



ATLANTA INDEPENDENT SCHOOL SYSTEM

Popular Annual Financial Report for the Fiscal Year
ended June 30, 2019 Atlanta, GA

TABLE OF CONTENTS

Introduction	i
PAFR Award for Outstanding Achievement	ii
Financial Section	1-8
About Atlanta Public Schools	9-14
Glossary of Financial Terminology	15

December 18, 2019

Dear Colleagues and Friends:

We are pleased to present the Atlanta Public Schools Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2019. This report is designed to make the financial operations of our school district more understandable in a printed format.



The PAFR summarizes the financial activities and operating results reported in the district's audited Comprehensive Annual Financial Report (CAFR). The PAFR is unaudited and presented on a non-GAAP (Generally Accepted Accounting Principles) basis, which primarily deals with full disclosure and segregated funds. The statements presented on pages two and three are the district-wide financial statements. These statements incorporate all of the district's financial activities into two statements. For more detailed financial information, a copy of the CAFR and PAFR is available at <https://www.atlantapublicschools.us/Page/59285>

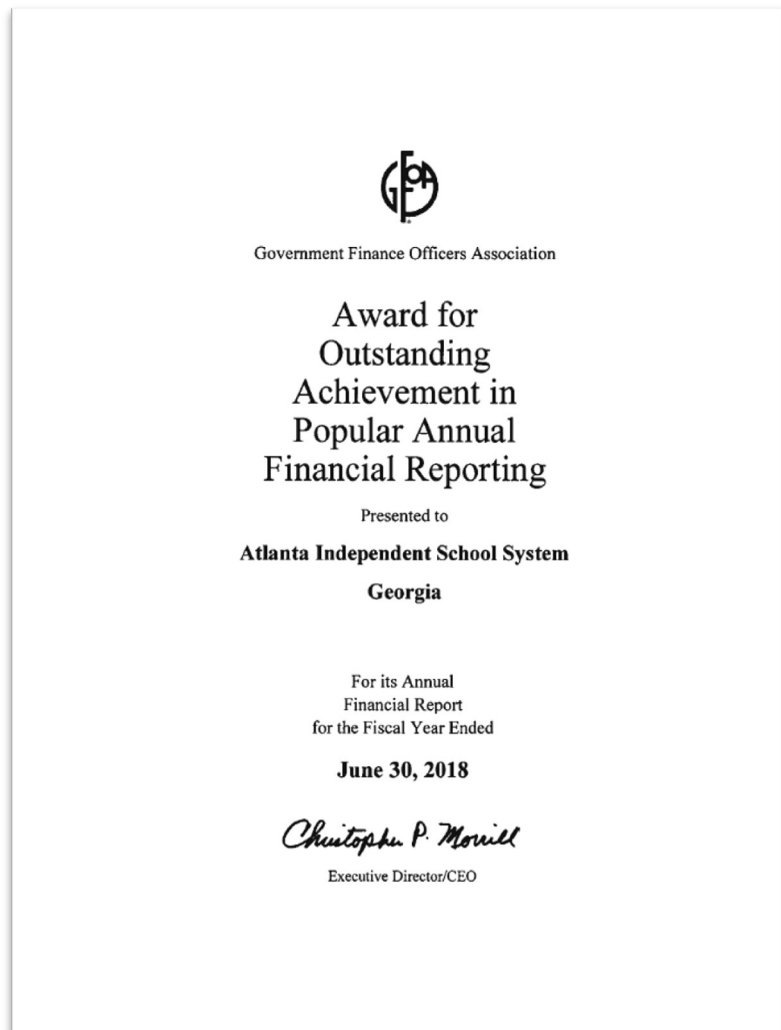
The PAFR should help community members understand how their tax dollars are being utilized to educate our students. Questions and comments regarding this report are encouraged and may be directed to the Finance Department at (404) 802-2400.

Respectfully,

A blue ink handwritten signature, appearing to be 'Lisa Bracken', written in a cursive style.

Lisa Bracken
Chief Financial Officer

Award for Outstanding Achievement in Popular Annual Financial Reporting



The Government Finance Officers Association of the United States and Canada (GFOA) has given an award for Outstanding Achievement in Popular Annual Financial Reporting to Atlanta Independent School System for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2018. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a PAFR, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the PAFR requirements, and we are submitting it to GFOA.

Atlanta Independent School System Comprehensive Annual Financial Reports for the years ended 2017-2019, from which the information on pages three through nine has been drawn, were awarded the Certificate of Achievement for Excellence in Financial Reporting by GFOA. The Certificate is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded the Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our CAFR continues to conform to the Certificate of Achievement program requirements and we are submitting our CAFR for the current year to the GFOA.



FISCAL YEAR 2019

FINANCIAL SECTION

Summarized Financial Reports

Readers of the Financial Position Statement (Benefits over Detriments) and Financial Activity Statement (Revenue over Expense) should keep in mind that the numbers in both reports are taken from the district's CAFR, but are presented in a non-GAAP format.

Governmental-type activities consist of programs and services that include instruction, pupil services, improvement of instruction, educational media, federal grant administration, general administration, school administration, business services, maintenance/operation of facilities, student transportation, central support and capital construction.

The following financial highlights present district-wide financial information for governmental activities.

Financial Highlights

Overall, net position in fiscal year 2019 increased by 74.6% over fiscal year 2018. This was primarily due to an increase in tax revenues. The key financial highlights for fiscal year 2019 as represented are the following: (See page 4.)

- Total net position for the School System increased from approximately \$163.58 million in fiscal year 2018 to approximately \$285.69 million in fiscal year 2019, an increase of approximately \$122.11 million or 74.6% due to an increase in revenues.
- Total revenues increased from approximately \$944.98 million in fiscal year 2018 to approximately \$1,009.41 million in fiscal year 2019, an increase of approximately \$64.43 million or 6.8%.
- Total expenses decreased approximately \$16.90 million or 1.9% from approximately \$904.20 million in fiscal year 2018 to approximately \$887.30 million in fiscal year 2019.



Benefits over Detriments (District-Wide)

The Financial Position Statement reports the benefits (assets) available to provide services and the detriments (liabilities) for which the district is obligated to pay in the future (shown in millions). The difference between benefits and detriments equals the net worth of the district.

A glossary of the financial terminology is provided on page 14.



	2019	2018	Restated 2017
Financial Benefits			
Current and other assets	\$ 292.19	\$ 279.23	\$ 226.90
Net capital assets and net pension asset	1,422.68	1,374.69	1,407.00
Total benefits	\$ 1,714.87	\$ 1,653.92	\$ 1,633.90
Deferred outflows of resources	\$ 183.74	\$ 165.13	\$ 235.83
Financial Detriments			
Long-term debt outstanding	\$ 1,329.41	\$ 1,491.74	\$ 1,638.42
Other liabilities	110.42	84.06	82.76
Total detriments	\$ 1,439.83	\$ 1,575.80	\$ 1,721.18
Deferred inflows of resources	\$ 173.09	\$ 79.68	\$ 25.75
Net position			
Net investment in capital assets	\$ 1,326.32	\$ 1,294.40	\$ 1,328.25
Restricted for athletics	0.37	-	-
Restricted for debt services	2.79	3.14	3.44
Restricted for capital projects	95.28	106.15	44.46
Restricted for school nutrition program	8.74	10.39	9.22
Restricted for state and local programs	-	1.96	1.06
Unrestricted	(1,147.81)	(1,252.46)	(1,263.63)
Total net position	\$ 285.69	\$ 163.58	\$ 122.80

*Amounts shown in millions

Resources over Services (District-Wide)

The Financial Activity Statement provides summary of the resources (revenues) and services (expenses) of the district (shown in millions).

