



ATLANTA
PUBLIC
SCHOOLS

Making A Difference

FY 2009 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year 2009 Ended June 30, 2009

Atlanta Independent School System
Atlanta, Georgia



ATLANTA INDEPENDENT SCHOOL SYSTEM

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2009

Prepared by
Office of the Chief Financial Officer
Charles A. Burbridge

130 Trinity Avenue, SW
Atlanta, Georgia 30303

ATLANTA INDEPENDENT SCHOOL SYSTEM

Comprehensive Annual Financial Report Table of Contents Fiscal Year ended June 30, 2009

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	i
GFOA Certificate of Achievement	viii
List of Principal Officials	ix
Appointed Officials	xiii
Organization Chart	xiv
FINANCIAL SECTION	
Report of Independent Certified Public Accountants	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
District-wide Financial Statements: Statement of Net Assets	15
Statement of Activities	16
Fund Financial Statements: Balance Sheet – Governmental Funds	17
Reconciliation of Governmental Funds Balance Sheet to the District-wide Statement of Net Assets	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	19
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the District-wide Statement of Activities	20
Statement of Net Assets – Proprietary Fund – Food Services	21
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Fund – Food Services	22

ATLANTA INDEPENDENT SCHOOL SYSTEM

Comprehensive Annual Financial Report Table of Contents Fiscal Year ended June 30, 2009

	Page
Statement of Cash Flows – Proprietary Fund – Food Services	23
Statement of Fiduciary Assets and Liabilities	24
NOTES TO THE BASIC FINANCIAL STATEMENTS	25
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	54
Schedule of Funding Progress and Employer Contributions	55
OTHER SUPPLEMENTARY INFORMATION	
Non-Major Governmental Funds:	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Non-major Governmental Funds	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	57
Combining Balance Sheet – Non-major Governmental Funds – Charter Schools	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds – Charter Schools	59
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Title I Fund	60
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Title II Fund	61
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Title IV-B Fund	62
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Lottery Fund	63

ATLANTA INDEPENDENT SCHOOL SYSTEM

Comprehensive Annual Financial Report Table of Contents Fiscal Year ended June 30, 2009

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual –Other Federal Programs Fund	64
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Other Special Projects Fund	65
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Fund	66
Combining Statement of Changes in Assets and Liabilities - Agency Fund	67
Quality Basic Education Programs - Program Expenditures	68
General Fund Quality Basic Education Programs - Schedule of Allotments and Expenditures by Program	69
Schedule of Expenditures by Object - Lottery Programs	70
Schedule of Approved Local Option Sales Tax Projects	71
Schedule of State Revenue	72

STATISTICAL SECTION (UNAUDITED)

Net Assets by Component	73
Changes in Net Assets	74
Governmental Fund Balances	76
Changes in Governmental Fund Balances	77
General Fund Revenues by Source	78

ATLANTA INDEPENDENT SCHOOL SYSTEM

Comprehensive Annual Financial Report Table of Contents Fiscal Year ended June 30, 2009

General Fund Expenditures by Function	79
Assessed and Estimated Actual Value of Taxable Property	80
Property Tax Rates – All Overlapping Governments	81
Principal Property Taxpayers	82
Property Tax Levies and Collections	83
Comparison of Property Tax Millage Rates	84
Tax Millage Rates	85
Demographic Statistics	86
General Fund per Pupil Cost	87
School Breakfast Program	88
School Lunch Program	89
Number of Schools	90
Principal Employers	91

INTRODUCTORY SECTION

February 26, 2010

Dear Colleagues and Friends:

Atlanta Public Schools began its journey to excellence in 1999, under the leadership of Superintendent Dr. Beverly L. Hall. Guided by the belief that every child can learn and grow if provided quality instruction in a safe and positive environment, Atlanta Public Schools (APS) began implementing research-based reform models throughout the district. These reform models focus on increasing student achievement through a personalized educational experience.

Snapshot of Atlanta Public Schools

The APS story serves as a model for urban school districts nationwide, offering proof that a single goal – student success – can and does make a difference, regardless of gender or socio-economic background.

Like many urban school systems, a majority of APS students come from challenging home environments: of our 50,000 students, three of four qualify for free or reduced meals – meaning they live close to or below the poverty line. Students also relocate frequently – nearly one-third of our students move during the school year.

Ten years ago, APS struggled in many areas. Student performance trailed the state by double digits, absenteeism was chronic, our graduation rate was below 40 percent, and the district had five superintendents in a 10-year period.

Today, APS is making national headlines with nine consistent years of progress, including steady improvements in student achievement, the ability to hire and retain quality teachers, increased employee morale, and renovated or new facilities.

Highlights:

- APS was the only urban school district, out of the 11 participating in the rigorous National Assessment of Educational Progress (NAEP) testing, to show significant gains in student performance in all grades and subjects from 2002 to 2007.
- APS is closing the achievement gap with the state.
- APS' graduation rate has nearly doubled to over 70 percent.

- APS has made significant technology and transportation upgrades, including a fleet of new school buses and more than 14,000 computers in our classrooms.
- School improvements include 14 new facilities, 41 renovations and 11 upgrades, thanks to Atlanta citizens who voted three times to pay an additional one penny in sales tax through SPLOST referendums.

APS Points of Pride

Atlanta Public Schools is healthy and well on its way to being one of the top-performing urban schools districts in the nation. The total transformation of a k-12 urban school district has never been done before in the United States, and experts believe it would take at least 12 years to achieve such a feat. At APS, we're on our way to making history. We can look back on the past ten years with pride.

1. Atlanta Public Schools (APS) is on a consistent nine-year trend of progress. For nine consecutive years, APS students have posted significant academic gains on the Criterion-Referenced Competency Tests. Students also demonstrate across-the-board improvement on the Georgia High School Graduation Tests and End of Course Tests.

2. APS earned the equivalent of the “Triple Crown” of national urban education awards in 2009. Atlanta Board of Education member, Emmett D. Johnson, won the Richard R. Green Award by the Council of the Great City Schools; the Atlanta Board of Education won the Council of Urban School Boards of Education award for Excellence; and Dr. Beverly L. Hall was named National Superintendent of the Year by the American Association of School Administrators.

3. The APS Class of 2009 was offered more than \$90 million in scholarships to colleges and universities across the country and abroad. Approximately 2,000 APS students walked across the stage of the Atlanta Civic Center with offers of more than \$90 million in scholarships to colleges and universities, from top-tier institutions, historically black colleges and universities, and Ivy League schools. APS graduates have been accepted at such prestigious and diverse institutions as Harvard, Yale, Princeton, Hampshire, Middlebury, Brandeis, Colgate, Columbia, the U.S. Naval Academy, Bowdoin, Davidson, Howard, Clark Atlanta, Spellman, Morehouse, and the University of Cairo-Egypt.

4. APS has launched one of the largest mathematics and science professional development and curriculum programs in the nation. The General Electric Foundation is indeed bringing “good things to life” at APS. In November 2007, the foundation awarded APS \$22.5 million over a five-year period to support its Math and Science initiative. Funds

are being used to recruit and develop high-quality math and science teachers. The goal is for APS educators to use project-based, hands-on techniques to help prepare students for technical careers around the world.

5. The Nation's Report Card shows that, since 2003, APS math, reading and writing scores improved faster than any other major U.S. urban school district. Former U.S. Secretary of Education Margaret Spellings was a frequent visitor to APS over the past few years. She congratulated the district for its outstanding performance on the National Assessment of Educational Progress (NAEP). Often referred to as the Nation's Report Card, NAEP is the only national test that measures U.S. students using a common yardstick. The growth in APS scores outpaced the national average, the state average and urban school districts in other major U.S. cities, including Boston, Los Angeles and New York City.

6. APS continues to attract, develop and reward quality teaching. Research shows that the No. 1 predictor of student achievement is quality teaching. As of June 2009, 68 APS teachers have earned National Board Certification, and 21 have earned APS Master Teacher Certification – in recognition for their excellence in classroom instruction, mastery of subject areas and student achievement. To retain and develop effective educators, APS is redesigning support systems – from mentoring and common planning time to continuing education programs and data-driven instructional tools. While APS offers one of the highest-paying public school teaching salaries in metro Atlanta, the district continually explores ways to restructure teacher rewards and compensation. The goal is to make teaching the profession of choice again for the best and brightest college students and to reward teachers for making a difference.

7. Using in-depth academic and social services, Project GRAD is turning around schools once labeled lowest performing. Project GRAD (Graduation Really Achieves Dreams) provides intensive academic and social support services to students in grades kindergarten through college. The initiative serves more than 13,000 students in one-third of APS schools, including three high school campuses and the 17 elementary and middle schools that feed into those high schools. Project GRAD schools show an increase in attendance, test scores, graduation rates and college enrollment, proving that urban school system challenges can be overcome – with the right resources and instructional approaches.

8. APS is changing the middle school experience through single-gender learning and other reform initiatives. In August 2007, the district opened two single-gender academies: the B.E.S.T. (Business, Engineering, Science and Technology) Academy at

Benjamin S. Carson for boys and the Coretta Scott King Young Women's Leadership Academy for girls. These schools, the first single-gender academies in the district in 60 years, provide mentoring, guidance and resources to students. APS also is redesigning its traditional middle schools across the district to increase student achievement by providing adolescents with individualized instruction and smaller classroom settings. Districtwide, 86 percent of APS middle schools made AYP in 2009 – more than in the previous year – with two middle schools coming off the needs improvement list.

9. APS' move to small high school learning environments results in higher graduation rates. Under the High School Transformation initiative, the days of large, comprehensive high schools at APS are nearly finished. The district is transforming high schools into smaller, personalized learning environments. The transformation started with The New Schools at Carver, which opened in August 2005 as one campus with five small schools, each with its own academic theme (health sciences, technology, arts, entrepreneurship and early college). APS' high school graduation rate increased from 39 percent in 2002 to 71.7 percent in 2008. In May 2009, students from Carver's "Legacy Class," the first graduating class under the small schools model, graduated with more than \$18 million in scholarship offers. By 2010- 2011, all APS high schools will be transformed into small schools or small learning communities. The goal is to graduate ninth-graders within four years and equip them with real options for post-secondary success.

