



ATLANTA
PUBLIC
SCHOOLS

ATLANTA INDEPENDENT SCHOOL SYSTEM

Popular Annual Financial Report for the Fiscal Year
ended June 30, 2020 Atlanta, GA

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January 25, 2021

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, 2020. 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>

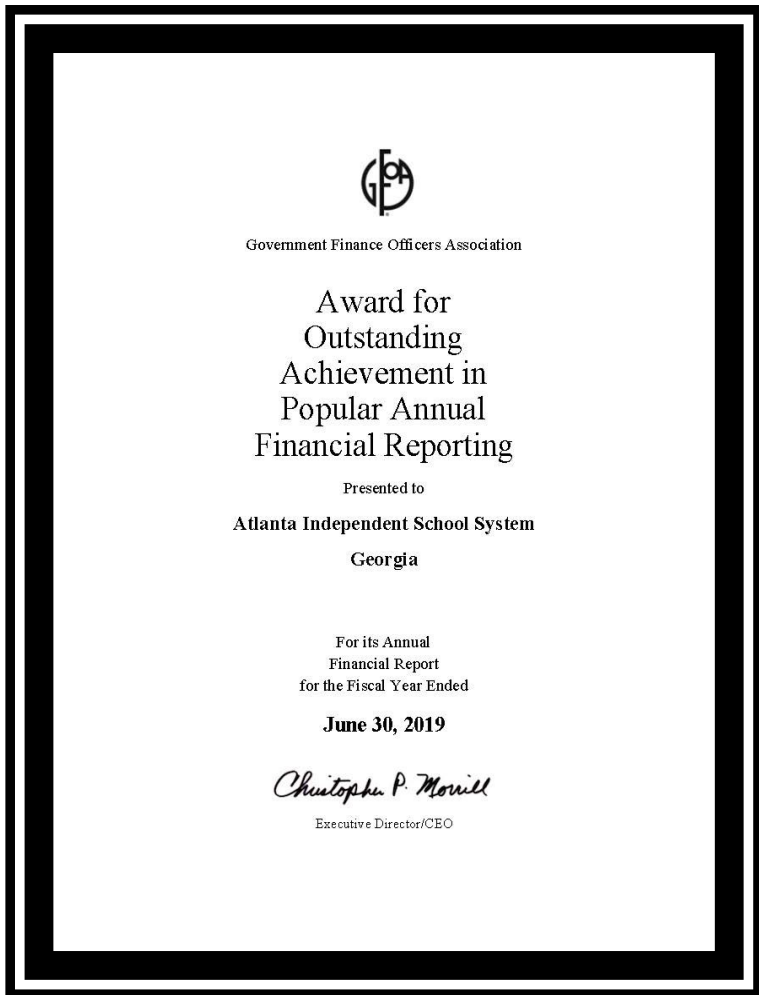
The PAFR should help community members understand how their tax dollars are being utilized to educate our students. Questions and comments regarding this report are encouraged and may be directed to the Finance Department at (404) 802-2400.

Respectfully,

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

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, 2019. 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 2018-2020, from which the information on pages four 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 2020

INTRODUCTORY SECTION

About APS

Dear Students and Families of Atlanta Public Schools,

As we move into the 2020-2021 school year even amid a pandemic and civic unrest, all of us in Atlanta Public Schools (APS) remain dedicated to ensuring that the district continues to be a student-focused district where our students love to learn, educators inspire, families engage and the community trusts the system.

We have great expectations for this school year. Through a close partnership, we can meet our mission to prepare every student for college, career, and life in a caring culture of trust and collaboration.

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

For me, this journey continues my own personal mission rooted in a passionate belief that education is the greatest equalizer. I believe strongly in the inner strength, power, and talent of our children and that with strong teachers and schools, we can maximize our students' talents so they can pursue whatever opportunities they choose.

I come to Atlanta and my role as superintendent feeling both humbled and privileged to be able to put these beliefs into motion in our schools. I come with an abundance of hope. Even amid the reality that we will not be walking into our school buildings every day this school year, I am committed to seeing that quality teaching and learning continues. And I come with confidence because of our students and their families.

As APS families, you play a critical role in supporting our efforts, and your engagement matters to the district and your child. It starts with staying engaged in school, especially when we employ virtual teaching and learning methods. Building relationships and learning the material takes our collective commitment to ensure that our students view every school day – whether in school or remotely – as a day of instruction and a new opportunity to learn.

To support this effort, we have provided you with our 2020-2021 APS Student Handbook to serve as your comprehensive guide to student and parental rights, responsibilities, and expectations for this upcoming school year.

Thank you for your ongoing partnership. Welcome back, and have a great school year!