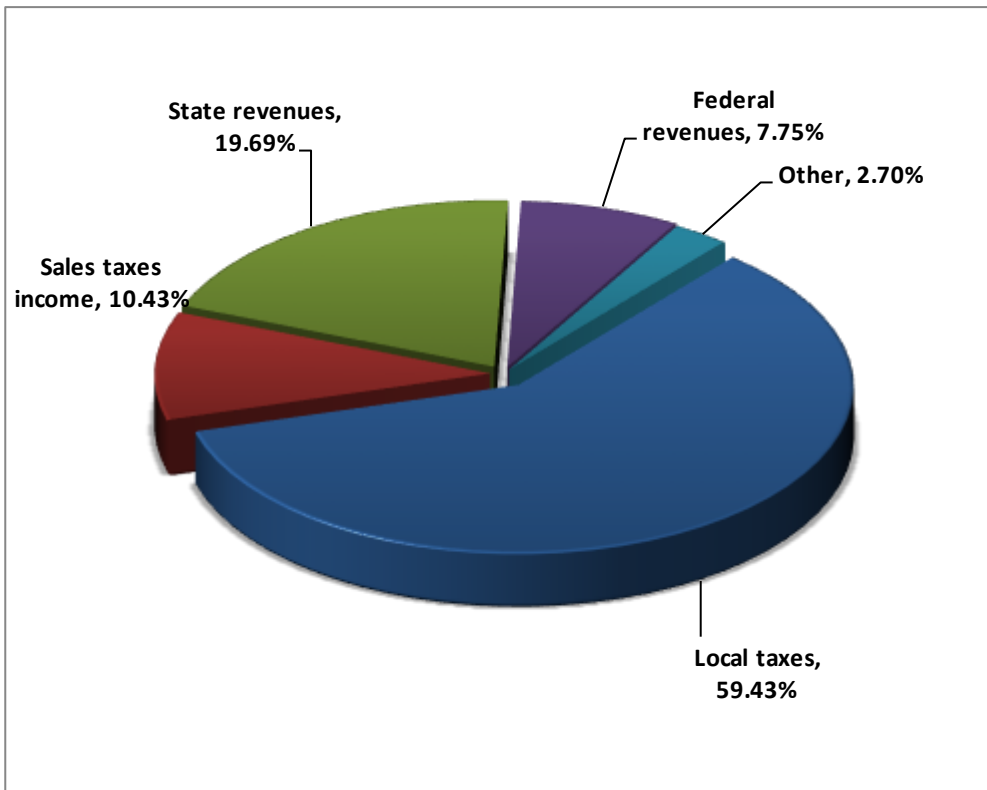
A glossary of financial terminology is provided on page 15



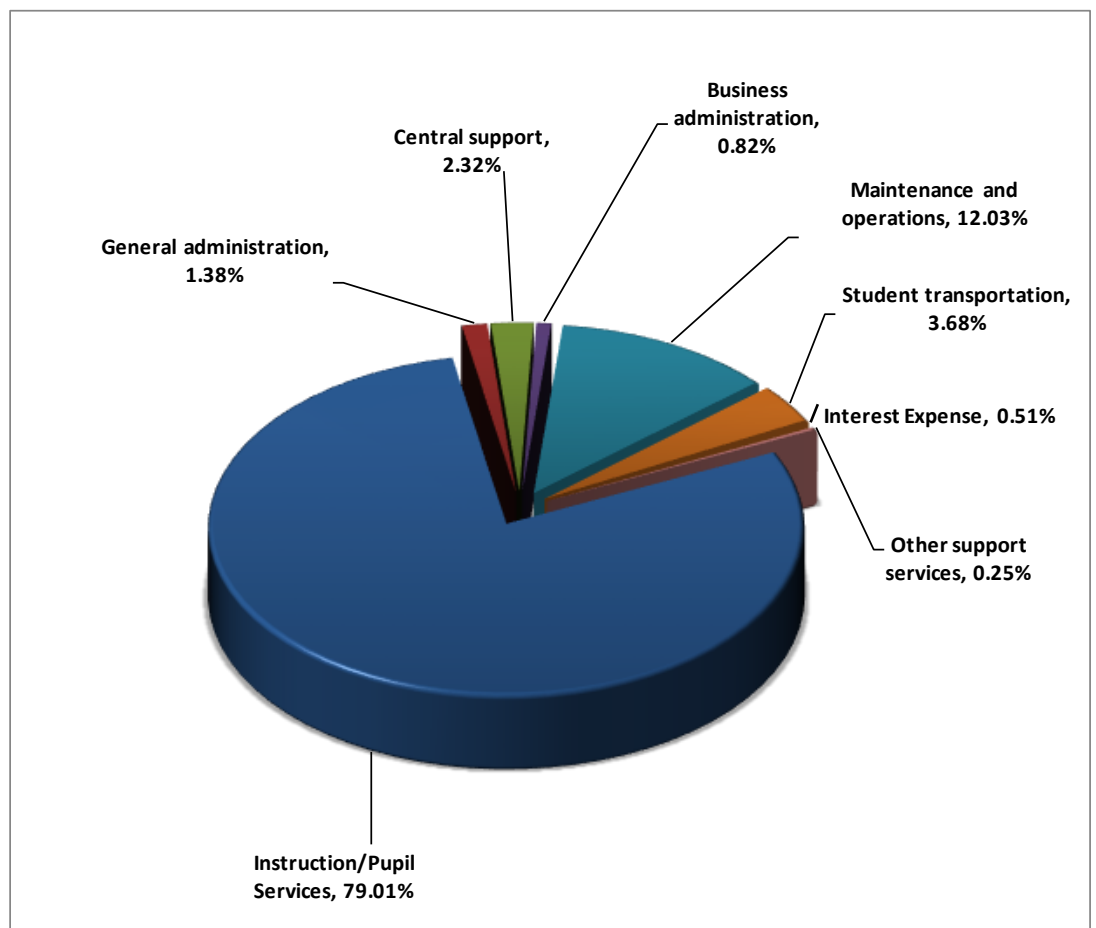
	2019		2018		Restated 2017
Resources Taken In					
Local taxes	\$	599.87	\$	539.77	\$ 514.98
Sales taxes income		105.28		99.59	93.79
State revenues		198.77		207.70	202.95
Federal revenues		78.28		75.01	86.27
Investment income		5.51		1.63	1.17
Facility rental fees		1.26		1.25	1.26
Tuition charges		0.05		0.02	0.01
Charges for services		5.30		4.65	4.98
Other		15.06		15.36	13.16
Gains on the sale of capital assets		0.03		-	0.91
Total Revenues & Resources	\$	1,009.41	\$	944.98	\$ 919.48
Services Provided					
Instruction	\$	528.38	\$	548.54	\$ 538.60
Support services:					
Pupil services		51.63		53.70	52.33
Improvement of instructional services		44.95		49.95	49.46
Educational media		6.48		7.62	8.79
Federal grant administration		2.01		2.00	2.24
General administration		12.20		12.36	11.23
School administration		39.22		38.90	43.65
Business administration		7.24		7.86	9.68
Maintenance and operations		106.75		97.95	105.89
Student transportation		32.62		31.62	34.41
Central support		20.61		20.98	18.92
Food services		28.43		27.02	30.47
Other support services		2.22		1.00	0.98
Interest expense		4.56		4.70	4.41
Total Expenses & Service	\$	887.30	\$	904.20	\$ 911.06
Revenues & Resources Over (Under) Expenses & Services		122.11	\$	40.78	\$ 8.42