10. APS' extensive network of business, community and philanthropic support continues to propel the success of its students. Through community engagement and strong partnerships, APS continues to implement innovative activities and programs to foster student achievement. With local and national partnerships that include the Atlanta Education Fund, Atlanta Partners for Education (through the Metro Atlanta Chamber), the GE Foundation and the Bill and Melinda Gates Foundation, APS students thrive through hands-on learning, mentoring and leadership – inside and outside the classroom.

Challenges Ahead

We know the members of our board of education and the over 6,200 Atlanta Public Schools professionals would want me to be very candid. There are signs on the horizon that our progress could be slowed down – or stopped in its tracks. We'd like to touch on three challenges in particular:

- The first one is teacher and leadership quality. Just as the entire workforce is experiencing the overwhelming impact of the baby boom generation moving into retirement, so, too, are we feeling the loss of qualified candidates to lead our schools

and to teach our children. Recruiting and retaining qualified professionals to meet the needs of urban children are not easy tasks. Yet without quality leaders and highly competent teachers, we won't meet our goals. Federal and state assistance – through methods such as alternative certification for both teachers and principals; induction programs; smaller class sizes; and differential, performance or incentive pay – are essential in this endeavor. We must find ways to attract – and equally important, to retain – the brightest of our college graduates to teach and lead in Atlanta Public Schools.

- The second challenge is budget cuts and unfunded liabilities. Uncertainty remains the watchword. The percentage of contributions from the state to education remains low. State austerity cuts, totaling \$52 million over the past six years, have not been restored. On top of that, we've learned that because of state budget cuts for this year, we will lose at least \$5 million – and that could grow to as much as \$17 million. Almost 23 percent of our school district's budget comes from state revenue, while the majority – approximately 75 percent – is borne by local taxpayers.

Another very real strain on our budget is our pension liability, which stems from a change to the City of Atlanta's pension plan 30 years ago! During fiscal year 2009, APS made payments in excess of the annual required contribution thus resulting in a net pension asset of \$7,272,550 as of June 30, 2009.

We can't and won't ignore our core funding mandates, including an aggressive academic plan that supports our students. Money matters in the education of our students. Maintaining academic coaches and counselors and providing supports outside the classroom – such as nurses and social workers – call for more, not fewer, resources. We can make a sustainable, across-the-board impact on student achievement but only if we make the right investments.

- The third challenge we are facing at APS is the demographic shifts that are occurring in Atlanta. These could lead to more school closings; in some cases, new schools; in other areas, relocations; and an overall increase in mobility for students and teachers. This, of course, would negatively impact the continuity of instruction.

Strategic Planning, Implementation and Measurement

Atlanta Public Schools understands that a sound strategic plan is essential to the effective delivery of a world-class education. APS employs the Balanced Scorecard (BSC) strategic management system to increase total customer value to students, parents, employees and community members. The strategic management system allows APS to measure regularly core district performance functions while balancing integrated, SMART (Specific, Measurable, Attainable, Relevant and Time-bound) objectives. In addition, the adopted system delivers a level of strategic clarity that ensures more accurate forecasting for future organizational needs.

Financial Information

Despite some of the challenges facing APS, we ended the fiscal year better than budgeted in the General Fund. Using the full accrual basis of accounting, APS has total net assets of \$1.3 billion, an increase of approximately \$60.7 million from fiscal year 2008 (See Management's Discussion and Analysis).

Fund Accounting: The 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. (See Notes A of the Notes to the Basic Financial Statements for a summary of significant accounting policies and a description of fund types.

Internal Control Structure: The APS financial management officials are responsible for implementing and enforcing a system of internal controls to protect the assets of the APS from loss, theft, or misuse and to ensure that reliable accounting data are available for the timely preparation of financial statements in accordance with 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 requires estimates and judgments by management.

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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. 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 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 that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

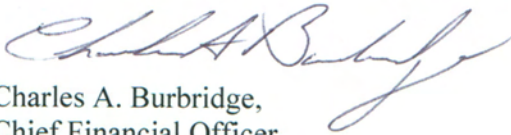
Acknowledgements

This report could not have been prepared without the dedicated and effective help of the entire Finance Department staff. We wish to express our gratitude and appreciation to them for their contributions and professionalism.

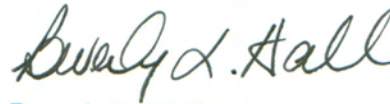
In Closing

We are pleased to present to the community our Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. Our community deserves the highest quality instruction, outstanding academic programs and comprehensive student development supports to prepare our city's youth for the challenges of the world of tomorrow. Equally important, our community deserves relevant financial information and tight fiscal controls that will result in greater accountability to our taxpayers, legislators and government entities that serve the needs of our students. We will continue to do our very best to meet both goals.

Respectfully submitted,



Charles A. Burbridge,
Chief Financial Officer



Beverly L. Hall, Ed.D.
Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Atlanta Public Schools
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

ATLANTA INDEPENDENT SCHOOL SYSTEM

List of Principal Officials June 30, 2009

SCHOOL SYSTEM BOARD MEMBERS

District 5: LaChandra D. Butler Burks, Chair

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

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



District 3: Cecily Harsch-Kinnane, Vice Chair

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



District 1: Brenda J. Muhammad

Brenda Muhammad is the executive director of the Atlanta Victim Assistance, Inc. (AVA), an organization that advocates for the fundamental rights of victims and witnesses of crime with compassion, dignity and respect. AVA provides comprehensive services, which remove barriers, strengthen victims and their families and foster a healthy transition from victim to survivor.

Passionate about children and their educational needs, particularly those who are underserved, Brenda currently serves as the School Board Representative for District 1. She has also served the Atlanta School Board in times past as Chair and Vice Chair.

**District 2: Khaatim Sherrer El**

In November 2003, voters in District 2 elected Khaatim S. El to the Board of Education as the youngest board member in the history of the Atlanta Public Schools. He has served as Chair of the Board Development/Workshops Committee. He is a Board Representative on the Project Grad Committee and on the Fulton County Department of Health and Wellness Board.

During his high school years, Khaatim served on the Board of Education in Newark, New Jersey as the student representative, beginning his work and interest in youth advocacy and public education. Khaatim is a proud graduate of Morehouse College where he earned a degree in Urban Studies and Public Policy.

**District 4: Kathleen Barksdale Pattillo**

Kathleen (Katy) Pattillo served as chair of the Atlanta Board of Education (2006-2008). Prior to her board work, she served as co-president of the PTA at Sarah Smith Elementary School and as the chair of the Boys & Girls Club of Metro Atlanta. She previously practiced law, has worked at CNN, the Southern Company and in the press offices of the U.S. Senate Majority Leader Howard Baker and Sen. Herman E. Talmadge.

Ms. Pattillo received her J.D. degree from Emory University School of Law and her B.A. in political science from the University of Georgia after attending Hollins College. She serves as a trustee of the Boys & Girls Club of Metro Atlanta.



District 6: Yolanda Johnson

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

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



Seat 7: Eric W. Wilson

Eric W. Wilson was elected to the Atlanta Board of Education, District 7 At-Large in November 2001. In 2003 through 2005, he served the Board as Vice Chair additionally; he has chaired the Facilities Commission and has served as an active member of numerous other board committees.

Eric W. Wilson holds a Master of City Planning degree from the Georgia Institute of Technology, a Bachelor of Science in Public and Environmental Affairs from Indiana University and received his Military Officer Commission from the Indiana Military Academy.



Seat 8: Mark Riley

“Revitalizing Atlanta’s inner city has been a focus of my professional life, and I have always firmly believed that revitalization of the city must be paralleled by the development of a system of high performing schools. Without such schools, Atlanta will not fulfill its potential to prepare its residents to contribute to a high quality of life not only for themselves, but for all of us.”

Mr. Riley is Managing Partner of Urban Realty Partners, an in-town real estate development firm. He is also Director of the Sartain Lanier Family Foundation (focused on improving education options in the metro Atlanta area) and serves on several civic boards. He holds J.D. and B.A. degrees from Vanderbilt University, and is active in alumni affairs.



Seat 9: Emmett D. Johnson

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

Mr. Johnson served as Vice-Chair of the Board (2006-2008); has been appointed by Governor Sonny Perdue to the Master Teacher & Academic Coach Implementation Committee (July 2005); served as Chair of the Atlanta Board of Education (2003); chaired the Community Support for School Reform and Innovations Ad Hoc Committee (2000); chaired the Board Development/Board Retreat Task Force (2002); serves on the Facilities Master Plan Oversight Commission and the Parent and Family Involvement Task Force; was a member of the 2001 Georgia School Boards Association Governmental Operations Committee; Is a member of the Georgia School Boards Association Nominating Committee for the selection of the Association's, President; President Elect, and Treasurer (2000 - 2001); served as delegate to the Georgia School Boards Association (2001) and served as a representative to Metro RESA (2001)

**Atlanta Board of Education Goals and Objectives**

Each year, the Board of Education adopts goals as a means to improve its educational programs. The human and financial resources are allocated in the budget in order to achieve the adopted goals of the District. The objectives of the Atlanta Board of Education are:

- To provide and maintain a quality, comprehensive, high-level curriculum to be followed by all schools in the District;
- To enhance the use of technology by students, teachers and staff in the instructional process;
- To enhance political relationships with various entities in the District;
- To increase public awareness and participation in School District affairs; and
- To exercise fiscal discipline.

**ATLANTA INDEPENDENT SCHOOL SYSTEM
APPOINTED OFFICIALS
JUNE 30, 2009**

SUPERINTENDENT

Beverly L. Hall, Ed.D.