Sincerely,



Lisa Herring, Ed.D

Superintendent, Atlanta Public Schools



91 Schools
+ Programs

9
Clusters

2,506
Class of 2019
graduates

52,416
Students
2020 school year
projection

Population

Student

72.9% African American
15.9% Caucasian
7.6% Hispanic
2.4% Multi-racial
1.3% Other



South Atlanta High School

5,294
Total teachers
3,217 Traditional
2,077 Non-traditional

16
GHSA
Middle +
High School
Athletic
Programs

21,215
Bus miles traveled
per day
293 Total bus routes
32,069 Students transported

74.4%
Students qualify
for free or
reduced lunch

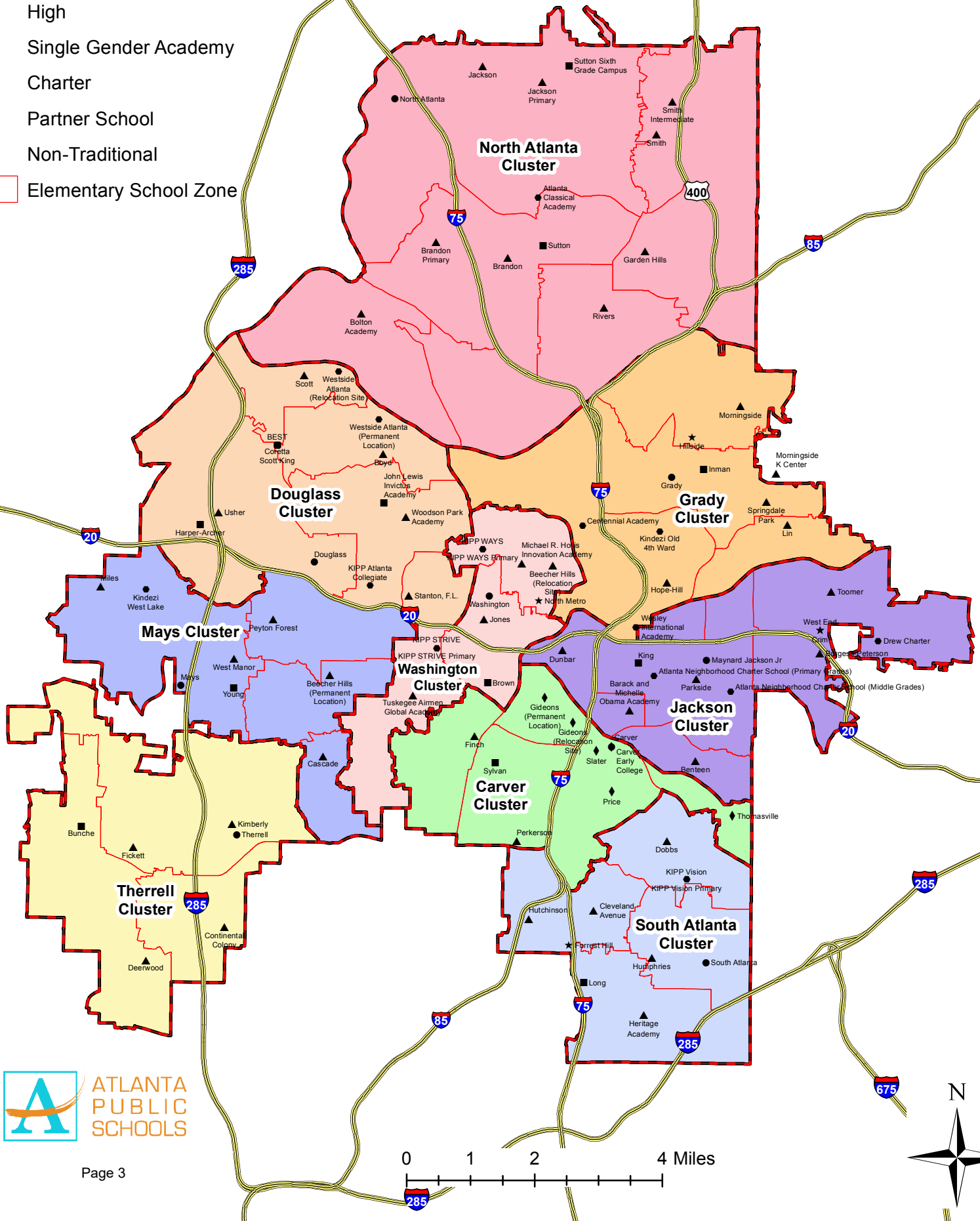
Smith Elementary School



Atlanta Public Schools is one of the largest districts in Georgia, serving more than 52,000 students throughout Atlanta. APS is organized into nine high school feeder patterns. The cluster model allows all students from the cluster elementary schools to matriculate to the same middle and high school. The cluster model ensures continuity for students from kindergarten through grade 12 and enables all students to have access to music, arts, foreign language and core academic programs. The cluster model also provides opportunities for curriculum alignment, college and career programming (i.e. Science, Technology, Engineering, and Mathematics (STEM), Science, Technology, Engineering, Art, and Mathematics (STEAM), International Baccalaureate (IB) and College & Career Prep) as well as strategies focused on student achievement.

Atlanta Public Schools

- ▲ 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, 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	295,295	50,269	33.5	3.5%
June 30, 2019	506,811	312,213	52,473	33.2	8.5%

Sources: Statistical section of the City of Atlanta, Georgia 2020 Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020.

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.