*Amounts shown in millions

Our Resources: **Where Does the Money Come From?**



Our Services: **Where Does the Money Go?**

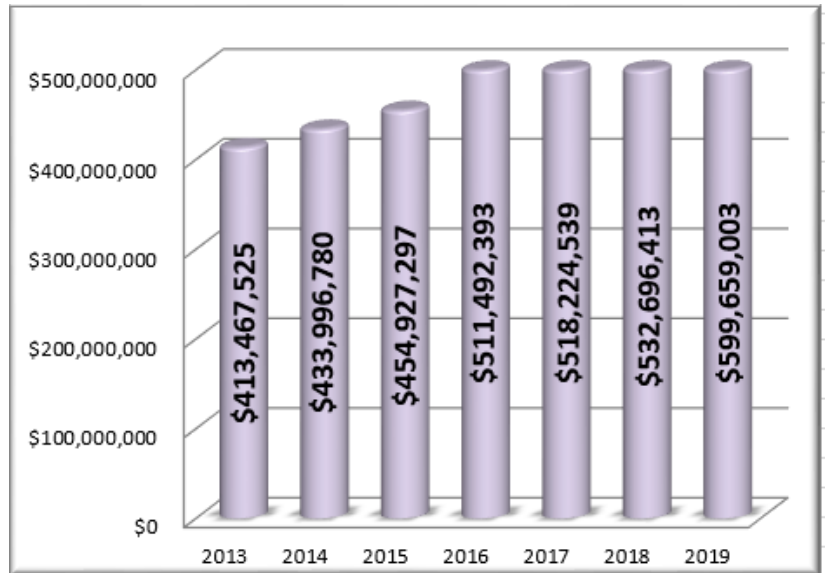


SOURCES OF FUNDING: Where Does the Money Come From?

(Governmental Funds Only)

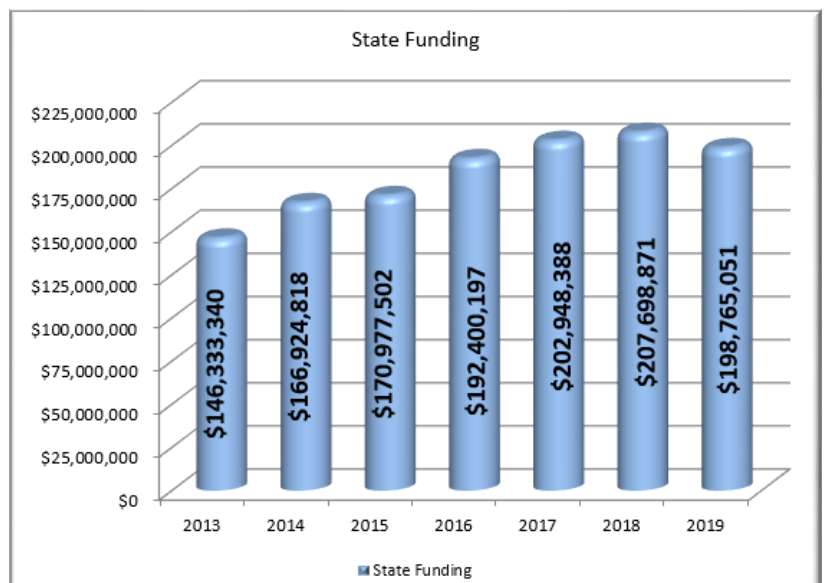
Local Taxes:

The Atlanta Public Schools (APS) district is financed through a combination of local, state and federal sources. During fiscal year 2019, Atlanta Public Schools revenue totaled \$1009.41 million. APS received 59.43% of its revenue from local taxes. Property taxes provide a majority of the local revenue to operate and maintain our schools. The graph to the right represents the amount of local taxes recognized by the District.



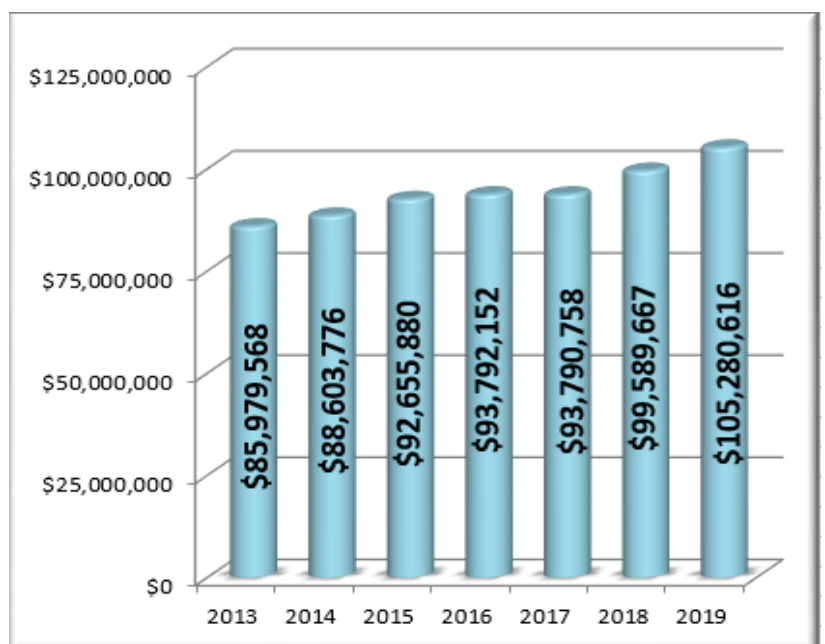
SPLOST (Special Purpose Local Option Sales Tax):

On May 24, 2016, the SPLOST V referendum was approved. It is estimated that SPLOST V will generate approximately \$525 million for APS that will fund numerous Capital Improvement projects and liquidate debt for the Certificates of Participation issued in 2011.