SENIOR CABINET

Charles (Chuck) A. Burbridge.....Chief Financial Officer

Veleter Mazyck.....General Counsel

Kathy Augustine..... Deputy Superintendent for Instruction

Millicent Few..... Chief Human Resources Officer

Vacant.....Deputy Superintendent for Operations

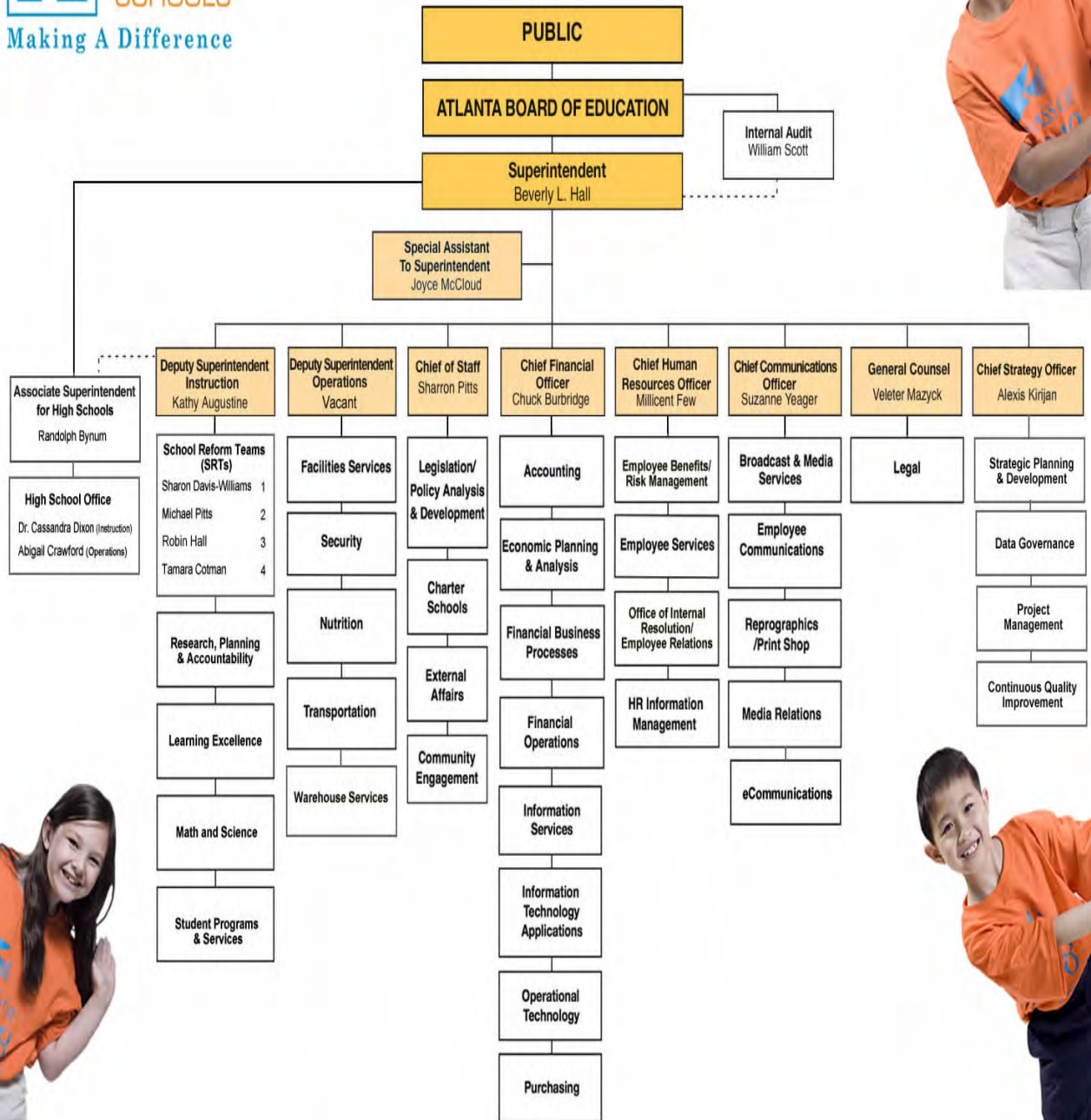
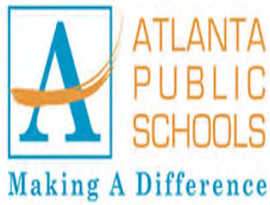
Suzanne Yeager.....Chief Communications Officer

Joyce McCloud.....Special Assistant to the Superintendent

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

Sharron Pitts.....Chief of Staff

Organizational Chart



Atlanta Public Schools is one of the top-performing urban school systems in America. Our innovative learning programs, nationally recognized best practices and excellent teachers are making a difference in the lives of our 50,000 K-12 students. We are committed to ensuring that all students graduate from our schools ready for success in college and life, and prepared to build a stronger Atlanta.

Financial Section

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **Atlanta Independent School System** (the "School System") as of and for the year ended June 30, 2009, which collectively comprise the School System's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School System's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Atlanta Educational Telecommunications Collaborative, Inc., the School System's discretely presented component unit. In addition, we did not audit the financial statements of Drew Charter School, Inc.; Imagine Wesley International Academy, LLC; KIPP West Atlanta Young Scholars Academy, Inc.; Neighborhood Charter School, Inc.; Southeast Atlanta Charter Middle School, Inc.; Tech High School, Inc.; and, University Community Academy, Inc., which are blended component units, together represent .9% and .5%, respectively, of the assets and revenues of the governmental activities and 23.2% and 5.2%, respectively, of the assets and revenues of the aggregate remaining fund information. The financial statements of the discretely presented component unit and the blended component units detailed above were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those financial statements, is solely based upon the reports of the other auditors.

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. The financial statements of the School System's discretely presented component unit, Atlanta Educational Telecommunications Collaborative, Inc., as well as certain blended component units including: Drew Charter School, Inc.; KIPP West Atlanta Young Scholars Academy, Inc.; Neighborhood Charter School, Inc.; Southeast Atlanta Charter Middle School, Inc.; Tech High School, Inc.; and, University Community Academy, Inc. were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining

fund information of the Atlanta Independent School System as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note R to the basic financial statements, the School System changed its depreciation method from the half-year convention to the straight-line depreciation method. Additionally, and as disclosed in Note R to the basic financial statements, the capitalization threshold for all asset classes with the exceptions of land has been increased from \$2,000 to \$50,000.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2010, on our consideration of the Atlanta Independent 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual, and the Schedule of Funding Progress and Employer Contributions as presented on pages 3 through 14 and pages 54 and 55, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 introductory section, combining and individual fund financial statements and schedules, and statistical section, 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. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 26, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

ATLANTA INDEPENDENT SCHOOL SYSTEM
Management's Discussion and Analysis
For the Year Ended June 30, 2009

The discussion and analysis of the Atlanta Independent School System's financial performance provides an overview of the fiscal year ended June 30, 2009. 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 and notes to 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) District-wide financial statements including the Statement of Net Assets 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 year ended June 30, 2009, and contains other supplementary information.

FINANCIAL HIGHLIGHTS

Overall, net assets in fiscal year 2009 increased by 4.9% over fiscal year 2008. This is evidence of management's ability to maintain a balanced budget and effectively control expenses, despite austerity reductions due to economic downturns affecting district revenues. The key financial highlights for fiscal year 2009 as represented are:

District-wide Financial Statements:

- Total net assets for the School System increased from \$1,228.57 million in fiscal year 2008 to \$1,289.24 in fiscal year 2009, an increase of approximately \$60.67 million or 4.9%. Net assets increased by \$59.18 million for Governmental Activities and increased by \$1.49 million for Business-type Activities.
- Total revenues decreased from \$878.01 million in fiscal year 2008 to \$849.32 million in fiscal year 2009, an decrease of approximately \$(28.69) million or -3.3%. Revenue for Governmental Activities decreased \$(28.87) million while revenue for Business-type activities increased by \$0.18 million.
- Total expenses decreased \$(17.41) million or -2.2% from \$806.60 million in fiscal year 2008 to \$789.19 million in fiscal year 2009. Expenses decreased in Governmental Activities by \$(8.65) million and decreased by \$(8.76) million in Business-type Activities.

Fund Financial Statements:

The School System has prepared its annual financial reports corresponding to the Governmental Accounting Standards Board No. 34 financial reporting model. The following graphic is provided to give the reader an overview of this reporting model.



OVERVIEW OF FINANCIAL STATEMENTS

District-Wide Financial Statements

The district-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 Assets and the Statement of Activities provide information about the activities of the whole School System, presenting an aggregate and long-term perspective of the finances. These statements include all assets and liabilities using the accrual basis of accounting. This basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid.

