Estimated Actual Value of Taxable Property.
3 See schedule 15 - Demographics Statistics.

ATLANTA INDEPENDENT SCHOOL SYSTEM
Overlapping and Direct Governmental Activities Debt (Unaudited)
June 30, 2015
Schedule 14

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping Debt:			
Fulton County (1)	$ 178,180,317	47.0%	$ 83,744,749
DeKalb County (2)	224,757,000	4.6%	10,338,822
Fulton County Building Authority (1)	-	47.0%	-
Subtotal of overlapping debt			$ 94,083,571
Contractual General Obligation Debt:			
City of Atlanta General Obligation Debt (less APS Portion)	391,371,075	100.0%	$ 391,371,075
Less: Sinking Fund (less APS Portion)	31,131,702	100.0%	31,131,702
Net City of Atlanta General Obligation Debt (less APS Portion)			$ 360,239,373.00
Atlanta and Fulton Recreation Authority			
Series 2010 Bonds (5)	107,465,000	66.7%	71,679,155
Series 2005 A/B AFCRA Revenue & Refunding Bonds (5)	28,205,000	100.0%	28,205,000
Series 2005 A/B park Improvement Bonds (5)	71,330,000	100.0%	71,330,000
Series 2014 A/B park Improvement Bonds (5)	70,625,000	100.0%	70,625,000
DDA Parking Deck Series 2006 (ADA) - COA (3)	19,660,000	100.0%	19,660,000
AURA Bondsa Series 2010 (ADA) - COA (3)	19,625,000	100.0%	19,625,000
Urban Residential Finance Authority (URFA) - COA (4)	27,615,000	33.3%	9,195,795
Underground Atlanta Refunding Series 2009 (ADA) COA (3)	22,605,000	100.0%	22,605,000
AFCRA Revenue Zoo Series 2007 (5)	13,930,000	75.0%	10,447,500
Subtotal of contractual general obligation debt			683,611,823
Overlapping Contractual Obligations:			
Fulton-Dekalb Hospital Authority (1)	127,875,000	47.0%	60,101,250
Total Overlapping Debt			$ 837,796,644
School District Direct Debt:			
City of Atlanta General Obligation Debt (APS Portion)	4,518,925	100.0%	4,518,925
Less: Sinking fund (less APS Portion)	2,319,188	100.0%	2,319,188
Net City of Atlanta General Obligation Debt (APS Portion)			2,199,737
ERS, Inc (COPS, Series 2006/2007)	5,765,000	100.0%	5,765,000
ERS, Inc (COPS, Series 2011A)	72,460,000	100.0%	72,460,000
ERS, Inc (COPS, Series 2011B)	13,655,000	100.0%	13,655,000
Unamortized premium 2011B	557,941	100.0%	557,941
Net ERS, Inc. (COPS, All Series)			92,437,941
Total Overlapping and Direct Debt			**$ 932,434,322**

Sources:
(1) Fulton County CAFR - Year Ended 12/31/2014
(2) DeKalb County CAFR - Year Ended 12/31/2014
(3) DDA - Financial Statements as of 6/30/2014
(4) URFA - Financial Statements as of 6/30/2014
(5) AFCRA - Financial Statement Years Ended 12/31 2013 & 2014
(6) DBC - Amortization Schedule as of 6/30/2014 & 6/30/2015

ATLANTA INDEPENDENT SCHOOL SYSTEM
Demographic Statistics
Last Ten Fiscal Years
Schedule 15

Fiscal Year Ended	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
June 30, 2006	451,600	$ 184,186	$ 35,846	34.7	49,924	5.3%
June 30, 2007	451,600	184,186	35,846	34.7	49,707	4.5%
June 30, 2008	461,956	196,683	36,309	32.0	51,377	5.9%
June 30, 2009	477,300	198,580	37,744	35.0	48,093	10.3%
June 30, 2010	480,700	206,462	38,336	35.0	48,696	10.0%
June 30, 2011	420,003	203,137	37,101	34.0	49,874	10.5%
June 30, 2012	432,427	202,577	38,321	32.9	49,474	8.9%
June 30, 2013	443,775	212,830	39,713	33.0	48,831	8.6%
June 30, 2014	447,841	223,569	40,963	33.2	49,384	7.6%
June 30, 2015	456,002	228,134	41,307	33.2	50,708	5.9%