State Funding:

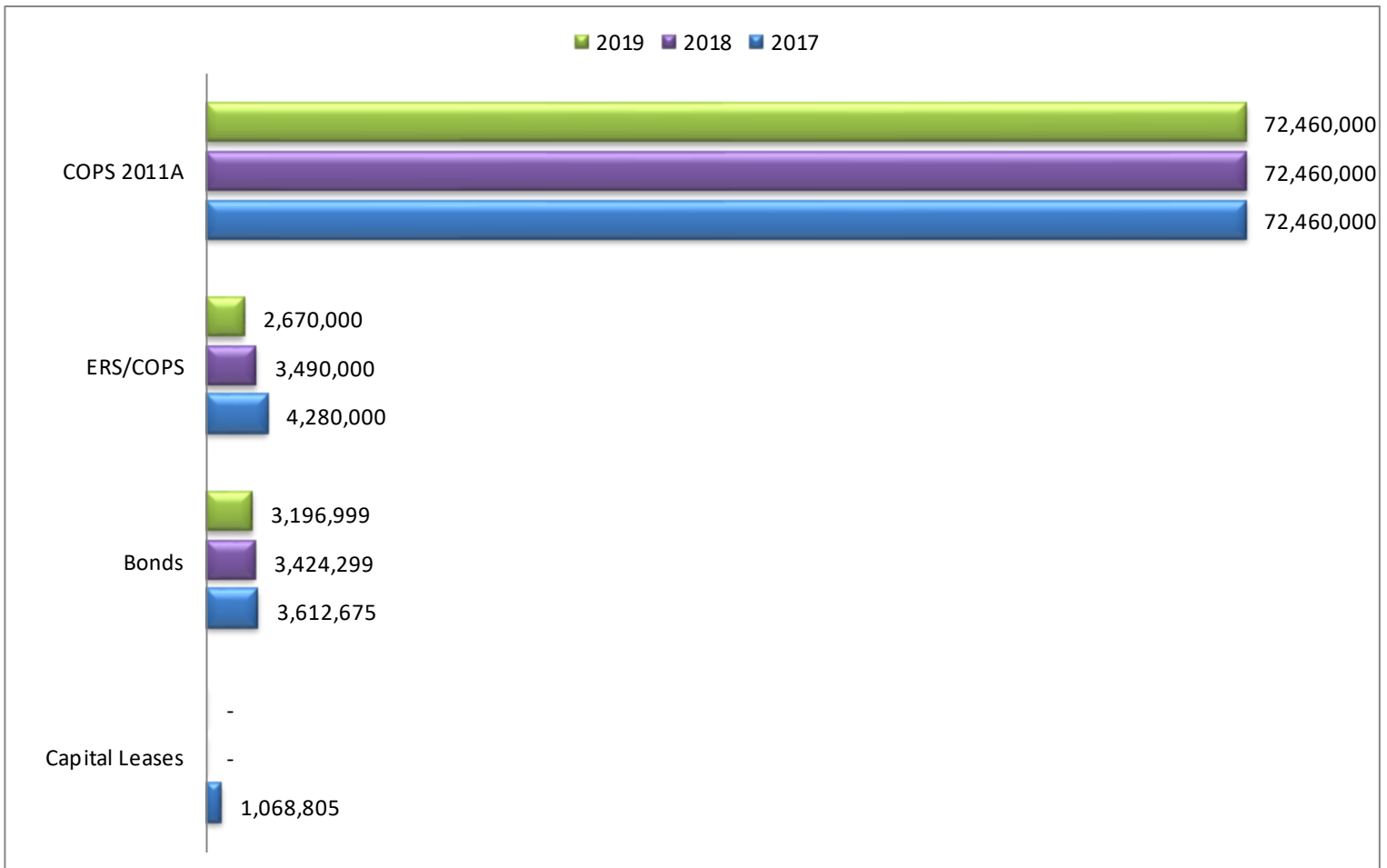
The chart to the right displays the District's Governmental Funds received from the State of Georgia. Funds received from the state are to ensure that all children in the state receive a quality basic educational experience.



Outstanding Debt at Year End: **What We Owe?**

The chart below captures the district's long-term debt obligations. Over the years, the City of Atlanta has issued various general obligation bonds and general obligation refunding bonds on behalf of APS. In October 2006, Education Resource Services (ERS) issued certificates of participation (COPS) on behalf of the school system to finance renovations and improvements to the Instructional Service Center. COPS is different from a general obligation bond because in COPS, only the building associated with the project is pledged as collateral, not the full taxing authority of the government. In June 2011, ERS issued COPS to finance the construction and renovation of North Atlanta High School.

Outstanding Debt	2019	2018	2017
Long-term debt			
Capital leases	\$ -	\$ -	\$ 1,068,805
Intergovernmental agreement- City of Atlanta	3,196,999	3,424,299	3,612,675
ERS, Inc. (COPS, Series 2006/2007)	2,670,000	3,490,000	4,280,000
ERS, Inc. (COPS, Series 2011A)	72,460,000	72,460,000	72,460,000
Total long-term debt	\$78,326,999	\$ 79,374,299	\$ 81,421,480



Investments: How Safe is our Money?

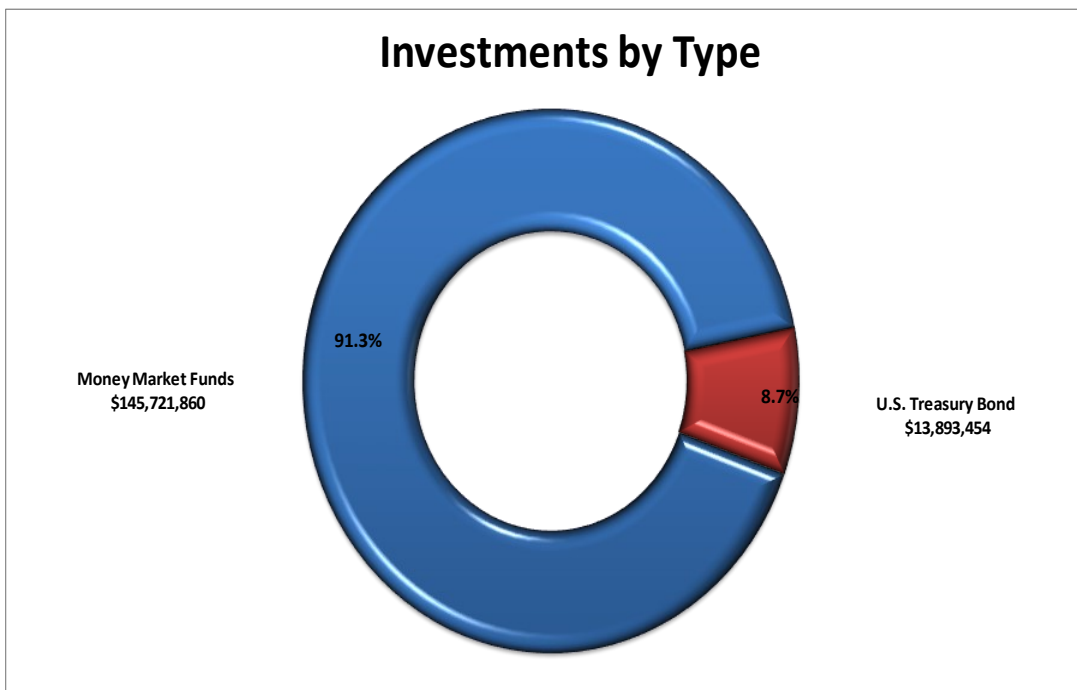
Investors who purchase municipal bonds use debt ratings as an indicator of the financial stability of an organization and consequently the safety and security of the debt sold by that organization. In general, higher credit ratings often result in lower borrowing costs via reduced interest rates paid on municipal bonds. Strong ratings also promote a wider market by attracting more buyers of municipal bonds.