- The **Statement of Net Assets** presents information on all of the Schools System's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.
- The **Statement of Activities** presents information showing how net assets changed during the fiscal year. All changes in the net assets 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 Assets 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 services, maintenance and operations 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 Assets (in millions of dollars)

	Governmental Activities		Business-type Activities		Total School System		
	2009	restated 2008	2009	restated 2008	2009	restated 2008	percentage change
Current and other assets	\$ 454.52	\$ 471.83	\$ 2.34	\$ 0.89	\$ 456.86	\$ 472.72	-3.4%
Net capital assets and net pension asset	1,019.25	902.82	0.00	0.00	1,019.25	902.82	12.9%
Total assets	1,473.77	1,374.65	2.34	0.89	1,476.11	1,375.54	7.3%
Long-term debt outstanding	68.72	67.72	0.00	0.00	68.72	67.72	1.5%
Other liabilities	117.78	78.84	0.37	0.41	118.15	79.25	49.1%
Total liabilities	186.50	146.56	0.37	0.41	186.86	146.97	27.1%
Net assets							
Invested in capital assets, net of related debt	962.14	854.30	0.00	0.00	962.14	854.30	12.6%
Restricted for debt services	2.58	14.76	0.00	0.00	2.58	14.76	-82.5%
Restricted for capital projects	149.79	167.76	0.00	0.00	149.79	167.76	-10.7%
Unrestricted	172.75	191.27	1.97	0.48	174.73	191.75	-8.9%
Total net assets	\$ 1,287.27	\$ 1,228.09	\$ 1.97	\$ 0.48	\$ 1,289.24	\$ 1,228.57	4.9%

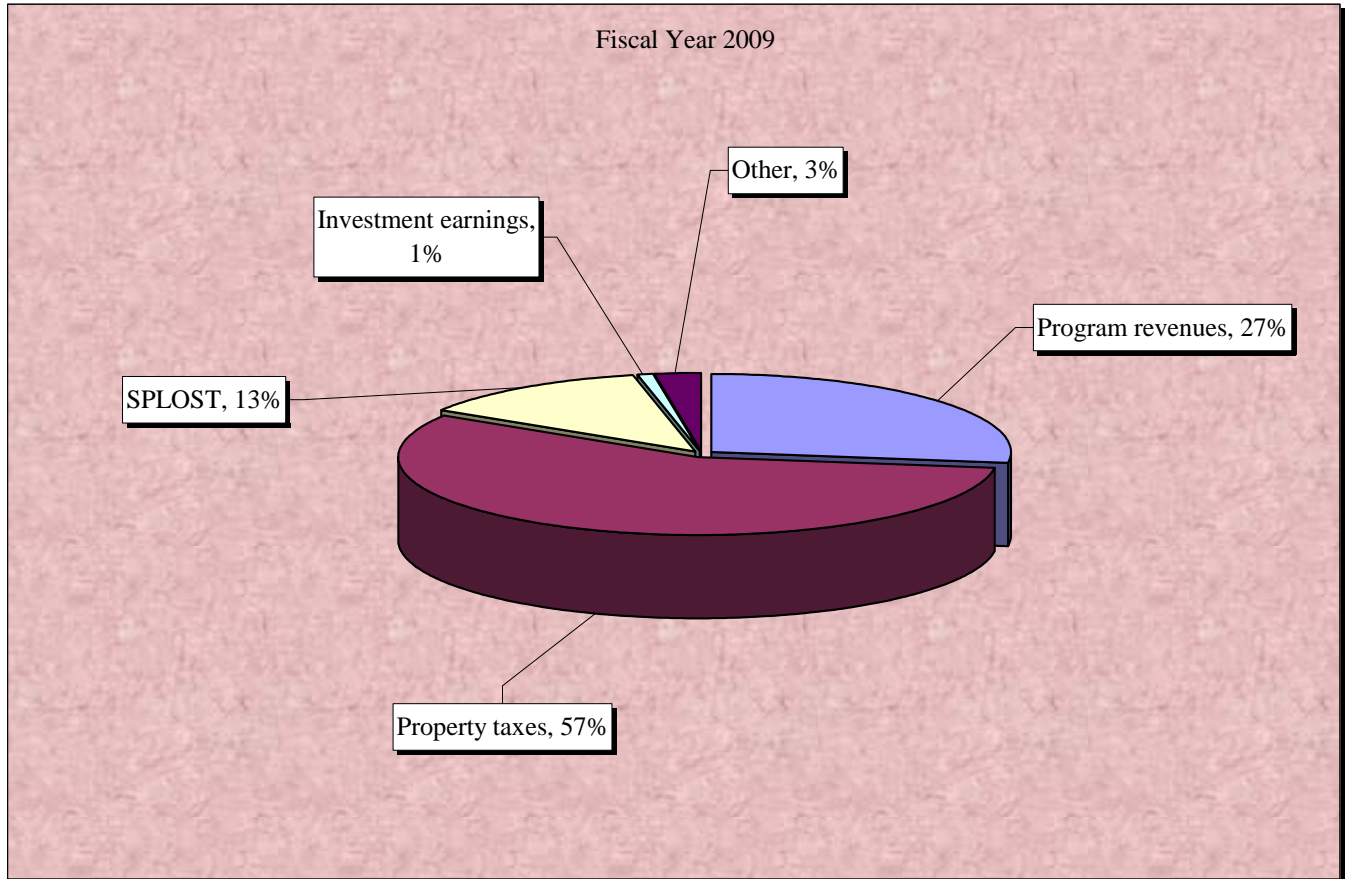
- **Total assets** increased by \$100.57 million or 7.3%.
- **Current and other assets** decreased by \$(15.86) million or -3.4%.

- **Capital assets, net of accumulated depreciation and the net pension asset** for all activities increased by \$116.43 million or 12.9%. For governmental activities, the increase primarily represents additions to buildings and building improvements.
- **Long-term debt outstanding** increased by \$1.01 million or 1.5%. The increase was primarily due to contingent liabilities.

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

	Governmental Activities		Business-type Activities		Total School System		
	2009	restated 2008	2009	restated 2008	2009	restated 2008	Percentage Change
Revenues							
Program revenues							
Charges for services	\$ 2.15	\$ 3.86	\$ 2.29	\$ 2.18	\$ 4.46	\$ 6.04	-26.3%
Operating grants and contributions	205.78	239.45	20.95	20.88	226.73	260.33	-12.9%
Capital grants and contributions	0.00	2.86	0.00	0.00	0.00	2.86	-100.0%
General revenues							
Property taxes, levied for general purposes	479.63	470.04	0.00	0.00	479.63	470.04	2.0%
Special Purpose Local Option Sales Tax	108.96	115.74	0.00	0.00	108.96	115.74	-5.9%
Investment earnings	6.42	13.65	0.00	0.00	6.42	13.65	-53.0%
Grants and Contributions not restricted to specific programs	4.33	1.35	0.00	0.00	4.33	1.35	0.0%
Property taxes levied for debt service	1.26	1.15	0.00	0.00	1.26	1.15	9.4%
Other	17.55	6.86	0.00	0.00	17.55	6.86	156.0%
Total Revenues	826.08	854.95	23.24	23.06	849.33	878.01	-3.3%
Expenses:							
Instruction	420.13	442.32	0.00	0.00	420.13	442.32	-5.0%
Support Services:							
Pupil services	36.26	36.92	0.00	0.00	36.26	36.92	-1.8%
Improvement of instructional services	38.61	42.18	0.00	0.00	38.61	42.18	-8.5%
Educational media	13.39	11.64	0.00	0.00	13.39	11.64	15.1%
General administration	17.31	18.66	0.00	0.00	17.31	18.66	-7.3%
School administration	26.93	34.55	0.00	0.00	26.93	34.55	-22.0%
Business administration	27.17	11.48	0.00	0.00	27.17	11.48	136.6%
Maintenance and operation of facilities	88.48	91.60	0.00	0.00	88.48	91.60	-3.4%
Student transportation	53.66	42.71	0.00	0.00	53.66	42.71	25.6%
Central support	38.80	0.00	0.00	0.00	38.80	0.00	0.0%
Community services	0.00	32.90	0.00	0.00	0.00	32.90	-100.0%
Food services	0.00	0.00	21.75	30.52	21.75	30.52	-28.7%
Other support services	4.28	11.12	0.00	0.00	4.28	11.12	-61.5%
Enterprise Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Employee benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Interest expense	2.41	0.00	0.00	0.00	2.41	0.00	0.0%
Total Expenses	767.43	776.08	21.75	30.52	789.19	806.60	-2.2%
Gain on Sale of Capital Assets	0.53	0.00	0.00	0.00	0.53	0.00	0.0%
Transfers	0.00	(9.40)	0.00	9.40	0.00	0.00	-
Change in Net Assets	\$ 59.17	\$ 69.47	\$ 1.49	\$ 1.94	\$ 60.67	\$ 71.41	-15.0%
Beginning Net Assets, as restated	1,228.09	1,158.6	0.48	(1.5)	1,228.6	1,157.2	
Ending Net Assets	1,287.27	1,228.09	1.97	0.48	1,289.25	1,228.57	