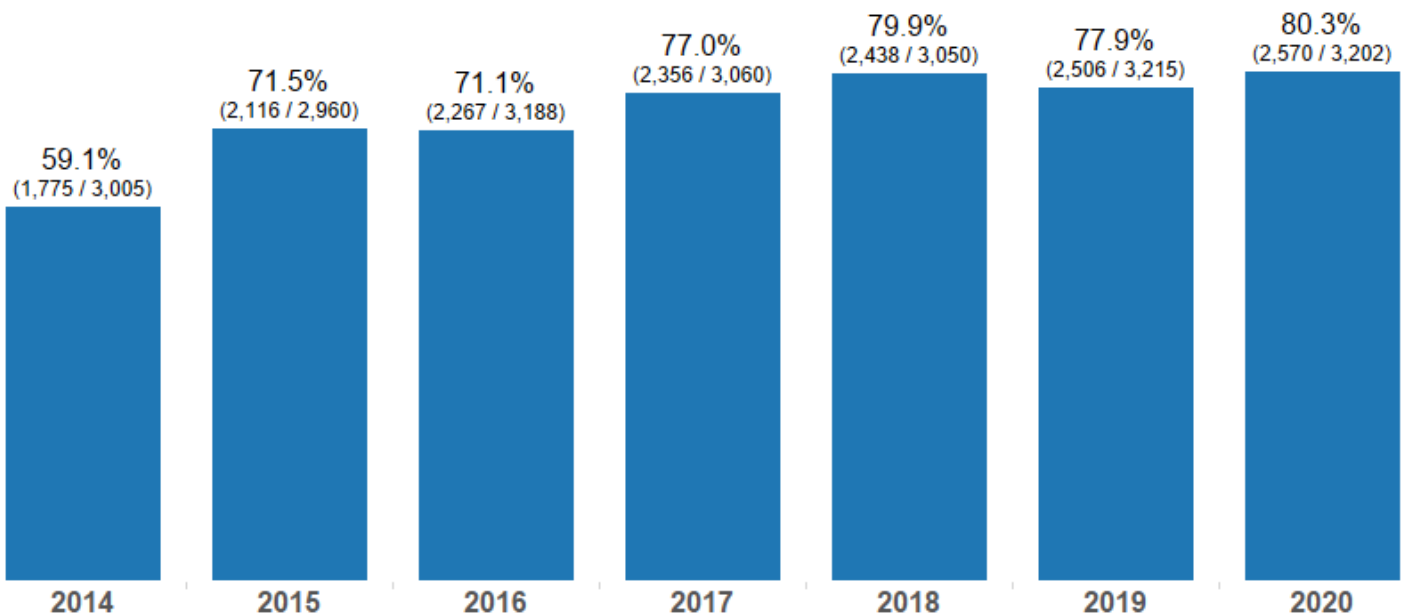
(November 2020) Class of 2020! APS Reaches All-Time Graduation Rate High of 80.3 Percent

The day after we celebrated the graduating Class of 2020 with commencement activities at Lakewood Stadium Atlanta Public Schools received some incredible news: Cohort 2020 achieved the district's all-time highest graduation rate!

That's right! APS achieved an 80.3 percent graduation rate for cohort 2020, according to graduation data released today by the Georgia Department of Education. By achieving its all-time high graduation rate, APS has narrowed its gap with the state by 0.6 percentage points to a gap of 3.5 percentage points. The state 2020 graduation rate is 83.8%.

Another great number 2,570.

More students – 2,570 of them – graduated on-time from APS in 2020 than any other year since 2012, when the state adopted the cohort graduation rate as required by federal law. This is an increase of 64 students from 2019. The 2020 cohort included 3,202 students, only 13 fewer than the 2019 cohort.





2018-2022

ATLANTA BOARD OF EDUCATION

bold leadership | student focused, community driven

District Representative Schools



Leslie Grant
District 1

Elementary Schools: Barack & Michelle Obama Academy, Benteen, Dobbs, Hope-Hill, Mary Lin, Parkside, Slater, Thomasville Heights

Middle Schools: King, Price

High Schools: Carver, Carver Early College, Grady, Jackson

Charter Schools: Atlanta Neighborhood Charter School (K-8), KIPP Vision Academy (K-8) The Kindezi School - Old Fourth Ward (K-8) Wesley International Academy (K-8)



Aretta Baldon
District 2

Elementary Schools: Dunbar, Finch, Hollis Innovation Academy (K-8), Jones, Stanton

Middle Schools: Brown

High Schools: Douglass, North Metro, Washington

Charter Schools: Centennial Academy (K-8), KIPP Strive Academy (K-8), KIPP WAYS Academy (K-8), KIPP Atlanta Collegiate (9-12)



Michelle D. Olympiadis
District 3

Elementary Schools: Burgess-Peterson Academy, Morningside, Springdale Park, Toomer

Middle Schools: Inman

High Schools: Adult Literacy Program, Alonzo Crim Open Campus, Grady, Phoenix Academy

Charter Schools: Drew Charter (K-12)

Residential Flexible Learning Program: Hillside Conant (Grades 2-12)



Nancy M. Meister
District 4

Elementary Schools: Brandon, Brandon Primary, E. Rivers, Garden Hills, Jackson, Jackson Primary, Smith, Smith Primary

Middle Schools: Sutton

High Schools: North Atlanta

Charter Schools: Atlanta Classical Academy



Erika Y. Mitchell
District 5

Elementary Schools: Beecher Hills, Bolton Academy, Boyd, Peyton Forest, Scott, Tuskegee Airmen Global Academy, Usher-Collier, West Manor, Woodson Park Academy, Harper-Archer

Middle Schools: John Lewis Invictus Academy, Young

High Schools: Mays

Single Gender Schools: B.E.S.T. Academy (6-12), Coretta Scott King Young Women's Leadership Academy (6-12)

Charter Schools: Kindezi West, Westside Atlanta Charter



Eshè P. Collins, Vice Chair
District 6

Elementary Schools: Cascade, Cleveland Avenue, Continental Colony, Deerwood Academy, Fickett, Heritage Academy, Humphries, Hutchinson, Kimberly, Kindezi at Gideons, Perkerson

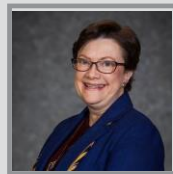
Middle Schools: Bunche, Forrest Hill Academy, Long, Sylvan Hills

High Schools: Forrest Hill Academy, South Atlanta, Therrell

At-Large Members



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



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



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

An abstract collage artwork featuring three stylized faces. The faces are composed of various colored papers and paint. The top left face has a blue eye and a black mouth. The top right face has a blue eye and a black mouth. The bottom face has a grey eye and a black mouth. The background is a mix of pink, green, yellow, and blue papers and paint.