There are three major rating agencies that assign ratings to municipal debt Standard & Poor, Moody's Investors Services and Fitch Ratings .

As of June 30, 2019, APS' GA Fund 1 investments were rated AAAf and Aa2 by Standard and Poor 's and Moody's Investor Service, respectively.

As of June 30, 2019, APS' U.S. Treasury Bond investments were rated AAAm and Aa2 by Standard and Poor 's and Moody's Investor Service, respectively.

Credit Risk	Moody's	Fitch	S&P
Investment grade			
Highest grade credit	Aaa	AAA	AAA
Very high grade credit	AA1, Aa2, Aa3	AA+, AA, AA-	AA+, AA, AA-
High grade credit	A1, A2, A3	A+, A, A-	A+, A, A-
Good credit grade	Baa1, Baa2, Baa3, Baa4	BBB+, BBB, BBB-	BBB+, BBB, BBB-
Speculative grade credit	Ba1, Ba2, Ba3	BB+, BB, BB-	BB+, BB, BB-
Very speculative credit	B1, B2, B3	B+, B, B-	B+, B, B-
Substantial risks - In default	Caa1, Caa2, Caa3, Ca	CCC, CC, C, RD, D	CCC+, CCC, CCC-, CC, C, D



As of June 30, 2019, the district had \$145,721,860 in investments and \$13,893,454 in bonds. Investments subject to credit quality risk are reflected below.

Issuer	Investment Type	Amount	Percent	Quality Rating by Agency	
				S&P	Moody's
US MONEY MARKET- Georgia Fund 1	Money Market Funds	\$ 145,721,860	91.30%	AAAf	Aa2
U.S. Treasury Bond	U.S. Treasury Bond	\$ 13,893,454	8.70%	AAAm	Aa2

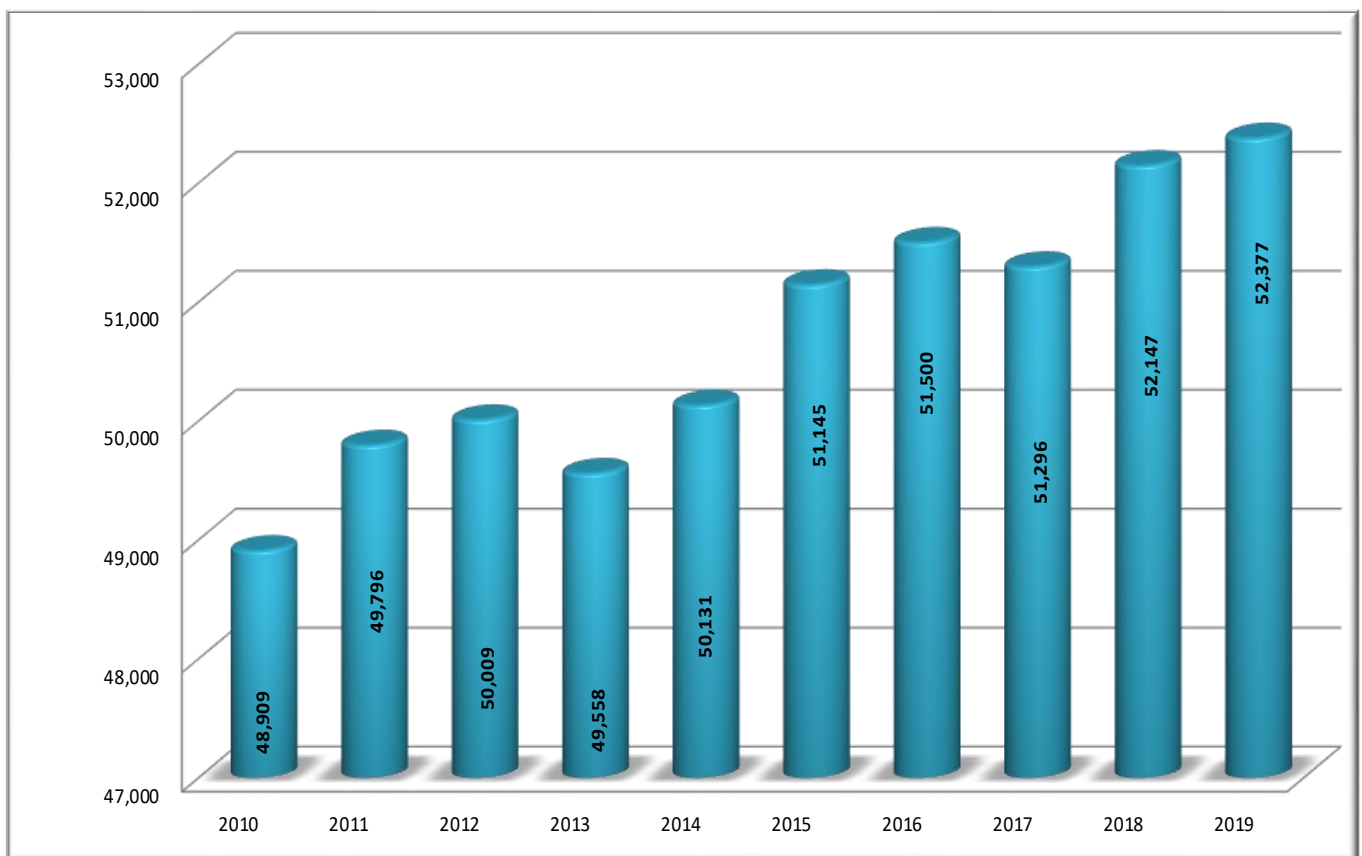
Student Enrollment

Student enrollment (including charter schools) in the district has increased over the last 10 years due in part to demographic changes. Those changes led to school closings in some cases and new schools or expansions in other areas. These changes constitute a high mobility rate for students in our district. Nearly one-third of APS students relocated within and outside the district during the shifts.



Approximately 2,499 seniors graduated from APS high schools in 2019, earning more than \$154 million in college scholarships. Large numbers of APS students continue to earn awards for academic achievement on the state and national levels.

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



Source: GA Department of Education, Enrollment by Grade report, based on the October count of each fiscal year.
CAFR Statistical Schedule 21

About APS

Dear Students and Families of Atlanta Public Schools,

Welcome to our 2019-2020 school year!

All of us in Atlanta Public Schools (APS) remain excited and committed to the work of preparing our students to graduate ready

for college and career. With your support and engagement, we are making great progress on our Journey of Transformation and on our path toward becoming a high-performing school district where students love to learn, educators inspire, families engage and the community trusts the system.

Now, more than ever, we need your continued engagement in ensuring the success of our students and of APS. I can't stress enough how much we appreciate and need our APS families and community stakeholders to continue to work with us on our journey.

As part of helping you ensure that our students are prepared and ready to learn throughout the year, I'm excited to provide you with our **2019-2020 Back-to-School Guide**. This year's guide includes important information about the district, key dates, financial and educational data, a comprehensive listing of district contact information, including school addresses and phone numbers and our 2019-2020 school calendar.

To further support you this year, we are going deeper to improve transparency, responsiveness and accountability. At the center of this work is a new customer engagement platform called **Let's Talk**, a new tool to enable students, parents, staff and others to communicate with us in one place whether it is by phone, email, online submissions or social media. Our goal is to raise expectations and increase satisfaction for every stakeholder who makes contact with an employee in an APS school or APS department.