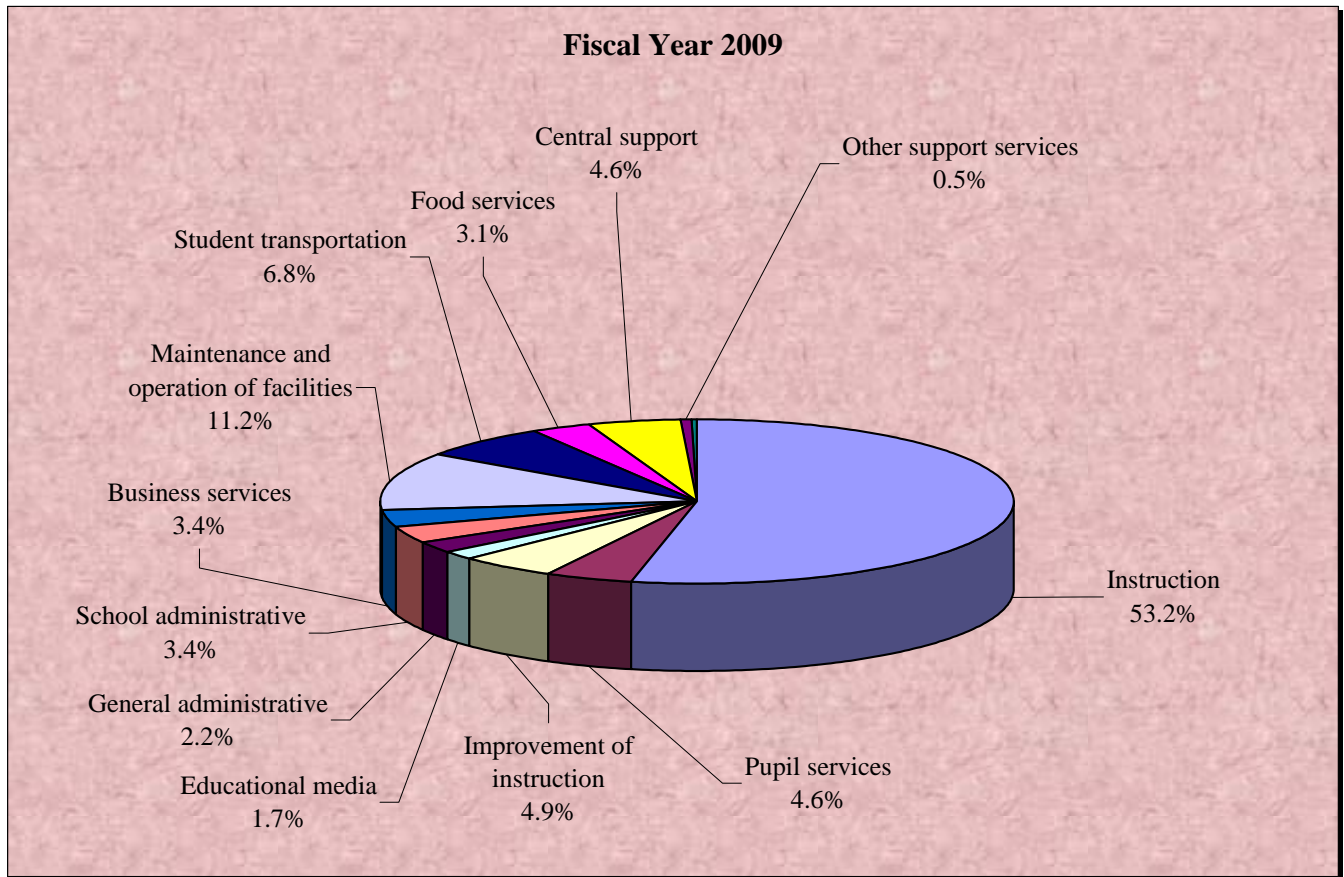
Primary Government
Sources of Revenues



Total revenues, overall, decreased \$(28.68) million or -3.3%, from fiscal year 2008 to fiscal year 2009, with an decrease in program revenues of \$(38.05) million.

- Program revenues are primarily grant related and account for 27.2% or \$231.18 million, of total revenues received.
- General revenues represent the major revenue stream for the School System. They account for 72.8% or \$618.15 million, of total revenues received in FY 2009. Between fiscal years 2008 and 2009, an increase of \$9.60 million in property tax collections occurred with a decrease in SPLOST sales tax collections of \$(6.78) million.

Primary Government
Expenses



Total expenses decreased from 2008 to 2009 by -2.2% or \$(17.41) million. Management continues to accurately forecast spending levels and manage spending throughout the year.

- Governmental activities account for 97.2%, or \$767.43 million of total district spending. Four groups of activities account for 85.3%, or \$654.89 million of governmental spending: instruction (\$420.13 million or 54.7%), pupil and improvement of instructional services (\$74.87 million or 9.8%), administration and business services (\$71.41 million or 9.3%), and maintenance and operations (\$88.48 million or 11.5%).
- Business-activities revenues and expenses increased and decreased respectively, with revenue increasing by \$0.18 million or 0.8% and expenses decreasing by \$(8.77) million or -28.7%. These improvements are a direct result of district-wide priorities to operate competitively and control costs.

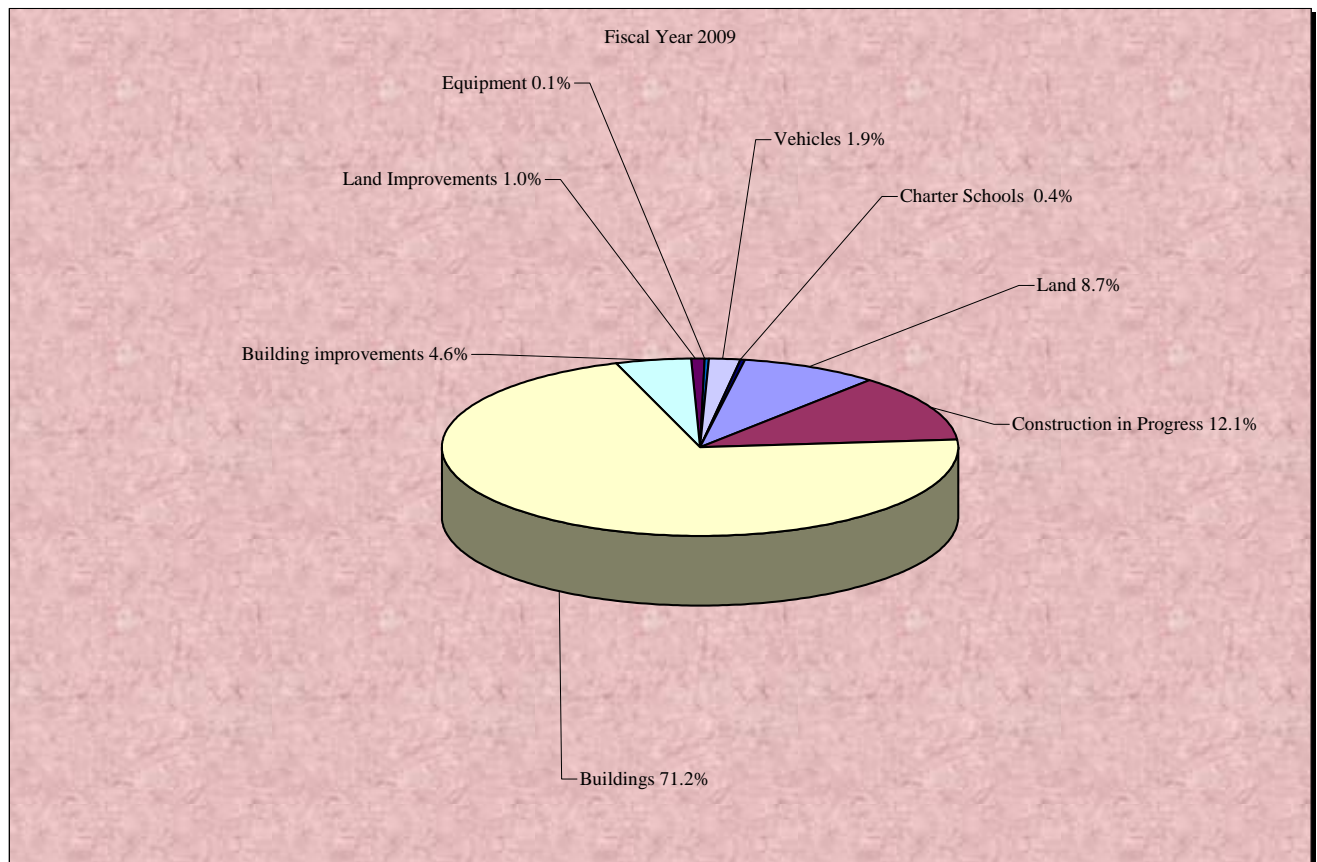
Table 3 - Net Cost of Governmental Activities (in millions of dollars)

	Total Cost of Services			Net Cost of Services		
	2009	restated 2008	Percentage Change	2009	restated 2008	Percentage Change
Instruction	\$ 420.13	\$ 442.32	-5.0%	\$ (305.70)	\$ (216.42)	41.2%
Support Services :						
Pupil services	36.26	36.92	-1.8%	(20.23)	(13.37)	51.3%
Improvement of instructional services	38.61	42.18	-8.5%	(22.55)	(20.33)	10.9%
Educational media	13.39	11.64	15.1%	(7.74)	(5.90)	31.3%
General administration	17.31	18.66	-7.3%	(11.26)	(12.98)	-13.2%
School administration	26.93	34.55	-22.0%	(20.80)	(27.00)	-23.0%
Business administration	27.17	11.48	136.6%	(21.12)	1.67	-1364.4%
Maintenance and operation of facilities	88.48	91.60	-3.4%	(69.95)	(66.95)	4.5%
Student transportation	53.66	42.71	25.6%	(45.54)	(28.68)	58.8%
Central support	38.80	32.90	17.9%	(31.24)	(26.46)	18.1%
Community services	0.00	0.00	0.0%	2.54	0.00	0.0%
Other support services	4.28	11.12	-61.5%	(4.28)	(5.19)	-17.6%
Enterprise operations	0.00	0.00	0.0%	0.78	0.00	-100.0%
Interest expense	2.41	0.00	0.0%	(2.41)	0.00	0.0%
Total Expenses	\$ 767.43	\$ 776.08	-1.1%	\$ (559.50)	\$ (421.61)	32.7%

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 reduction in program revenues, primarily Quality Basic Education funds received from the State Department of Education.

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

	Governmental Activities		Business-type Activities		Total School System		
	2009	restated 2008	2009	restated 2008	2009	restated 2008	Percentage change
Land	\$ 87.60	\$ 87.60	\$ 0.00	\$ 0.00	\$ 87.60	\$ 87.60	0.0%
Construction in Progress	122.27	4.94	0.00	0.00	122.27	4.94	2375.1%
Construction in Progress - ERS	0.00	0.00	0.00	0.00	0.00	0.00	-100.0%
Construction in Progress - Charter Schools	0.00	0.00	0.00	0.00	0.00	0.00	-100.0%
Buildings	720.38	744.14	0.00	0.00	720.38	744.14	-3.2%
Building improvements	47.00	41.21	0.00	0.00	47.00	41.21	14.1%
Land Improvements	9.83	9.28	0.00	0.00	9.83	9.28	5.9%
Furniture and Fixtures	0.06	0.00	0.00	0.00	0.06	0.00	0.0%
Equipment	1.34	0.94	0.00	0.00	1.34	0.94	42.6%
Vehicles	19.36	5.65	0.00	0.00	19.36	5.65	242.6%
Charter Schools	4.15	4.21	0.00	0.00	4.15	4.21	-1.5%
Capital Leases	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Total	\$ 1011.98	\$ 897.97	\$ 0.00	\$ 0.00	\$ 1011.98	\$ 897.97	12.7%



Construction in Progress and Buildings

SPLOST II construction programs to renovate academic facilities are near completion. For more detailed information on the School System's capital assets, see Note G in the notes to the basic financial statements.