Sources: **Statistical section of the City of Atlanta, Georgia 2015 Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2015.**

ATLANTA INDEPENDENT SCHOOL SYSTEM
Principal Employers
June 30, 2014 and Nine Years Ago
Schedule 16

2014

Employer	Type Of Business	Employees	Percentage of Total City Employment
Delta Air Lines, Inc.	Transportation	4,357	2.18%
The Coco-Cola Company	Marketing and Manufacturing	3,498	1.75%
Air Service Corp	Transportation	2,350	1.18%
Accenture LLP	Consulting	2,200	1.10%
AT&T Services Inc.	Telecommunication	2,179	1.09%
Turner Broadcasting Systems, Inc.	Media/Entertainment	2,057	1.03%
Cable News Network	Media	1,823	0.91%
Allied Barton Security Services	Security Services	1,467	0.73%
Tenet Health System , Inc.	Healthcare	1,359	0.68%
Deloitte Consulting LLP	Consulting	1,195	0.60%
Total		**22,485**	**11.25%**

2005

Employer	Type Of Business	Employees	Percentage of Total City Employment
International Business Machine Corp.	Technology Services	3,697	1.81%
The Coca-Cola Company	Marketing and Manufacturing	3,096	1.52%
Accenture LLP	Consulting	3,000	1.47%
Georgia-Pacific Corporation	Pulp and Paper Manufacturing	2,434	1.19%
Cable News Network, Inc.	Media	1,922	0.94%
Allied Barton Security Services	Security Services	1,896	0.93%
Tenet Healthsystem, Inc.	Healthcare	1,410	0.69%
Turner Broadcasting System, Inc.	Media/Entertainment	1,351	0.66%
Turner Entertainment Networks	Entertainment	1,118	0.55%
Atlanta Journal and Constitution	Media	1,017	0.50%
Total		**20,941**	**10.26%**

Source: 2014 - Statistical section of the City of Atlanta, Georgia 2015 Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014.

2015 - Information not Available

ATLANTA INDEPENDENT SCHOOL SYSTEM
School Breakfast Program
Last Ten Fiscal Years
Meals Served
Schedule 17

Fiscal Year	Total	Free	Reduced	Paid
2006	2,707,493	2,435,219	85,014	187,260
2007	2,782,559	2,490,514	105,082	186,963
2008	2,854,746	2,597,420	85,533	171,793
2009	2,884,599	2,634,544	78,887	171,168
2010	3,077,775	2,822,180	77,739	177,856
2011	3,499,392	3,173,080	78,260	248,052
2012	3,869,946	3,487,626	86,082	296,238
2013	3,718,353	3,368,341	77,277	272,735
2014	3,528,648	3,403,721	27,543	97,384
2015	3,481,920	3,353,976	24,313	103,631

Source: **Nutrition Department of APS**

ATLANTA INDEPENDENT SCHOOL SYSTEM
School Lunch Program
Last Ten Fiscal Years
Meals Served
Schedule 18

Fiscal Year	Total	Free	Reduced	Paid
2006	5,980,314	4,924,894	289,292	766,128
2007	5,938,199	4,886,222	314,070	737,907
2008	5,894,475	4,943,800	272,290	678,385
2009	5,919,633	4,961,606	252,189	705,838
2010	5,835,665	4,968,698	223,230	643,737
2011	5,840,231	5,032,509	168,063	639,659
2012	5,803,075	5,043,598	158,924	600,553
2013	5,426,460	4,799,240	126,324	500,896
2014	5,328,409	4,964,636	59,466	304,307
2015	5,454,239	5,026,532	66,502	361,205