APS also remains focused on developing the whole child by incorporating social emotional learning skills into the mix and equipping our kids with the smarts and hearts, as they become the adults and future leaders of our communities. I love hearing from you and look forward to seeing you in our schools throughout the year. Remember, we are your partner in helping all students in APS succeed.

Welcome back, and let's make it a great school year!

Sincerely,



Meria J. Carstarphen, Ed.D.
Superintendent, Atlanta Public Schools
Twitter: @CarstarphenMJ | Blog: ATLSuper.com

Our Mission

With a caring culture of trust and collaboration, every student will graduate ready for college and career.

Our Vision

A high-performing school district where students love to learn, educators inspire, families engage and the community trusts the system



74.4%

of our students qualify for
free or reduced lunch.



2,499

Class of 2019 Graduates



\$164,458,597

in academic and athletic scholarships offered
to the class of 2019.

91 SCHOOLS & PROGRAMS

58 Neighborhood Schools
18 Charter Schools
6 Partner Schools

3 Alternative Programs
2 Single Gender Academies
70 Title I Schools

293 Bus Routes
transport **32,069** students.

21,215
miles per day



**5,294 TOTAL
TEACHERS**

3,217 Traditional
2,077 Non-Traditional

Projected K-12
2020 Student Enrollment

51,551

41,731 Traditional 9,820 Charter

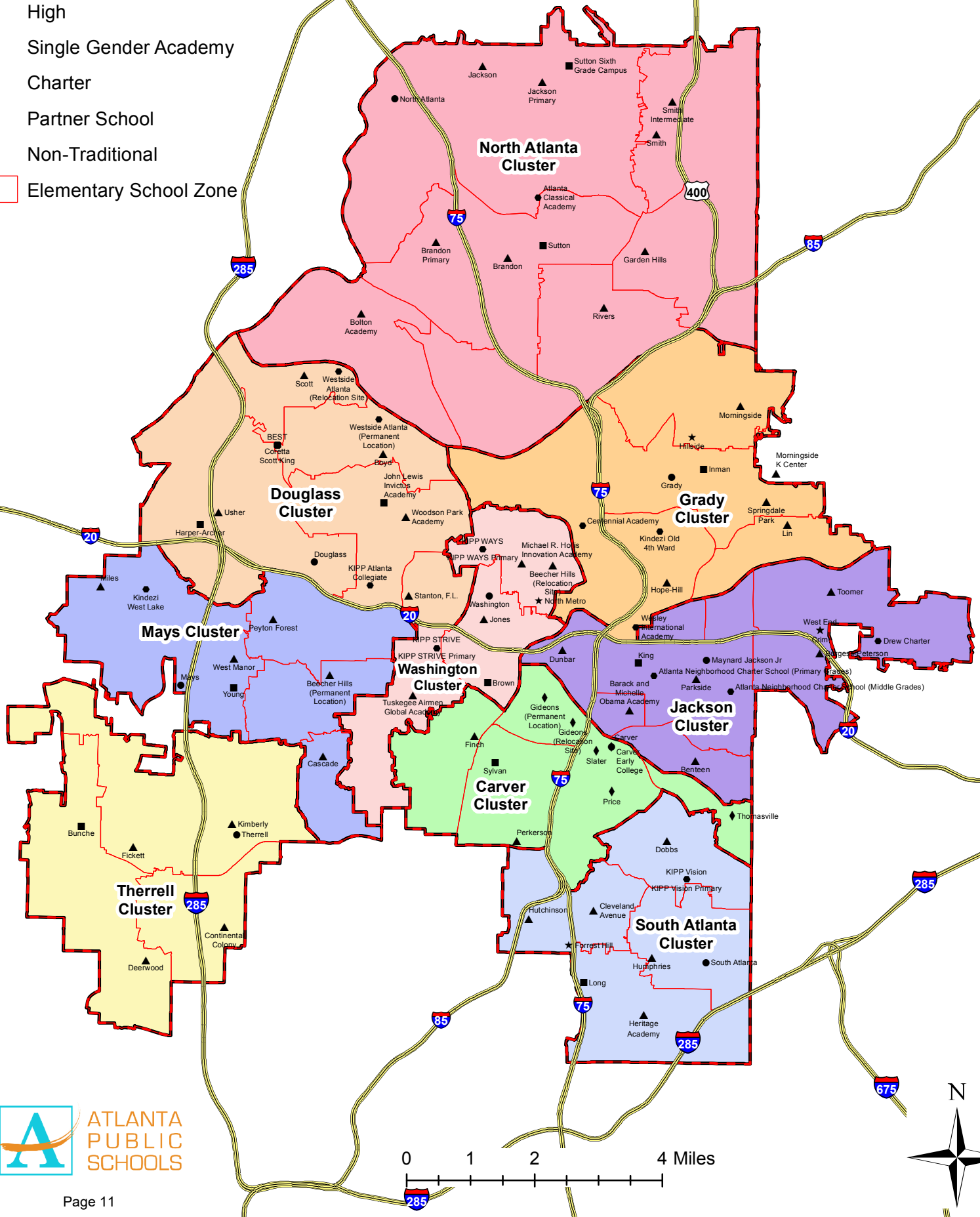


Our student population is: 72.9% African-American, 15.9% Caucasian, 7.6% Hispanic, 2.4% Multi-Racial & 1.3% Other

2019-2020
FAST FACTS

Atlanta Public Schools: 2019-20

- ▲ Elementary
- Middle
- High
- Single Gender Academy
- Charter
- ◆ Partner School
- ★ Non-Traditional
- Elementary School Zone



Demographic and Economic Information

This table presents demographic and economic information to assist users in understanding the socioeconomic environment within which the School System operates. This information is from City of Atlanta.

Atlanta Independent School System Demographic Statistics from City of Atlanta Last Ten Fiscal Years

Fiscal Year Ended	Population	Personal Income (thousands of dollars)	Per Capita Personal Income ¹	Median Age	Unemployment Rate
June 30, 2009	480,700	198,067	37,793	34.0	9.9%
June 30, 2010	422,753	198,872	37,493	33.3	10.3%
June 30, 2011	432,092	214,002	39,826	33.0	9.9%
June 30, 2012	444,002	222,204	40,738	32.2	8.8%
June 30, 2013	448,312	228,134	41,307	33.2	7.8%
June 30, 2014	456,143	228,134	41,307	33.4	6.8%
June 30, 2015	463,878	244,065	43,856	33.3	5.3%
June 30, 2016	472,522	261,782	45,934	33.0	4.6%
June 30, 2017	486,290	274,129	47,348	33.5	3.8%
June 30, 2018	498,044	292,221	49,657	33.5	3.5%

Sources: Statistical section of the City of Atlanta, Georgia 2019 Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019.
Enrollment data from GA Department of Education