FISCAL YEAR 2020

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

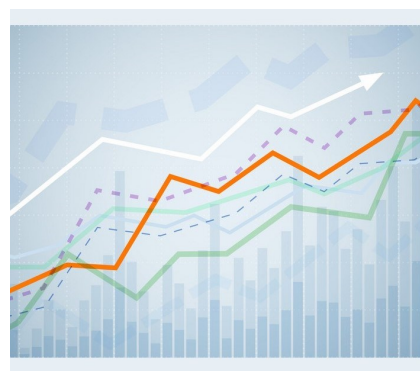
Overall, net position in fiscal year 2020 increased by 37.4% over fiscal year 2019. This was primarily due to an increase in tax revenues. The key financial highlights for fiscal year 2020 as represented are the following: (See CAFR page 4.)

- Total net position for the School System increased from \$287.59 million in fiscal year 2019 to \$395.05 million in fiscal year 2020, an increase of approximately \$107.46 million or 37.4% due to an increase in revenues.
- Total revenues increased from approximately \$1,009.41 million in fiscal year 2019 to approximately \$1,065.00 million in fiscal year 2020, an increase of approximately \$55.59 million or 5.5%.
- Total expenses increased approximately \$72.14 million or 8.1% from approximately \$885.40 million in fiscal year 2019 to approximately \$957.54 million in fiscal year 2020.



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 15.

	2020	Restated 2019	2018
Financial Benefits			
Current and other assets	\$ 308.00	\$ 292.19	\$ 279.23
Net capital assets and net pension asset	1,454.57	1,422.68	1,374.69
Total benefits	\$ 1,762.57	\$ 1,714.87	\$ 1,653.92
Deferred outflows of resources	\$ 239.20	\$ 183.74	\$ 165.13
Financial Detriments			
Long-term debt outstanding	\$ 1,363.33	\$ 1,329.41	\$ 1,491.74
Other liabilities	94.54	108.52	84.06
Total detriments	\$ 1,457.87	\$ 1,437.93	\$ 1,575.80
Deferred inflows of resources	\$ 148.85	\$ 173.09	\$ 79.68
Net position			
Net investment in capital assets	\$ 1,363.41	\$ 1,326.32	\$ 1,294.40
Restricted for athletics	0.09	0.37	3.14
Restricted for debt services	1.81	2.79	106.15
Restricted for capital projects	77.90	95.28	10.39
Restricted for school nutrition program	8.54	10.64	1.95
Unrestricted	(1,056.70)	(1,147.81)	(1,252.46)
Total net position	\$ 395.05	\$ 287.59	\$ 163.57

*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).

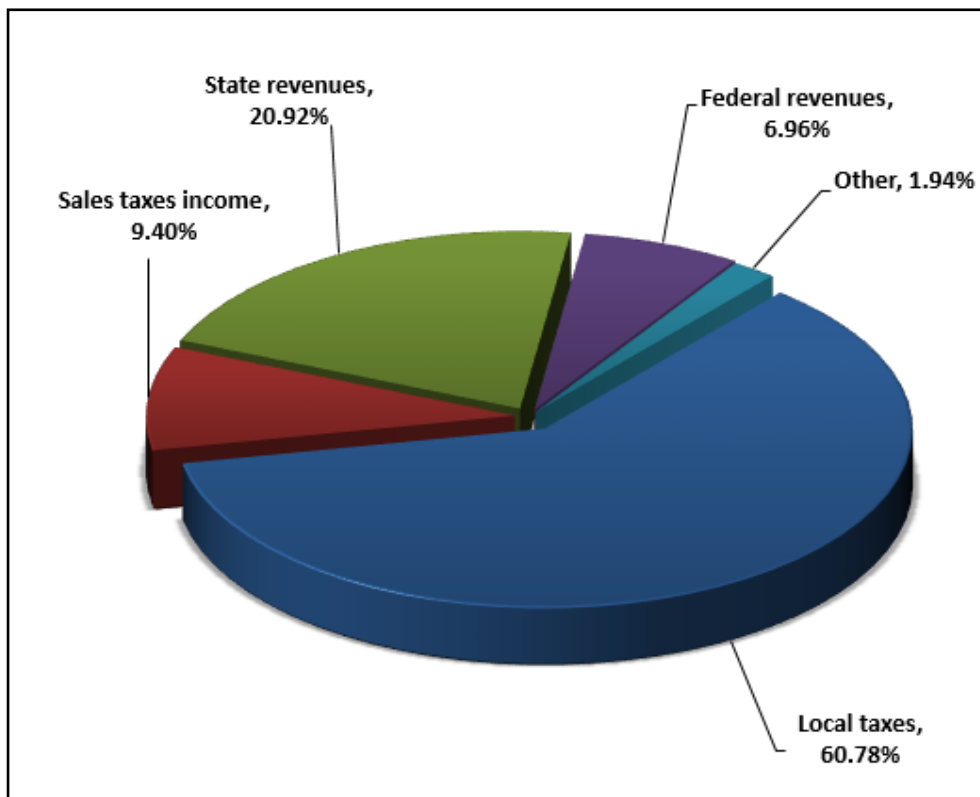
A glossary of financial terminology is provided on page 15.