Source: **Nutrition Department of APS**

ATLANTA INDEPENDENT SCHOOL SYSTEM
Number of Schools
Last Ten Fiscal Years
Schedule 19

Fiscal Year	Total	Elementary	Middle	High
2006	89	59	16	14
2007	94	58	16	20
2008	93	57	17	19
2009	95	57	19	19
2010	96	55	18	23
2011	96	55	16	25
2012	100	58	18	24
2013	86	50	15	21
2014	88	53	14	21
2015	86	53	12	21

Source: **Atlanta Public Schools Website - 2014-2015 School List**

ATLANTA INDEPENDENT SCHOOL SYSTEM
Enrollment by Grade Level (Unaudited)
Last Ten Fiscal Years
Schedule 20

Grade Level	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PK	805	858	890	885	965	991	1,111	1,098	1,108	1,113
KK	4,762	4,758	4,476	4,351	4,501	4,598	4,795	4,822	4,911	5,029
Grade 1	4,501	4,739	4,711	4,503	4,377	4,601	4,609	4,698	4,816	4,902
Grade 2	4,284	4,348	4,545	4,543	4,431	4,248	4,379	4,417	4,602	4,677
Grade 3	4,264	4,286	4,330	4,337	4,431	4,481	4,269	4,289	4,341	4,509
Grade 4	4,086	3,992	4,065	4,040	4,168	4,221	4,266	3,962	4,008	4,105
Grade 5	3,921	3,948	3,874	3,903	3,904	4,177	4,172	4,094	3,963	3,979
Grade 6	3,807	3,526	3,509	3,314	3,451	3,623	3,563	3,603	3,591	3,604
Grade 7	3,794	3,622	3,309	3,347	3,204	3,490	3,503	3,471	3,505	3,568
Grade 8	3,597	3,739	3,580	3,190	3,303	3,242	3,465	3,379	3,404	3,517
Grade 9	4,332	4,073	4,204	4,309	4,420	4,412	4,475	4,395	4,741	4,732
Grade 10	3,268	3,291	3,197	2,948	2,873	2,982	3,003	2,928	2,822	3,068
Grade 11	2,925	2,900	2,854	2,893	2,354	2,299	2,352	2,346	2,378	2,232
Grade 12	2,424	2,551	2,447	2,469	2,527	2,431	2,047	2,056	1,941	2,110
Totals	50,770	50,631	49,991	49,032	48,909	49,796	50,009	49,558	50,131	51,145