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

	Total School System		
	2009	2008	percentage change
Capital leases	\$ 18.16	\$ 23.51	-22.8%
Capital leases - Charter Schools	0.10	0.10	0.6%
Notes Payable - Charter Schools	1.53	1.51	1.0%
Intergovernmental agreement- City of Atlanta	20.49	21.39	-4.2%
Education Reform Success	9.57	10.12	0.0%
Compensated absences	5.31	5.68	-6.5%
Contingent Liabilities	5.75	-	100.0%
Workers' compensation	7.83	5.41	44.7%
	<u>\$ 68.72</u>	<u>\$ 67.72</u>	<u>1.5%</u>

Outstanding long-term debt increased, in the current fiscal year, due to contingent liabilities. 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 district-wide. Funds are used to track specific sources of revenue and expenditures for particular programs.

The School System has three kinds of funds:

Governmental funds include 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 district-wide financial statements. For an explanation of the differences, see the reconciliations included with the Governmental Fund Statements.

Proprietary fund consist of services provided by the School System for a fee and employ the full accrual method of accounting in the same manner as the district-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 account 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. These funds are not included in the district-wide financial statement because they cannot be used to finance the School System operations. The School System has one fiduciary fund - Agency Funds (Local School, Club and Class Funds).

The following presents a summary of the General Fund, Capital Projects Fund and other governmental funds by type of revenue for the fiscal year ended June 30, 2009 as compared to June 30, 2008.

Table 6 - Revenues (in millions of dollars)

	Governmental Funds			Percentage Change
	2009	2008	Increase (Decrease)	
Local taxes	\$ 507.90	\$ 471.31	\$ 36.58	7.8%
Sales taxes income	103.77	106.56	(2.80)	-2.6%
State revenues	129.93	163.75	(33.82)	-20.7%
Federal revenues	71.66	71.65	0.01	0.0%
Investment income	6.42	13.65	(7.23)	-53.0%
Facility rental fees	1.25	1.60	(0.36)	-22.3%
Tuition charges	0.14	0.11	0.03	22.5%
Charges for services	0.77	3.75	(2.98)	-79.5%
Other	26.14	13.51	12.62	93.4%
Total Revenues	\$ 847.96	\$ 845.90	\$ 2.05	0.2%

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, 2009 as compared to June 30, 2008.

Table 7 - Expenditures (in millions of dollars)

	Governmental Funds			
	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Instruction	\$ 387.18	\$ 373.70	\$ 13.48	3.6%
Support services				
Pupil services	35.99	33.80	2.19	6.5%
Improvement of instructional services	38.33	38.82	(0.49)	-1.3%
Educational media	13.25	10.51	2.75	26.1%
General administration	17.18	17.13	0.05	0.3%
School administration	26.74	32.15	(5.41)	-16.8%
Business administration	20.20	23.63	(3.43)	-14.5%
Maintenance and operation of facilities	89.30	84.46	4.84	5.7%
Student transportation	51.72	37.82	13.90	36.8%
Central support	38.52	29.59	8.93	30.2%
Community services	0.00	0.98	(0.98)	0.0%
Other support services and nutrition	4.26	8.02	(3.77)	-46.9%
Capital outlays	151.39	67.91	83.48	122.9%
Debt service	9.27	4.18	5.10	122.1%
Total Expenditures	<u>\$ 883.33</u>	<u>\$ 762.70</u>	<u>\$ 120.63</u>	<u>15.8%</u>

Fluctuations in these accounts are consistent with those discussed in the changes in net assets at the District-wide level.

Analysis of Major Funds

The School System has two major funds: the General Fund and the 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 another fund. 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, 2009, total fund balance in the General Fund was \$157.90 million, reserved \$72.36 million, and \$85.54 million in unreserved undesignated. As a result of operations in fiscal year 2009, the fund balance increased by \$6.14 million. For Budget to Actual comparison purposes, the operating transfers to Charter Schools of \$29.66 million were budgeted in the Instruction function.

Capital Projects Fund

As of June 30, 2009, total fund balance in the Capital Projects Fund was \$149.79 million, reserved \$126.96 million for Special Purpose Local Option Sales Tax (SPLOST), and reserved \$22.82 million for Capital Projects. The fund balance decreased by \$42.42 million due primarily to an increase in SPLOST capital expenditures and a decrease in SPLOST revenues.

Other Governmental Funds

As of June 30, 2009, total fund balance in Other Governmental Funds was \$16.16 million. This balance included reserves of \$12.15 million designated for special revenue fund and undesignated unreserved for special revenue funds \$4.01 million.

Current Issues

Currently known facts, decisions or conditions that are expected to have a significant effect on the financial position or results of operations are as follows:

Atlanta Independent School System continues to enjoy a strong financial position, even with the substantial reduction in state funding over the past six fiscal years. We are fortunate that the District is in a favorable financial position even with the impact of the global economy on our local economy. The continued support of our schools by the public and by local community organizations and businesses is also an integral part of our ability to educate our students.

Continuing revenue from the Special Purpose Local Option Sales Tax should facilitate our ability to replace and improve existing schools and add additional classrooms. Our operating budget will continue to be tight, as we expect decreased funding from the State of Georgia due to current financial conditions. Despite these challenges, we remain committed to using our financial resources efficiently to provide an exceptional educational experience for our students.

In February 2008, the Supreme Court of Georgia issued a decision holding that educational ad valorem taxes can only be used for educational purposes. In response, the General Assembly passed Senate Resolution 996, a proposed amendment to the Georgia Constitution permitting Boards of Education to agree to pledge educational ad valorem taxes for redevelopment projects and purposes, and the voters ratified the constitutional amendment by referendum in November 2008. As a result of Senate Resolution 996 and the referendum, House Bill 63 was passed by the General Assembly and became effective April 22, 2009, reenacting the Redevelopment Powers Act.

However, in December 2008, a challenge to the use of retroactive educational ad valorem taxes was filed by a taxpayer and is still pending in the Superior Court of Georgia, Fulton County. As of July 6, 2008, the Atlanta Independent School System (APS) and the Atlanta Development Authority (ADA) reached an agreement that APS is to receive all ad valorem school taxes levied through April 21, 2009 in the BeltLine and Perry Bolton Tax Allocation Districts (TADs) totaling approximately \$18.8 million. However, an order is pending in the Superior Court case that prohibits the ADA or APS from spending or disbursing any of the school tax increment in BeltLine and Perry Bolton TADs. The court's disposition of motions to dismiss filed by APS, ADA and the City of Atlanta, and

motions for class certification and permanent injunction filed by plaintiff will determine whether and when APS will receive all or none of the approximately \$18.8 million.

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 year.

Details of the original budget and the amended budget are presented on page 54 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 for all those with an interest in 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, 130 Trinity Street SW, Atlanta Georgia 30303.

Basic Financial Statements

Atlanta Independent School System
Statement of Net Assets
June 30, 2009

	Governmental Activities	Business-type Activities	Total	Discretely Presented Component Unit Atlanta Educational Telecommunications Collaborative, Inc.
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 32,019,289	\$ 9,393,312	\$ 41,412,601	\$ 4,791,891
Restricted cash	7,777,198	-	7,777,198	-
Investments	187,660,131	-	187,660,131	1,831,826
Restricted investments	146,776,410	-	146,776,410	-
Taxes receivable, net	35,924,365	-	35,924,365	-
Due from other governments	34,896,071	218,471	35,114,542	-
Other receivables	1,535,983	112,697	1,648,680	699,917
Internal balances	7,821,036	(7,821,036)	-	-
Prepaid expenses and other assets	113,592	436,752	550,344	111,630
Total current assets	454,524,075	2,340,196	456,864,271	7,435,264
Noncurrent assets:				
Net pension asset	7,272,550	-	7,272,550	-
Non-depreciable capital assets	209,866,296	-	209,866,296	-
Depreciable capital assets	1,063,496,490	-	1,063,496,490	1,254,877
Less: Accumulated depreciation	(261,384,860)	-	(261,384,860)	(865,514)
Total noncurrent assets	1,019,250,476	-	1,019,250,476	389,363
TOTAL ASSETS	1,473,774,551	2,340,196	1,476,114,747	7,824,627
LIABILITIES				
Current liabilities:				
Accounts payable and other current liabilities	108,104,703	310,666	108,415,369	121,275
Accrued expenses	-	-	-	376,780
Due to other governments	699,765	-	699,765	-
Unearned revenues	8,979,129	56,730	9,035,859	259,725
Current portion of long-term obligations	10,895,173	-	10,895,173	-
Total current liabilities	128,678,770	367,396	129,046,166	757,780
Noncurrent liabilities:				
Noncurrent portion of long-term obligations	57,828,349	-	57,828,349	-
TOTAL LIABILITIES	186,507,119	367,396	186,874,515	757,780
NET ASSETS				
Invested in capital assets, net of related debt	962,142,127	-	962,142,127	389,363
Restricted for:				
Debt service	2,579,052	-	2,579,052	-
Capital projects	149,792,138	-	149,792,138	-
Unrestricted	172,754,115	1,972,799	174,726,914	6,677,484
TOTAL NET ASSETS	\$ 1,287,267,432	\$ 1,972,799	\$ 1,289,240,231	\$ 7,066,847

The accompanying notes are an integral part of the basic financial statements.