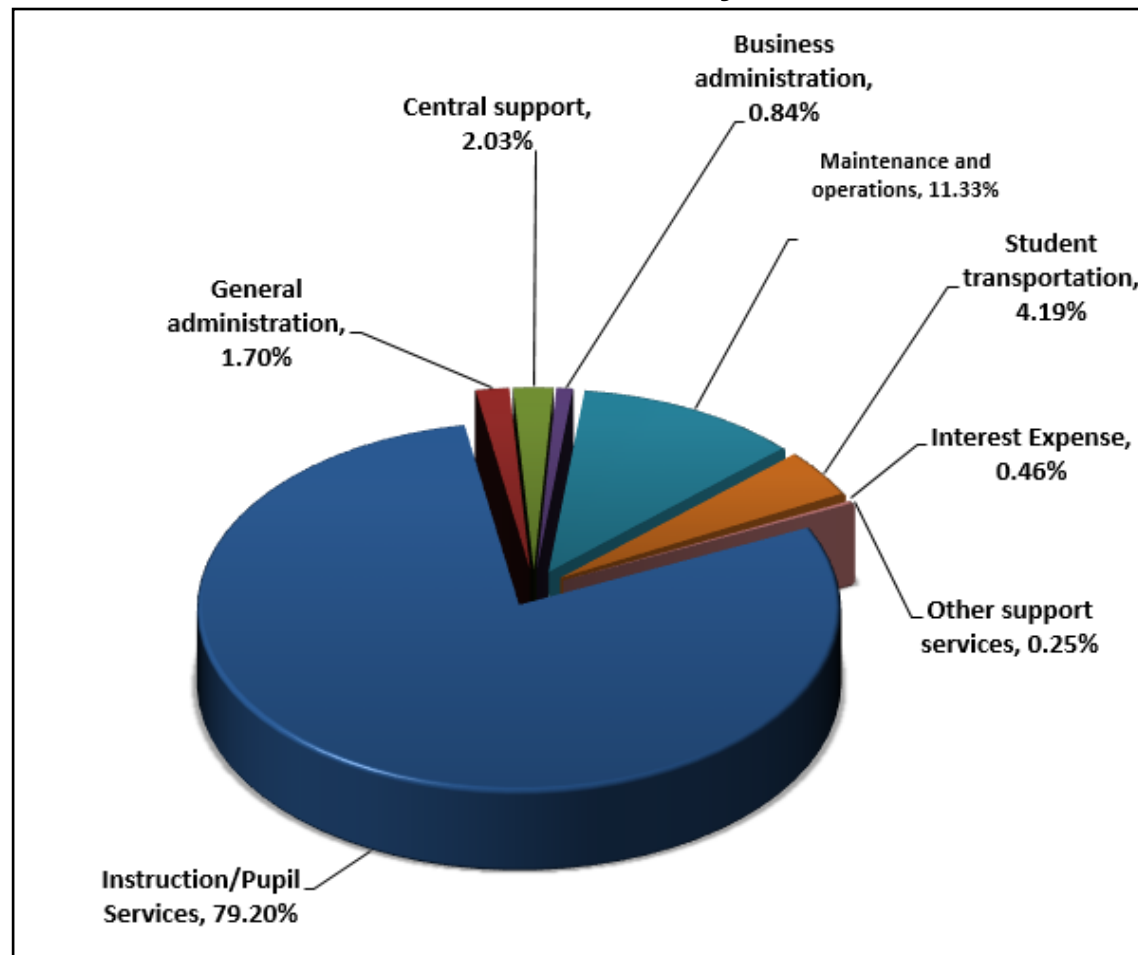
	2020	Restated 2019	2018
Resources Taken In			
Local taxes	\$ 647.29	\$ 599.88	\$ 539.77
Sales taxes income	100.11	105.28	99.59
State revenues	222.79	198.77	207.70
Federal revenues	74.15	78.28	75.01
Investment income	3.03	3.13	1.63
Facility rental fees	0.79	1.26	1.25
Tuition charges	0.10	0.05	0.02
Charges for services	2.91	5.30	4.65
Other	13.81	17.42	15.36
Gains on the sale of capital assets	0.02	0.03	-
Total Revenues & Resources	\$ 1,065.00	\$ 1,009.41	\$ 944.98
Services Provided			
Instruction	\$ 588.12	\$ 528.38	\$ 548.54
Support services:			
Pupil services	52.07	51.63	53.70
Improvement of instructional services	44.89	44.95	49.95
Educational media	6.17	6.48	7.62
Federal grant administration	2.33	2.01	2.00
General administration	16.27	12.20	12.36
School administration	40.44	39.22	38.90
Business administration	8.03	7.24	7.86
Maintenance and operations	108.53	106.75	97.95
Student transportation	40.15	32.62	31.62
Central support	19.40	20.61	20.98
Food services	24.35	26.53	27.02
Other support services	2.42	2.22	1.00
Interest expense	4.37	4.56	4.70
Total Expenses & Service	\$ 957.54	\$ 885.40	\$ 904.20
Revenues & Resources Over (Under)			
Expenses & Services	107.46	\$ 124.01	\$ 40.78