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

ATLANTA INDEPENDENT SCHOOL SYSTEM

School Buildings, Acreage, and Capacity

June 30, 2015

Schedule 21

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 (2015 basis)	Effective Age Basis	Effective Age (2015 basis)
1	Adamsville	W	4.9	75,058	750	100	30	1970	2001	45	2001	14
2	Beecher Hills	W	9.5	49,925	525	95	21	1959	1999	56	1999	16
3	Benteen	E	4.0	79,633	600	133	24	1957	2000	58	2000	15
4	Bethune	W	4.5	78,561	825	95	33	1949	1999	66	1999	16
5	Bolton Academy	N	4.0	83,653	900	93	36	2003		12	2003	12
6	Boyd	N	19.7	72,405	575	126	23	1971		44	1971	44
7	Brandon	N	10.0	76,672	875	88	35	1947	1994	68	1994	21
8	Brandon Primary	N	9.8	59,941	625	96	25	1954	2009	61	2009	6
9	Burgess-Peterson	E	8.3	85,836	875	98	35	2004		11	2004	11
10	Cascade	W	8.7	70,101	625	112	25	1995		20	1995	20
11	Centennial Place	E	5.0	63,806	650	98	26	1998		17	1998	17
12	Cleveland	S	15.8	75,286	675	112	27	1996		19	1996	19
13	Connally	W	3.7	88,417	1,000	88	40	1975	2000	40	2000	15
14	Continental Colony	W	8.7	85,562	600	143	24	1963	2011	52	2011	4
15	Deerwood Academy	W	21.0	91,566	900	102	36	2004		11	2004	11
16	Dobbs	S	19.6	86,907	900	97	36	2003		12	2003	12
17	Dunbar	E	5.3	98,959	500	198	20	1969	2009	46	2009	6
18	Fain	N	8.0	83,782	700	120	28	1987		28	1987	28
19	Fickett	W	12.0	86,490	900	96	36	1972	1994	43	1994	21
20	Finch	S	4.1	95,024	950	100	38	2005		10	2005	10
21	Garden Hills	N	8.0	82,176	775	106	31	1938	2003	77	2003	12
22	Gideons	S	4.5	72,402	825	88	33	1958	2000	57	2000	15
23	Grove Park	N	7.0	88,921	725	123	29	1967	2000	48	2000	15
24	Heritage Academy	S	7.0	80,864	850	95	34	2002		13	2002	13
25	Hope - Hill	E	2.4	75,631	700	108	28	2002		13	2002	13
26	Humphries	S	8.2	66,228	650	102	26	1940	1998	75	1998	17
27	Hutchinson	S	8.5	70,797	825	86	33	1956	1994	59	1994	21
28	Jackson	N	12.5	96,639	850	114	34	1967	1994	48	1994	21
29	Jackson Primary	N	7.2	48,982	500	98	20	1959	2008	56	2008	7
30	Jones, M. A.	W	7.5	92,272	875	105	35	2005		10	2005	10
31	Kimberly	W	7.2	63,379	825	77	33	1958	1999	57	1999	16
32	Lin, Mary	E	5.2	60,115	600	100	24	1930	1994	85	1994	21
33	Miles	W	15.0	82,211	900	91	36	2003		12	2003	12
34	Morningside	E	5.2	98,037	900	109	36	1930	1994	85	1994	21
35	Parkside	E	8.3	80,836	775	104	31	2001		14	2001	14
36	Perkerson	S	9.0	75,297	700	108	28	1994		21	1994	21
37	Peyton Forest	W	25.0	64,300	625	103	25	1968	1999	47	1999	16
38	Rivers (@ fmr Sutton MS)	N	12.5	160,667	1,000	161	40	1950	1999	65	1999	16
39	Scott	N	8.0	72,891	800	91	32	1960	2006	55	2006	9
40	Slater	S	13.0	78,232	800	98	32	1952	2002	63	2002	13
41	Smith, Sarah	N	10.3	70,545	750	94	30	1952	1994	63	1994	21
42	Smith Intermediate	N	6.2	78,173	750	104	30	2009		6	2009	6
43	Springdale Park	E	5.5	95,555	625	153	25	2009		6	2009	6
44	Stanton, D. H.	E	6.0	75,646	825	92	33	1959	2000	56	2000	15
45	Stanton, F. L.	N	5.2	57,910	425	136	17	1928	2000	87	2000	15
46	Thomasville Heights	S	11.2	83,023	950	87	38	1971	2001	44	2001	14
47	Toomer	E	10.6	70,012	700	100	28	1967	1998	48	1998	17
48	Towns	N	8.9	70,084	675	104	27	1963	2000	52	2000	15
49	Usher - Collier	N	14.0	102,962	900	114	36	1969	2003	46	2003	12
50	Venetian Hills	W	9.3	60,924	600	102	24	1954	1994	61	1994	21
51	West Manor	W	10.8	37,150	400	93	16	1956	2000	59	2000	15
52	Whitefoord	E	2.3	59,438	650	91	26	1928	1994	87	1994	21
53	Woodson	N	4.1	76,708	675	114	27	1971	1998	44	1998	17
Elementary School Totals			**472.2**	**4,136,591**	**39,375**	**106**	**1,575**	**1971**		**44**	**2000**	**15**