Atlanta Independent School System
Statement of Activities
For the Year Ended June 30, 2009

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			Discretely Presented Component Unit Atlanta Educational Telecommunications Collaborative, Inc.
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	TOTALS	
Primary Government							
Governmental activities:							
Instruction	\$ 420,129,141	\$ 140,047	\$ 114,293,580	\$ (305,695,512)	\$ -	\$ (305,695,512)	
Support Services:							
Pupil services	36,258,110	-	16,028,209	(20,229,900)	-	(20,229,900)	
Improvement of instructional services	38,609,352	-	16,060,575	(22,548,777)	-	(22,548,777)	
Educational media	13,392,263	-	5,651,064	(7,741,199)	-	(7,741,199)	
General administration	17,306,220	-	6,044,243	(11,261,978)	-	(11,261,978)	
School administration	26,933,533	-	6,133,525	(20,800,008)	-	(20,800,008)	
Business administration	27,167,147	-	6,051,768	(21,115,381)	-	(21,115,381)	
Maintenance and operation of facilities	88,484,674	1,246,236	17,286,810	(69,951,628)	-	(69,951,628)	
Student transportation	53,663,655	-	8,121,816	(45,541,838)	-	(45,541,838)	
Central support	38,798,862	-	7,559,691	(31,239,171)	-	(31,239,171)	
Community services	-	-	2,536,468	2,536,468	-	2,536,468	
Other support services	4,276,311	-	-	(4,276,311)	-	(4,276,311)	
Enterprise operations	-	767,347	9,254	776,601	-	776,601	
Interest expense	2,414,373	-	-	(2,414,373)	-	(2,414,373)	
Total Governmental activities	767,433,642	2,153,630	205,777,003	(559,503,008)	-	(559,503,009)	
Business-type activities							
Food services	21,752,821	2,291,777	20,948,908	-	1,487,864	1,487,864	
Total Business-type activities	21,752,821	2,291,777	20,948,908	-	1,487,864	1,487,864	
Total School System	\$ 789,186,463	\$ 4,445,407	\$ 226,725,911	\$ (559,503,008)	\$ 1,487,864	\$ (558,015,145)	
Component Unit							
Public broadcasting station	\$ 12,939,922	\$ -	\$ 13,268,834				\$ 328,912
General revenues:							
Taxes:							
Property Taxes levied for general purposes				479,629,504	-	479,629,504	-
Property Taxes. Levied for debt service				1,262,460	-	1,262,460	-
Special Local Option Sales Tax & Other Taxes				108,957,224	-	108,957,224	-
Grants and Contributions not restricted to specific programs				4,328,538	-	4,328,538	-
Investment earnings				6,419,960	-	6,419,960	-
Other				17,551,096	-	17,551,096	-
Gain on sale of capital assets				528,432	-	528,432	-
Total General revenues				618,677,214	-	618,677,214	-
Change in net assets				59,174,206	1,487,864	60,662,069	328,912
Net assets - beginning of year, as previously stated				1,279,591,845	7,897,282	1,287,489,127	6,737,935
Net assets - beginning of year, as restated (Note R)				1,228,093,227	484,935	1,228,578,162	6,737,935
Net assets - end of year				\$ 1,287,267,432	\$ 1,972,799	\$ 1,289,240,231	\$ 7,066,847

The accompanying notes are an integral part of the basic financial statements.

Atlanta Independent School System
Balance Sheet
Governmental Funds
June 30, 2009

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 24,690,899	\$ -	\$ 7,328,390	\$ 32,019,289
Restricted cash	-	7,772,789	4,409	7,777,198
Investments	187,660,131	-	-	187,660,131
Restricted Investments	-	146,776,410	-	146,776,410
Taxes Receivables	23,337,136	12,587,229	-	35,924,365
Due from other governments	19,133,438	11,976	15,750,657	34,896,071
Other receivables	731,091	-	804,892	1,535,983
Due from other funds	14,759,585	31,475,951	11,949,465	58,185,001
Interest receivable	59,668	-	-	59,668
Prepaid items	53,924	-	-	53,924
TOTAL ASSETS	\$ 270,425,872	\$ 198,624,355	\$ 35,837,813	\$ 504,888,040
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 57,959,362	\$ 5,467,976	\$ 8,069,297	\$ 71,496,635
Retainage payables	-	9,446,283	-	9,446,283
Contracts payable	-	27,161,785	-	27,161,785
Due to other funds	37,884,796	1,568,620	10,910,549	50,363,965
Due to other governments	-	-	699,765	699,765
Deferred revenue	16,680,758	5,191,962	-	21,872,720
Total Liabilities	\$ 112,524,916	\$ 48,836,626	\$ 19,679,611	\$ 181,041,153
Fund Balances:				
Reserved for:				
Federal programs	\$ -	\$ -	\$ 147,413	\$ 147,413
Local Programs-Charter Schools	-	-	167,966	167,966
Encumbrances	15,130,757	-	-	15,130,757
Debt service	2,579,052	-	-	2,579,052
Board action items	54,649,875	-	-	54,649,875
Reserved for capital projects	-	149,787,729	4,409	149,792,138
Local programs-Special revenue fund	-	-	12,001,269	12,001,269
Unreserved, undesignated, reported in:				
General fund	85,541,272	-	-	85,541,272
Special revenue fund	-	-	3,837,145	3,837,145
Total Fund Balances	157,900,956	149,787,729	16,158,202	323,846,887
TOTAL LIABILITIES AND FUND BALANCES	\$ 270,425,872	\$ 198,624,355	\$ 35,837,813	\$ 504,888,040

The accompanying notes are an integral part of the basic financial statements.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Reconciliation of Governmental Fund Balance Sheet to the District-Wide Statement of Net Assets June 30, 2009

Total Fund balances - total governmental funds		\$	323,846,887
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the above funds:			
Cost of capital assets	\$	1,273,362,786	
Less: Accumulated depreciation		<u>(261,384,860)</u>	1,011,977,926
Property taxes and sales taxes used in governmental activities represents amounts that are not financial resources and not reported in the above funds			
Sales tax	\$	5,191,963	
Taxes receivable		16,573,803	
Allowance for uncollectible receivables		<u>(8,872,175)</u>	12,893,591
Pension contributions in excess of annual required contributions are reported as assets for governmental activities.			
			7,272,550
Long-term liabilities, including capital leases, are not due and payable in the current period and therefore are not reported in the above funds:			
Capital leases	\$	(18,157,127)	
City of Atlanta - Intergovernmental Agreement		(20,488,750)	
Capital leases Charter Schools		(98,261)	
Education Reform Success		(9,565,000)	
Notes payable		(1,526,661)	
Compensated absences		(5,308,512)	
Workers compensation		(7,826,556)	
Contingent legal liabilities		<u>(5,752,655)</u>	
			<u>(68,723,522)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES		\$	<u>1,287,267,432</u>

Atlanta Independent School System
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2009

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Local taxes	\$ 507,895,487	\$ -	\$ -	\$ 507,895,487
Sales taxes income	6,179,859	97,585,402	-	103,765,261
State revenues	122,514,004	1,131,052	6,280,708	129,925,764
Federal revenues	4,328,538	-	67,329,928	71,658,466
Investment income	3,844,856	2,575,104	-	6,419,960
Facility rental fees	1,246,236	-	-	1,246,236
Tuition charges	140,047	-	-	140,047
Charges for services	767,348	-	-	767,348
Other	10,549,923	3,500,000	12,087,145	26,137,068
Total revenues	657,466,298	104,791,558	85,697,781	847,955,637
EXPENDITURES				
Current:				
Instruction	325,201,914	232,675	61,746,922	387,181,511
Support Services:				
Pupil services	20,045,172	-	15,941,311	35,986,483
Improvement of instructional services	23,260,125	-	15,069,308	38,329,433
Educational media	7,858,047	-	5,395,203	13,253,250
General administration	10,837,052	1,336,018	5,007,459	17,180,529
School administration	25,799,000	-	936,745	26,735,745
Business administration	16,609,230	154,052	3,435,742	20,199,024
Maintenance and operation of facilities	87,471,900	1,800,538	24,735	89,297,173
Student transportation	29,329,454	20,877,199	1,517,910	51,724,563
Central support	33,455,895	4,622,232	438,947	38,517,074
Other support services	1,145,224	-	3,100,051	4,245,275
Nutrition	-	-	12,500	12,500
Capital Outlays	-	151,389,516	-	151,389,516
Debt Service:				
Principal	6,218,582	-	641,294	6,859,876
Interest	1,771,013	-	643,360	2,414,373
Total Expenditures	589,002,608	180,412,230	113,911,487	883,326,325
Excess (deficiency) of revenues over/(under) expenditures	68,463,690	(75,620,672)	(28,213,706)	(35,370,688)
OTHER FINANCING SOURCES(USES)				
Proceeds from sale of capital assets	932,980	-	-	932,980
Transfers in	-	33,200,000	30,520,179	63,720,179
Transfers out	(63,260,179)	-	(460,000)	(63,720,179)
Total Other Financing Sources(Uses)	(62,327,199)	33,200,000	30,060,179	932,980
Net change in fund balances	6,136,491	(42,420,672)	1,846,473	(34,437,708)
Fund Balances, Beginning of Year	151,764,465	192,208,401	14,311,729	358,284,595
FUND BALANCES, End of Year	\$ 157,900,956	\$ 149,787,729	\$ 16,158,202	\$ 323,846,887

The accompanying notes are an integral part of the basic financial statements.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances To the District-wide Statement of Activities For the Year Ended June 30, 2009

Total Net Change in Fund Balances - Governmental Funds \$ (34,437,708)

Amounts reported for Governmental 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 and reported as depreciation expense. This is the amount by which capital outlays of exceed depreciation of in the current period.