*Amounts shown in millions

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



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

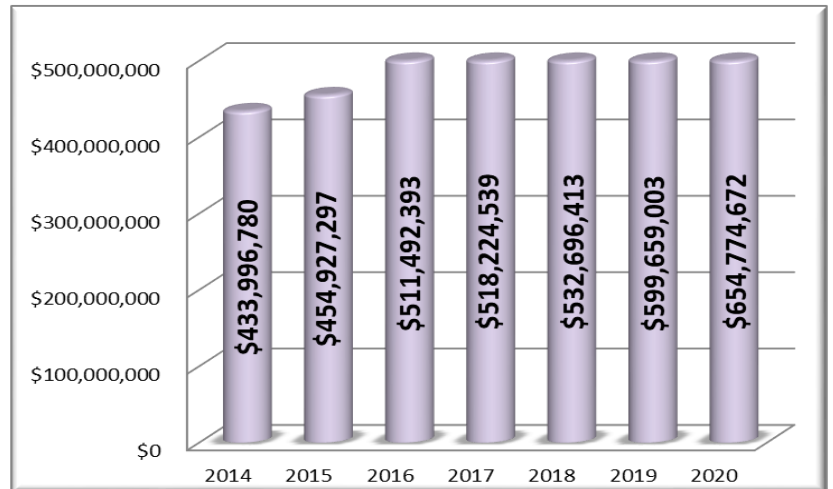


SOURCES OF FUNDING: Where Does the Money Come From?

(Governmental Funds Only)

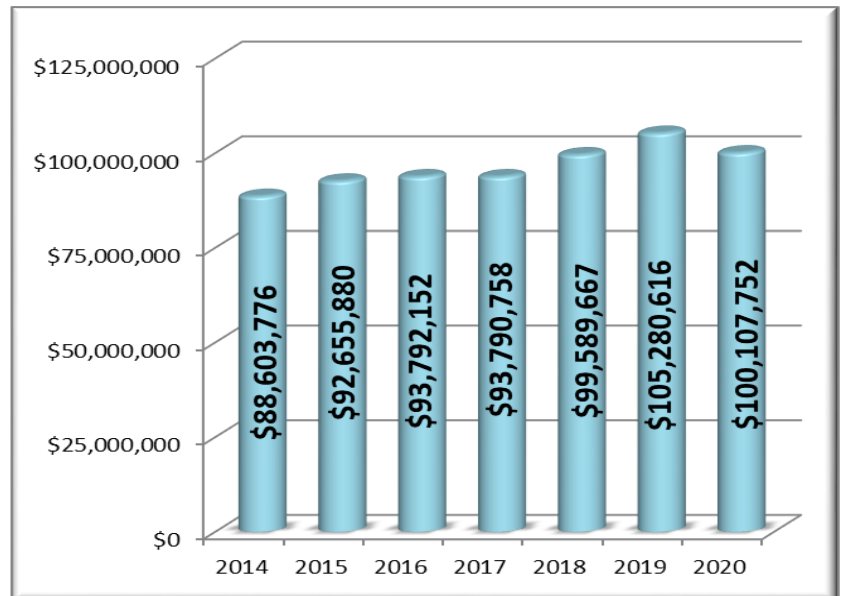
Local Taxes:

The Atlanta Public Schools (APS) district is financed through a combination of local, state and federal sources. During fiscal year 2020, Atlanta Public Schools revenue totaled \$1065.00 million. APS received 60.78% 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.



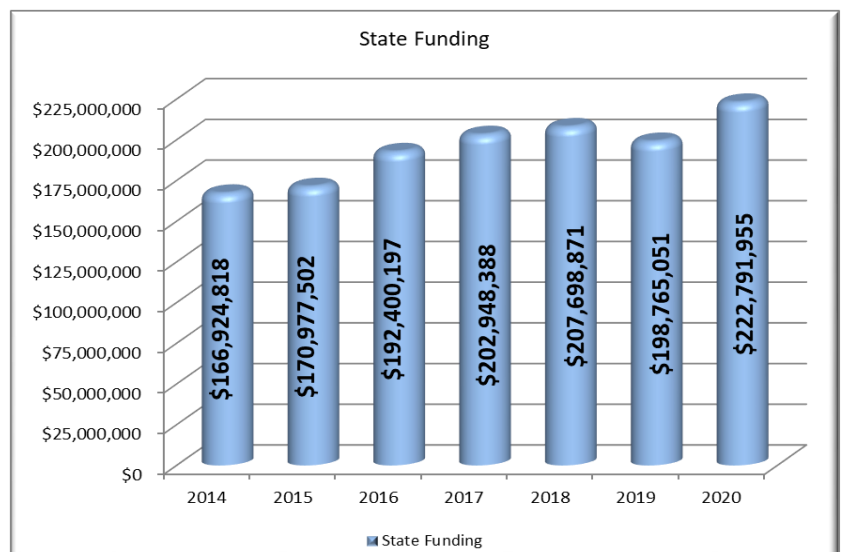
SPLOST (Special Purpose Local Option Sales Tax):

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:

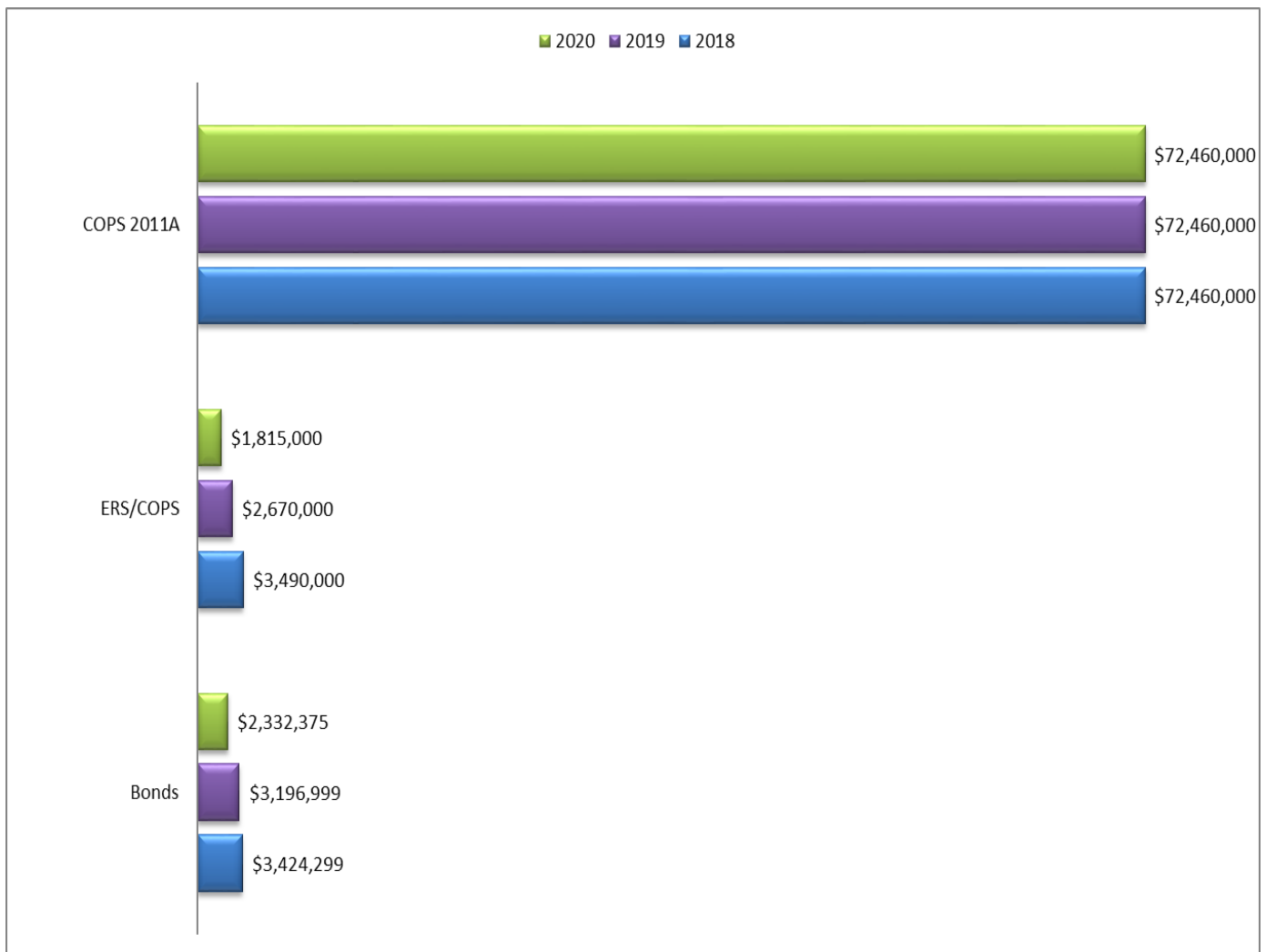
The chart to the right displays the District's Governmental Funds received from the State of Georgia. Funds received from the state are to ensure that all children in the state receive a quality basic educational experience.



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	2020	2019	2018
Long-term debt			
Intergovernmental agreement-			
City of Atlanta	2,332,375	3,196,999	3,424,299
ERS, Inc. (COPS, Series 2006/2007)	1,815,000	2,670,000	3,490,000
ERS, Inc. (COPS, Series 2011A)	72,460,000	72,460,000	72,460,000
Total long-term debt	\$76,607,375	\$ 78,326,999	\$ 79,374,299



Investments: How Safe is our Money?