ATLANTA INDEPENDENT SCHOOL SYSTEM

School Buildings, Acreage, and Capacity

June 30, 2015

Schedule 21

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

	Middle Schools	Region	Acres	Sq.Ft.	Planning Capacity @ 25/1	SF per Student	Core Classrooms	Original Construction	Renovation	Actual Age (2015 basis)	Effective Age Basis	Effective Age (2015 basis)
1	BEST (see HS)	N										
2	Brown	W	15.6	151,081	975	155	39	1928	2001	87	2001	14
3	Bunche (@ fmr Archer HS)	W	19.5	266,648	1,625	164	65	1957	1972	58	1972	43
4	Harper - Archer	N	18.1	229,745	1,100	209	44	1963	2002	52	2002	13
5	Inman	E	4.2	146,035	875	167	35	1923	2005	92	2005	10
6	King, C.S. (see HS)	N										
7	King, M.L. (@ fmr Coan MS)	E	16.1	167,169	1,025	163	41	1967	2003	48	2003	12
8	Long	S	15.6	125,237	900	139	36	1958	2006	57	2006	9
9	Price	S	19.0	167,168	975	171	39	1954	2002	61	2002	13
10	Sutton (@ fmr N. Atlanta HS)	N	17.5	301,386	1,625	185	65	1951	2011	64	2011	4
11	Sylvan (@ fmr Parks MS)	S	5.8	79,630	625	127	25	1966	1996	49	1996	19
12	Young	W	15.0	172,980	975	177	39	1951	2009	64	2009	6
Middle School Totals			**146.4**	**1,807,079**	**10,700**	**166**	**428**	**1952**		**63**	**2001**	**14**
	High Schools	**Region**	**Acres**	**Sq.Ft.**	**Planning Capacity @ 25/1**	**SF per Student**	**Core Classrooms**	**Original Construction**	**Renovation**	**Actual Age (2015 basis)**	**Effective Age Basis**	**Effective Age (2015 basis)**
1	BEST (includes MS)	N	15.1	217,578	1,750	124	70	2009		6	2009	6
2	Carver	S	35.4	271,429	1,525	178	61	1920	2005	95	2005	10
3	Crim	E	17.9	203,949	925	220	37	1940	2007	75	2007	8
4	Douglass	N	32.0	336,101	1,950	172	78	1968	2004	47	2004	11
5	Forrest Hill	S	5.8	69,254	750	92	30	2008		7	2008	7
6	Grady	E	19.5	253,095	1,275	199	51	1924	2005	91	2005	10
7	Jackson, M.H.	E	25.0	314,251	1,500	210	60	1985	2014	30	2014	1
8	King, C.S. (includes MS)	N	21.2	264,874	1,750	151	70	2009		6	2009	6
9	Mays	W	70.0	339,758	2,000	170	80	1981	2011	34	2011	4
10	North Atlanta (New)	N	56.6	507,093	2,425	209	97	1978	2013	37	2013	2
11	South Atlanta	S	50.2	277,779	1,950	142	78	1973	2008	42	2008	7
12	Therrell	W	17.3	249,830	1,500	167	60	1960	2011	55	2011	4
13	Washington	W	21.1	261,269	1,625	161	65	1924	2005	91	2005	10
High School Totals			**387.1**	**3,566,260**	**20,925**	**169**	**837**	**1968**		**47**	**2008**	**7**
DISTRCT TOTALS & AVERAGES			**Acres**	**Sq.Ft.**	**Planning Capacity @ 25/1**	**SF per Student**	**Core Classrooms**	**Original Construction**		**Actual Age (2015 basis)**	**Effective Age Basis**	**Effective Age (2015 basis)**
			1,005.7	**9,509,930**	**71,000**	**147**	**2,840**	**1968**		**47**	**2001**	**14**