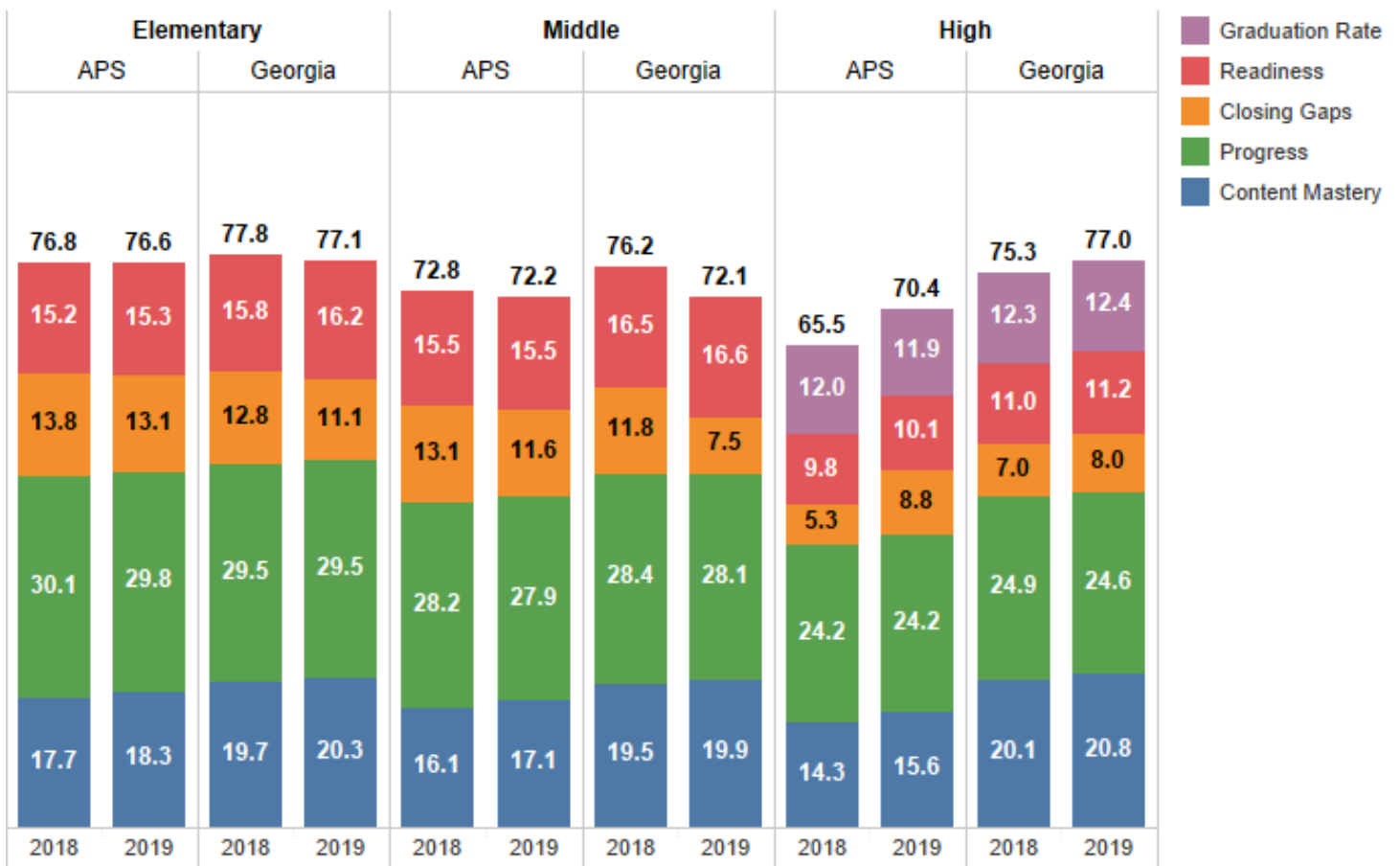
(1) Statistical Data from the City of Atlanta is one year in arrears.

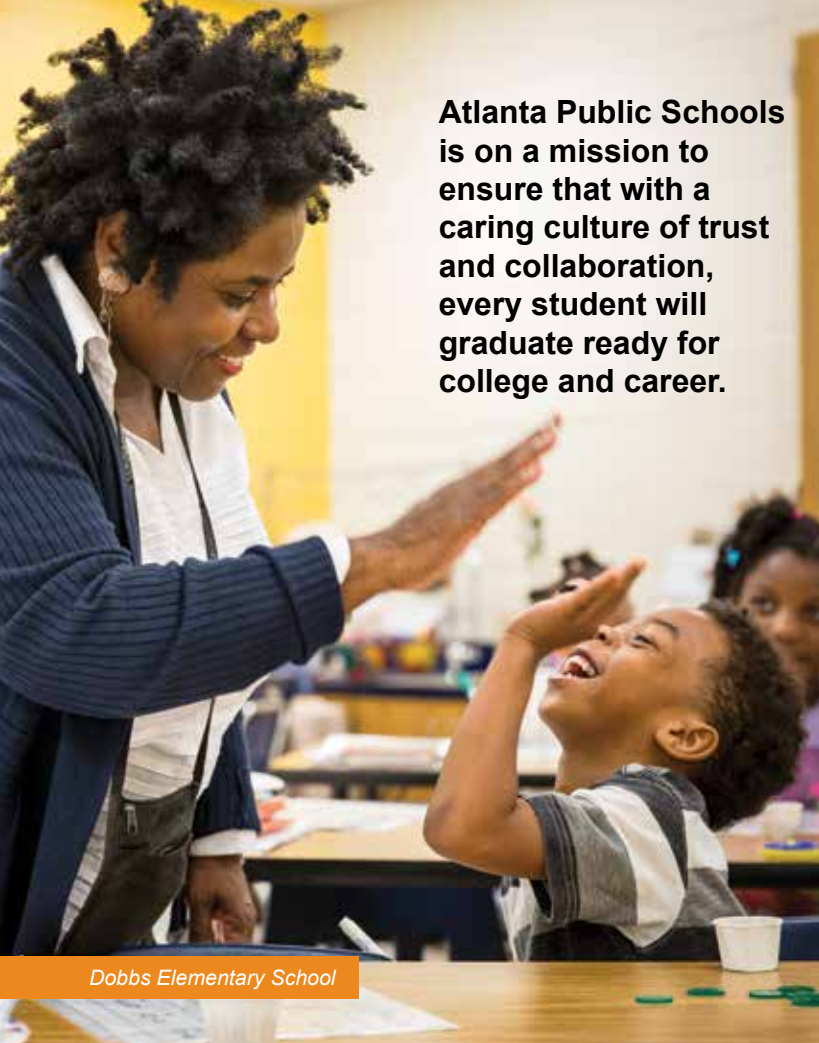
1 Per Capita Personal Income is the average income earned per person in the City of Atlanta.

(October 2019)APS Raises Overall District CCRPI Score to 74.1, Narrows Gap with State

Atlanta Public Schools (APS) achieved an overall score of 74.1 on the 2019 College and Career Ready Performance Index (CCRPI), an increase of 0.7 from 2018. The overall 2019 CCRPI score for the state is 75.9, down 0.7 from 2018, according to data released today by the Georgia Department of Education (GA DOE). APS' 2019 overall score narrowed the gap with the state by 1.4 points to 1.8.