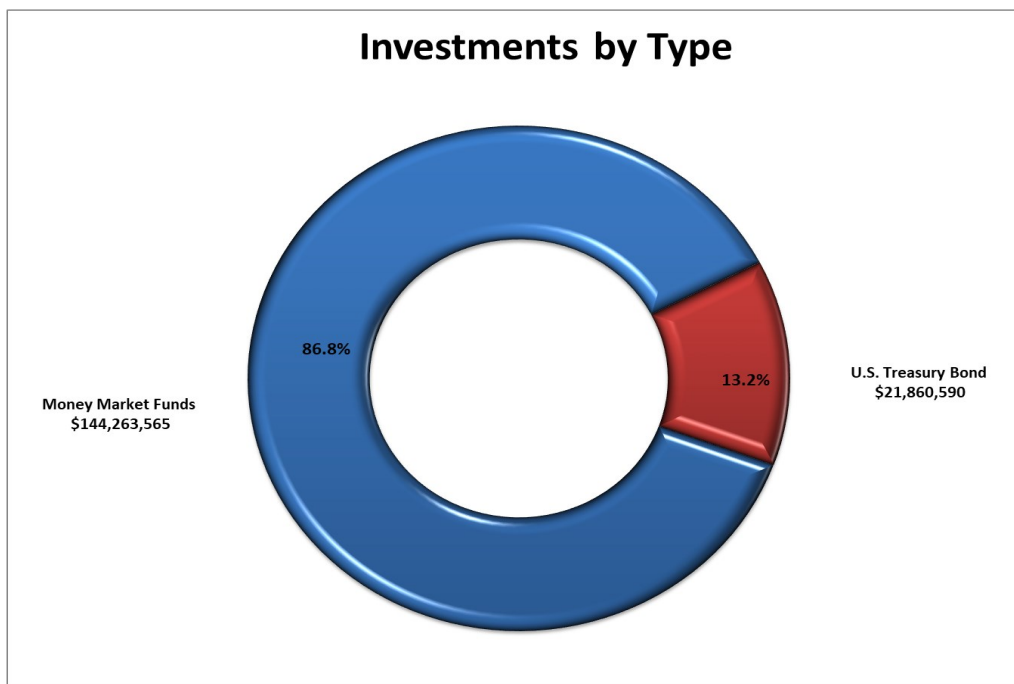
Investors who purchase municipal bonds use debt ratings as an indicator of the financial stability of an organization and consequently the safety and security of the debt sold by that organization. In general, higher credit ratings often result in lower borrowing costs via reduced interest rates paid 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, 2020, APS' GA Fund 1 investments were rated AA+ and Aa2 by Standard and Poor 's and Moody's Investor Service, respectively.

As of June 30, 2020, APS' U.S. Treasury Bond investments were rated AA- and Aa3 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



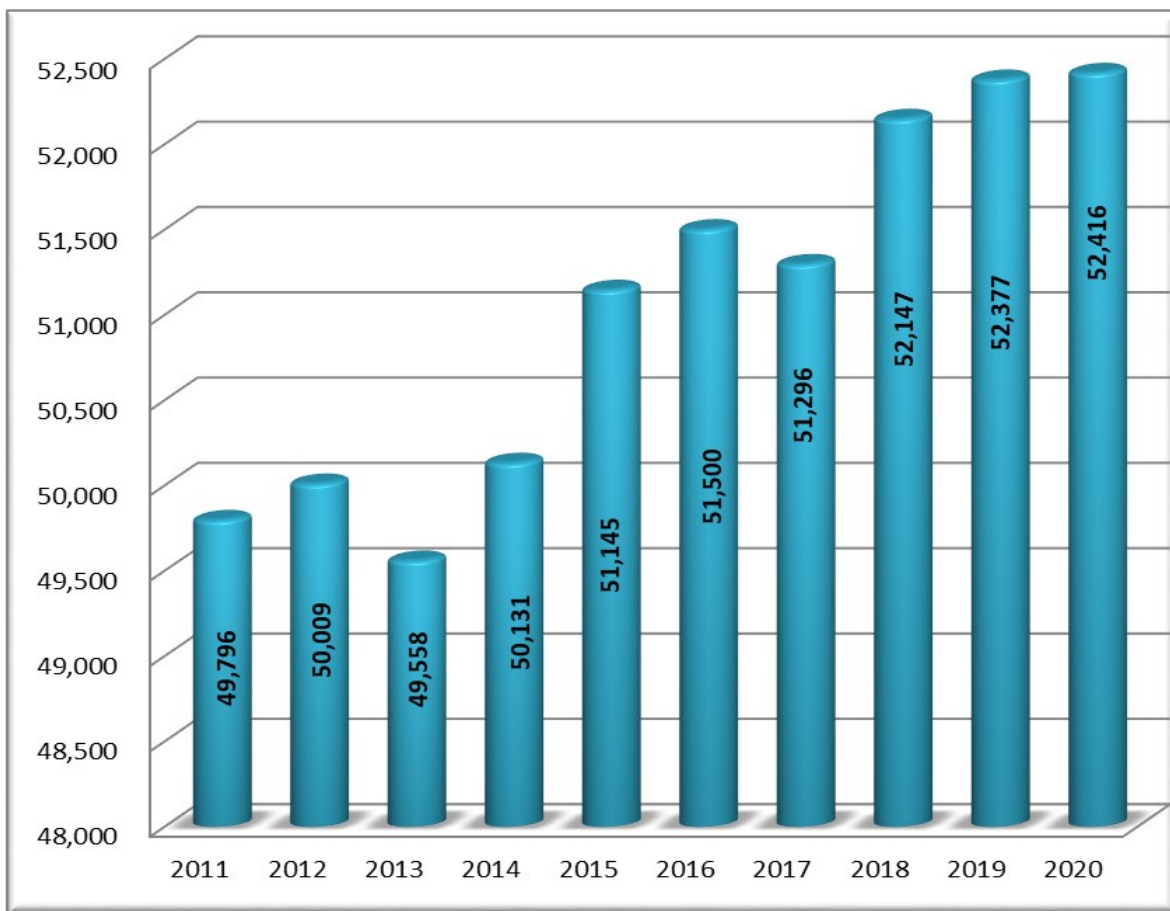
As of June 30, 2020, the district had \$144,263,565 in investments and \$21,860,590 in bonds. Investments subject to credit quality risk are reflected below.

Issuer	Investment Type	Amount	Percent	Quality Rating by Agency	
				S&P	Moody's
US MONEY MARKET- Georgia Fund 1	Money Market Funds	\$ 144,263,565	86.8%	AA+	Aa2
U.S. Treasury Bond	U.S. Treasury Bond	\$ 21,860,590	13.2%	AA-	Aa3

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.

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

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.