	Other Facilities / Programs	Region	Acres	Sq.Ft.	Planning Capacity @ 25/1	SF per Student	Core Classrooms	Original Construction	Renovation	Actual Age (2015 basis)	Effective Age Basis	Effective Age (2015 basis)
	North Metro (Oglethorpe)	W	3.8	52,909	550	96	22	1958	1999	57	1999	16
	West End Academy (Blalock)	W	16.4	78,332	875	90	35	1971	2002	44	2002	13

ATLANTA INDEPENDENT SCHOOL SYSTEM
General Fund Per Pupil Cost
Last Ten Fiscal Years
Schedule 22

Fiscal Year	Expenditures [1]	Active Enrollment [2]	Cost Per Pupil Enrolled	Average Daily Attendance [3]	Cost Per Pupil Attended
2006	$ 509,458	50,631	$ 10,062	44,534	$ 11,440
2007	536,734	50,631	10,601	48,720	11,017
2008	591,778	49,991	11,838	44,935	13,170
2009	618,667	49,032	12,618	51,449	12,025
2010	630,734	48,909	12,896	52,368	12,044
2011	610,014	49,796	12,250	52,925	11,526
2012	604,635	50,009	12,091	47,192	12,812
2013	578,785	49,558	11,631	46,403	12,421
2014	596,900	49,842	11,976	47,068	12,682
2015	656,475	51,145	12,836	47,463	13,831

Sources:

1 Atlanta Independent School System General Fund Expenditures by Function schedule for fiscal year ended June 30, 2015 (amounts expressed in thousands).
2 GA Department of Education, Enrollment by Grade report, based on the October count of each fiscal year.
3 Average daily attendance figures from the APS Attendance/Membership Summary Report as of June 30 of each fiscal year.

ATLANTA INDEPENDENT SCHOOL SYSTEM
Employees by Function (Unaudited)
For the Last Ten Fiscal Years
Schedule 23

Function	Fiscal Year Ended June 30, 2015									
	2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Instruction	5,300	5,212	5,298	5,137	5,170	4,892	4,743	4,568	4,020	3,840
Pupil Services	335	297	341	365	348	350	303	224	193	224
Improvement of Instructional Services	97	272	265	303	327	314	387	318	329	306
Educational Media Services	122	127	126	124	121	123	118	116	112	91
General Administration	65	46	47	68	79	84	57	64	45	59
School Administration	443	429	453	449	434	438	431	440	443	507
Business Administration	75	159	162	189	188	199	187	161	85	79
Maintenance and Operations	639	564	540	632	628	630	667	578	401	374
Student Transportation Services	412	425	421	424	439	446	431	444	396	451
Central Services	168	132	136	129	128	136	132	142	153	89
Other Supporting Services	56	52	79	81	86	93	180	91	67	71
Nutrition Operations	175	154	143	136	122	119	108	101	88	84
Facilities, Acquisition and Contruction	3	-	-	1	1	2	2	2	3	4
Totals	7,890	7,869	8,011	8,038	8,071	7,826	7,746	7,249	6,335	6,179

Source: Information Technology Department of APS

SINGLE AUDIT SECTION

MAULDIN & JENKINS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2015, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements, and have issued our report thereon dated December 28, 2015. Our report includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, as of July 1, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 28, 2015

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A–133

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

Report on Compliance for Each Major Federal Program

We have audited the Atlanta Independent School System's (the "School System") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School System's major federal programs for the fiscal year ended June 30, 2015. The School System's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is reponsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinon on compliance for each of the School System's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School System's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Atlanta Independent School System complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the School System is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the School System's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School System's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 28, 2015