At the high school level, both district and state scores increased from last year. APS outpaced the state with a gain of 4.9 to a score of 70.4, narrowing the gap 3.2 points with the state compared to 2018. At the middle school level, while the state declined 4.1 points, APS only declined by 0.6 to a 2019 score of 72.2. As a result, APS surpassed the state score of 72.1. Similarly, despite a slight decrease at the elementary level for APS to a 2019 score of 77.1, the gap between APS and the state decreased to just 0.5 points (compared to 1 point in 2018).





**Atlanta Public Schools
is on a mission to
ensure that with a
caring culture of trust
and collaboration,
every student will
graduate ready for
college and career.**

Dobbs Elementary School

For more information regarding Atlanta Public Schools:

- Visit www.atlantapublicschools.us, wabe.org and pba.org/education/aps
- Listen to **WABE 90.1 FM**
- Watch **APSTV** on **Comcast Channel 22** and online with **Livestream** and **YouTube**
- Follow **@apsupdate** on **Instagram** and **Twitter**
- Follow **Atlanta Public Schools** on **Facebook**
- Read and subscribe to atlsuper.com and TalkUpAPS.com
- Download the **APS App** from your device's app store
- The **2019-2020 Back-to-School Guide** is also available in Spanish. Assistance in other languages is available upon request.
- Join APS; see careers page at www.apsrecruits.us



Office of Communications & Public Engagement
Page 14 130 Trinity Avenue, S.W., Atlanta, GA 30303
404-802-2800 | www.atlantapublicschools.us

Atlanta Board of Education | 404-802-2200



The Atlanta Board of Education establishes and approves the policies that govern the APS system. The Board comprises six district representatives and three at-large representatives, all of whom are elected to four-year terms. The day-to-day administration of the school district is the responsibility of the Superintendent, who is appointed by the Board. Board meetings are typically held the first Monday of each month, and are broadcast in real time via LiveStream at livestream.com/k12aps, and also air following the meeting on APS TV.



**Jason F. Esteves, Chair
At-Large Seat 9
Districts 5 & 6**



Eshé P. Collins, Vice Chair | District 6
Elementary: Cascade, Cleveland Avenue, Continental Colony, Deerwood Academy, Fickett, Gideons, Heritage Academy, Humphries, Hutchinson, Kimberly, Perkerson
Middle: Bunche, Long, Forrest Hill Academy, Sylvan Hills
High: South Atlanta, Therrell, Forrest Hill Academy



**Kandis Wood Jackson
At-Large Seat 7
Districts 1 & 2**



**Cynthia Briscoe Brown
At-Large Seat 8
Districts 3 & 4**



Leslie Grant | District 1
Elementary: Benteen, Dobbs, Hope-Hill, Mary Lin, Barack & Michelle Obama Academy, Parkside, Slater, Thomasville Heights, Wesley International Academy, Atlanta Neighborhood Charter Elementary, KIPP Vision Academy, KIPP Vision Primary, The Kindezi School (OFW)
Middle: King, Price, Atlanta Neighborhood Charter Middle, KIPP Vision Academy, Wesley International Academy, The Kindezi School (OFW)
High: Carver, Carver Early College, Grady, M.H. Jackson



Aretta Baldon | District 2
Elementary: Dunbar, F.L. Stanton, Finch, M.R. Hollis Innovation Academy, M.A. Jones, Centennial Academy Charter, KIPP STRIVE Academy, KIPP STRIVE Primary, KIPP WAYS Academy, KIPP WAYS Primary
Middle: Brown, KIPP STRIVE Academy, KIPP WAYS Academy, M.R. Hollis Innovation Academy
High: Douglass, Washington, KIPP Atlanta Collegiate, North Metro



Michelle D. Olympiadis | District 3
Elementary: Burgess-Peterson Academy, Morningside, Springdale Park, F.A. Toomer, Drew Charter
Middle: Inman, Drew Charter
High: Crim, Drew Charter, Adult Education, Atlanta Virtual Academy, Phoenix Academy
Residential Program (2-12): Hillside Conant



Nancy M. Meister | District 4
Elementary: Morris Brandon, Morris Brandon Primary, Garden Hills, Jackson, Jackson Primary, E. Rivers, Sarah Smith, Sarah Smith Primary, Atlanta Classical Academy
Middle: Sutton, Sutton (6th Grade), Atlanta Classical Academy
High: North Atlanta



Erika Mitchell | District 5
Elementary: Beecher Hills, Bolton Academy, Boyd, Harper-Archer, Miles, Peyton Forest, Scott, Tuskegee Airmen Global Academy, Usher-Collier Heights, West Manor, KIPP Soul Primary, KIPP Woodson Park Academy, The Kindezi School (West), Westside Atlanta Charter
Middle: John Lewis Invictus Academy, Young
High: Mays
Single-Gender (6-12): B.E.S.T. Academy, Coretta Scott King Young Women's Leadership Academy

Glossary of Financial Terminology

INSTRUCTION is the largest expenditure category and relates directly to the classroom instruction of children, including teacher salaries.

PUPIL SERVICES comprise all guidance, counseling, testing, attendance, social work, and health services.

IMPROVEMENT OF INSTRUCTIONAL SERVICES consists of activities designed primarily for assisting instructional staff in planning, developing and evaluating the process of providing challenging learning experiences for students.

EDUCATIONAL MEDIA SERVICES costs are concerned with directing, managing, and operating educational media centers; included are school libraries and educational television.

FEDERAL GRANT ADMINISTRATION consists of activities concerned with the demands of the Federal Programs Grant Management.

GENERAL & SCHOOL ADMINISTRATION costs represent the Atlanta Board of Education's operation of the District. Also included in this area are administrative support personnel, deputy, associate, or assistant superintendent, principals, assistant principals, and clerical staff.

BUSINESS ADMINISTRATION expenditures include business services such as budgeting and reporting, accounting, payroll, accounts payable, auditing, warehousing, purchasing, and office support.

MAINTENANCE AND PLANT OPERATION expenditures relate to the safe and efficient environment of the school, including building maintenance, energy, grounds and custodial services.

STUDENT TRANSPORTATION expenditures relate to providing transportation to students who live in the APS district.

CENTRAL SUPPORT costs include personnel services, information technology maintenance staff and computer network maintenance contracts, and risk management.

OTHER SUPPORT & NUTRITION includes the preparation and serving of regular and incidental meals or snacks in connection with school activities.

CAPITAL ASSETS are assets used in operations with an initial useful life extending beyond one reporting period.

CAPITAL OUTLAYS includes acquisitions of land and buildings, renovating buildings, and construction of buildings.

DEBT SERVICE includes payments of principal and interest on capital leases and long-term debt.

NET INVESTMENT IN CAPITAL ASSETS: Total capital assets, less accumulated depreciation, less debt directly related to capital assets (i.e. bond issues or donations for capital assets).

RESTRICTED: Resources where use is restricted externally for specific purposes.

UNRESTRICTED: Assets with no external restriction as to use or purpose. They can be employed for any purpose designated by the governing board.

CERTIFICATES OF PARTICIPATION (COPS): Tax-exempt bonds that are issued by state entities usually secured with revenue from an equipment or facility lease.

COLLEGE AND CAREER READY PERFORMANCE INDEX (CCRPI): A comprehensive school improvement, accountability, and communication platform for all educational stakeholders that will promote college and career readiness for all Georgia public schools students.