ATLANTA INDEPENDENT SCHOOL SYSTEM

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2015

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	TOTAL EXPENDITURES
U.S. Department of Agriculture:			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food and Nutrition Program			
Food Services			
School Breakfast Program	10.553	N/A	$ 6,437,050
School Breakfast Program	10.553	N/A	82,343
National School Lunch Program:			
Cash Assistance	10.555	N/A	15,692,781
Non-Cash Assistance (Commodities) - Note 2	10.555	N/A	1,462,380
After School Snack Program	10.555	N/A	311,220
After School Snack Program	10.555	N/A	13,240
Total Child Nutrition Cluster			23,999,014
Fresh Fruit and Vegetable Program	10.582	N/A	764,632
Child and Adult Care Food Program	10.558	N/A	561,369
Total U.S. Department of Agriculture			25,325,015
U.S. Department of Education:			
Direct awards			
Enhanced Reading Opportunities	84.215	N/A	501,865
Pass-Through From Georgia Department of Education			
Individuals with Disabilities Education Act (IDEA) - Special Education Cluster			
Title VIB Flow Through	84.027	N/A	9,339,402
Preschool	84.173	N/A	225,622
Subtotal Special Education Cluster			9,565,024
Title I, Part A Cluster			
Title I - Grants to Local Educational Agencies	84.010	N/A	49,798,565
Other Programs			
Title I - School Improvements - G Funds	84.377	N/A	1,048,553
Title I - School Improvements - G Funds - ARRA	84.388	N/A	108,337
Subtotal School Improvements Grants Cluster			1,156,890
Title I Striving Readers	84.371	N/A	199,538
Title IIA - Improving Teacher Quality	84.367	N/A	5,729,737
Title III - Limited English Proficiency	84.365	N/A	299,664

(Continued)

ATLANTA INDEPENDENT SCHOOL SYSTEM

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2015

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	TOTAL EXPENDITURES
U.S. Department of Education (continued):			
Pass-Through From Georgia Department of Education (continued)			
Title IV - Education for Homeless Children and Youth	84.196	N/A	$ 86,535
Vocational Education - Basic Grants to States			
CTE Perkins IV - Program Improvement	84.048	N/A	572,008
Charter Schools - Implementation Grants	84.282	N/A	961,309
Charter Schools - Implementation Grants	84.282	N/A	156,028
Charter Schools - Implementation Grants	84.282	N/A	75,000
			1,192,337
Race to the Top - ARRA	84.395	N/A	12,376,871
21st Century Community Learning Centers	84.287	N/A	642,403
Pass-Through From Georgia State University			
Teacher Quality Enhancement Grant	84.336	N/A	39,448
Pass-Through From Georgia Department of Technical and Adult Education			
Adult Literacy	84.002	N/A	479,131
Total U.S. Department of Education			82,640,016
U. S. Department of Defense:			
R.O.T.C. Program-Army	12. unknown	N/A	1,248,478
Total U.S. Department of Defense			1,248,478
Total Expenditures of Federal Awards			$ 109,213,509

See the Notes to the Schedule of Expenditures of Federal Awards

ATLANTA INDEPENDENT SCHOOL SYSTEM

Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Eneded June 30, 2015

NOTE 1. BASIS OF PRESENTATION

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

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

NOTE 2. FOOD DONATION (COMMODITIES) PROGRAM

The amounts shown for the Food Donation Program (Non-cash assistance commodities) on the schedule of expenditures of federal awards represent the Federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the School System during the current fiscal year.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	___ yes _X_ no
Significant deficiencies identified?	___ yes _X_ none reported
Noncompliance material to financial statements noted?	___ yes _X_ no

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	___ yes _X_ no
Significant deficiencies identified	___ yes _X_ none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	___ yes _X_ no

Identification of major programs:
Name of Federal Program or Cluster / CFDA Number

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

-U.S. Department of Education – Title II, Part A (CFDA # 84.367)

Dollar threshold used to distinguish between Type A and Type B programs:	$3,000,000
Auditee qualified as low-risk auditee?	___ yes _X_ no

ATLANTA INDEPENDENT SCHOOL SYSTEM

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

None reported

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported

ATLANTA INDEPENDENT SCHOOL SYSTEM

Status of Prior Fiscal Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

2014-002 Allowable Costs/Cost Principles

Program: U.S. Department of Education (CFDA No. 84.010)
CFDA Program Title: Title I, Part A Cluster

Criteria: In accordance with the terms of the Title I, Part A Cluster and OMB Circular A-87, *Cost Principles for State, Local and Indian Tribe Governments*, specific documentation must be maintained to support salaries and wages charged to the federal program. Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation.

Condition and Context: For the fiscal year ended June 30, 2014, internal controls over compliance were not sufficient to ensure the School System was properly charging payroll costs which were reimbursed by the Title I, Part A grants. In our sample of sixty (60) employees who were paid with Title I, Part A funds, we noted one (1) employee who previously worked solely on Title I, Part A activities who transitioned to a role where the employee was working on multiple cost objectives during the current fiscal year under audit. However, the first payroll cycle of the fiscal year charged the full cost of the employee's salary for the pay period to the Title I, Part A grants.

Cause: A lack of oversight by personnel in the Office of Federal Grants and Program Compliance led to noncompliance with the requirements of A-87 in relation to charging of personnel costs to a federal grant.

Effects or possible effects*:* Personnel salaries unrelated to eligible Title I, Part A activities could be charged to and reimbursed by the School System's federal grants.

Questioned Costs: Likely questioned costs of approximately $68,000.

Current year status: During our testing of these costs during the current fiscal year's audit, no exceptions were noted.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Status of Prior Fiscal Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

2014-003 Allowable Costs/Cost Principles

Program: U.S. Department of Education (CFDA No. 84.367)
CFDA Program Title: Title II, Part A

Criteria: In accordance with the terms of the Title II, Part A program and OMB Circular A-87, *Cost Principles for State, Local and Indian Tribe Governments*, specific documentation must be maintained to support salaries and wages charged to the federal program. Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation.

Condition and Context: For the fiscal year ended June 30, 2014, internal controls over compliance were not sufficient to ensure the School System was properly charging payroll costs which were reimbursed by the Title II, Part A grants. In our sample of sixty (60) employees who were paid with Title II, Part A funds, we noted one (1) employee who worked solely on the federal award cost objective for which periodic certifications could not be located.

Cause: A lack of oversight by personnel in the Office of Federal Grants and Program Compliance led to noncompliance with the requirements of A-87 in relation to charging of personnel costs to a federal grant.

Effects or possible effects*:* Personnel salaries unrelated to eligible Title II, Part A activities could be charged to and reimbursed by the School System's federal grants.

Questioned Costs: Known questioned costs of $46,795 and likely questioned costs of approximately $647,000.

Current year status: During our testing of these costs during the current fiscal year's audit, no exceptions were noted.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Status of Prior Fiscal Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

2014-004 Special Tests and Provisions – Comparability

Program: U.S. Department of Education (CFDA No. 84.010)
CFDA Program Title: Title I, Part A Cluster

Criteria: A local education agency (LEA) may receive funds under Title I, Part A only if state and local funds will be used in participating schools to provide services that, taken as a whole, are at least comparable to services that the LEA is providing in schools not receiving Title I, Part A funds which includes a policy to ensure equivalence among schools in teachers, administrators, and other staff. Each LEA must develop procedures for complying with the comparability requirements and implement the procedures annually.

Condition and Context: For the fiscal year ended June 30, 2014, the School System did not comply with the comparability provisions for its Title I, Part A grants. The services provided by the School System were not comparable in two (2) of its schools as calculated by the student to full-time equivalent staff ratio. Furthermore, during the course of our testing, the School System could not provide the documentation remitted to the Georgia Department of Education to support the full-time equivalent staff counts as the report was generated and submitted to the Georgia Department of Education and was not reviewed or maintained by School System personnel.

Cause: A lack of oversight by personnel in the Office of Federal Grants and Program Compliance led to noncompliance with the comparability requirements.

Effects or possible effects: The School System was required to remit payment to the Georgia Department of Education to reimburse previously drawn grant funds as a result of not complying with the comparability requirements.

Questioned Costs: Known questioned costs of $83,404.

Current year status: During our testing of these costs during the current fiscal year's audit, no exceptions were noted.