Capital outlays	146,489,635	
Depreciation expense	(32,084,018)	
	114,405,617	114,405,617

The net effect of various miscellaneous transactions involving disposal of capital assets which decreased net assets. (404,548)

Revenues reported in the statement of activities that do not provide current financial resources and, therefore, are not reported as revenues in governmental funds. (21,811,560)

Pension contributions in excess of Annual Required Contributions are reported as assets for Governmental Activities. 2,429,603

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. The issuance of long-term debt (e.g., leases, notes) provides current financial resources.

Capital leases	5,363,480	
Notes payables	(14,586)	
Intergovernmental agreement - bonds payable	897,050	
Compensated absences	366,596	
Education Reform Success - certificates of participation	550,000	
Contingent Legal Liabilitites	(5,752,655)	
Workers' compensation	(2,417,083)	
	(1,007,198)	(1,007,198)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 59,174,206

The accompanying notes are an integral part of the basic financial statements.

Atlanta Independent School System
Statement of Net Assets
Proprietary Fund - Food Services
June 30, 2009

ASSETS

Current assets:

Cash and cash equivalents	\$ 9,393,312
Due from other governments	218,471
Due from other funds	2,908
Other receivables	112,697
Inventories	436,752

Total Assets	<u>\$ 10,164,140</u>
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LIABILITIES

Liabilities:

Current Liabilities:

Accounts payable and accrued liabilities	\$ 310,666
Due to other funds	7,823,945
Unearned revenue	56,730

Total Liabilities	<u>8,191,341</u>
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NET ASSETS	<u>\$ 1,972,799</u>
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Unrestricted	<u>1,972,799</u>
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Total net assets	<u>1,972,799</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,164,140</u>
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The accompanying notes are an integral part of the basic financial statements.

Atlanta Independent School System
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Fund - Food Services
For the Year Ended, June 30, 2009

Operating revenue:	
Charges for services	\$ 2,291,777
	<hr/>
Operating expenses:	
Personnel costs	3,780,638
Professional and contract services	15,479,060
Supplies and materials	1,962,532
Other operating costs	530,591
	<hr/>
Total Operating Expenses	21,752,821
	<hr/>
Operating loss	(19,461,044)
	<hr/>
Nonoperating revenues (expenses):	
Grants - Child Nutrition Program	20,948,908
	<hr/>
Net Assets Beginning of Year as previously stated	7,897,282
Change in Accounting Practice (see note R)	(7,412,347)
	<hr/>
Net Assets Beginning of Year as restated	484,935
	<hr/>
NET ASSETS, END OF YEAR	\$ 1,972,799
	<hr/>

The accompanying notes are an integral part of the basic financial statements.

Atlanta Independent School System
Statement of Cash Flows
Proprietary Fund - Food Services
For the Year Ended June 30, 2009

Cash Flow From Operating Activities

Cash received from user charges	\$ 3,059,052
Cash payments to employees for services	(3,785,968)
Cash payments to suppliers for goods and services	<u>(12,407,795)</u>

Net cash used for operating activities	<u>(13,134,711)</u>
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Cash Flows From Non-capital Financing Activities

Non-operating grants received	<u>19,087,497</u>
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Net change in cash and cash equivalents	<u>5,952,786</u>
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Cash and cash equivalents, beginning of year	<u>3,440,526</u>
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Cash and cash equivalents, end of year	<u><u>\$ 9,393,312</u></u>
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Reconciliation of operating (loss) to net cash provided
(used) by operating activities:

Operating (loss)	\$ (19,461,044)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Commodities used	1,571,551
Changes in Assets and Liabilities	
Decrease in Accounts Receivables	767,275
Increase in liabilities	3,987,507
Net cash used for operating activities	<u><u>\$ (13,134,711)</u></u>

Noncash Non-Capital Financing Activities

USDA donated food commodity	<u><u>\$ 1,571,551</u></u>
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The accompanying notes are an integral part of the basic financial statements.

Atlanta Independent School System
Statement of Fiduciary Assets and Liabilities
June 30, 2009

	<u>Agency Fund</u>
	<u>Local School, Club and Class</u>
	<u>Funds</u>
Assets:	
Cash and cash equivalents	<u>\$ 881,840</u>
 Liabilities:	
Due to local schools and student groups	<u>\$ 881,840</u>

The accompanying notes are an integral part of the basic financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Atlanta Independent School System

Notes to the Basic Financial Statements

June 30, 2009

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 government units. The more significant of the School System's accounting policies are summarized below.

1. Reporting Entity

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

As required by generally accepted accounting principles, these financial statements present the School System and its component units, entities for which the School System is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the School System's operations. Therefore, data from these units are combined with data of the School System. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended Component Units.

Education Reform Success, Inc., (ERS) (a non-profit corporation) was established by the School System for the purpose of providing financing for some of the School System's buildings and equipment. The School System has a voting majority on the Board. ERS has issued certificates of participation (COPS) for the acquisition and construction of facilities and equipment. The COPS are repayable solely from payments made by the School System to ERS under a lease agreement for the related facilities and equipment. Accordingly, the COPS and the related capital assets are reported in the government-wide financial statements.

Included within the School System are seven charter schools. Charter schools were created by the Georgia General Assembly to increase student achievement through academic and organizational innovation by encouraging local school systems to utilize the flexibility of a performance based contract called a "charter."

Pursuant to Georgia Statute 20-2-2062, charter schools are considered public schools and are entitled to receive equal treatment as a public school. The source of funding for public schools includes the State of Georgia Quality Basis Education allotment as prescribed in Georgia Statute

20-2-2068-1. Other funds are received from local grants, tax revenue collections and donations. Charter schools within the School System's boundaries receive allocations from the stated sources of revenue.

Because the major portion of the funding for the charter schools comes through the School System, the School System is considered financially accountable for the charter schools. The financial activities of the charter schools have been blended with those of the School System. A listing of the charter schools follows:

Drew Charter School, Inc.
301 East Lake Blvd.
Atlanta, Georgia 30317

Imagine Wesley International Academy, LLC
1049 Custer Avenue
Atlanta, Georgia 30316

KIPP West Atlanta Young Scholars
Academy, Inc
80 Joseph Lowery Boulevard
Atlanta, Georgia 30314

Neighborhood Charter
School, Inc.
688 Grant Street SE
Atlanta, Georgia 30315

Southeast Atlanta Charter
Middle School, Inc.
820 Essie Avenue SE.
Atlanta, Georgia 30316

Tech High School, Inc.
1043 Memorial Drive, SE
Atlanta, Georgia 30316

University Community
Academy, Inc.
Tiger Flowers Dr. NW
Atlanta, Georgia 30314

Separate financial statements are available for each charter school, in existence as of June 30, 2009, and may be obtained from each by writing to the addresses listed above.

Discretely Presented Component Unit.

Atlanta Educational Telecommunications Collaborative, Inc. (AETC) is a non-profit corporation which the School System contracted with for the purpose of operating the Corporation for Public Broadcasting radio and television broadcast station licenses owned by the School System. The School System owns substantially all assets used to operate the stations and is providing support for capital improvements. Separate financial statements of AETC are available from the School System. Financial Statements for AETC may also be obtained at www.pba.org/about/pba/aetc or by request at 740 Bismark Road, Atlanta, GA 30324.

Component Unit

Atlanta Educational Services (AES), a component unit of Atlanta Public Schools is a non-profit corporation, which the School System has a controlling interest in. The School System appoints a voting majority of the organization's board. The School System is in partnership with the Source for Learning, Inc. to create and distribute technology based informational materials,

services and instruction. The non-profit corporation provides these services primarily to students enrolled in public and private accredited schools. AES financial information is not presented because it is not material to the System's financial statements.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the School System and its' component units. The effects of inter-fund activity have been netted in these statements. *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. Likewise, the School System is reported separately from the legally separate discretely presented component unit for which the School System is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) 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 properly 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 year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, sales taxes, 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.

The School System reports the following major government 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 proceeds from debt proceeds, bond sales, property tax revenue, special purpose local option sales tax revenues, and amounts received from the State of Georgia.

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The School System has elected not to follow subsequent private-sector guidance.

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 principal ongoing operations. Operating expenses for the enterprises fund includes 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. Proprietary funds and fiduciary funds employ the economic resources measurement focus and are accounted for on the accrual basis.

The AETC component unit is accounted for on a flow of economic resources measurement focus and uses the accrual basis of accounting. This means that all assets and liabilities associated with the component unit's activities are included on the balance sheet. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

The fiduciary fund accounts 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 results of operations.

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

4. Assets, Liabilities and Net Assets or Equity

a. Cash Equivalents

The School System considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Georgia Laws, 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 administered by the State of Georgia, Office of Treasury and Fiscal Services
- 7) Repurchase agreements
- 8) Obligations of other political subdivisions of the State of Georgia

c. Receivables

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on Federal, State 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 Prepaids

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

e. Capital Assets

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the District-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 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.

At June 30, 2009, the School System had buildings with a net book value of \$ 2,165,750 (\$ 7,726,607 cost less \$5,560,857 accumulated depreciation) that were not in use. The School System does not consider these assets impaired. During the current period, no events or changes in circumstances affecting a capital asset that may indicate impairment were known to the School System.

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

	<u>Capitalization Policy</u>	<u>Estimated Useful Life</u>
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 and 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

Capital assets of the discretely presented component unit are recorded at cost. 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

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.

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 assets. Long-term debt and other long-term liabilities that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due but are reported in the government-wide statements as long-term debt.

h. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriations or are legally restricted by outside parties for use for a specific purpose. The following reservations have been established by the School System:

Reserved for Encumbrances - resources of the School System, which have been encumbered or appropriated for purchase orders or contractual obligations.

Reserved for Advance Funded Leases - resources received from cash advancements on leases for the purchase of various capital asset.

Reserved for Capital Projects - resources received from Special Purpose Local Option Sales Tax which has been formally set aside for capital projects.

Reserved for Debt Service - resources accumulated for future payments of principal and interest on long-term general obligation.

Reserved for Board Action Items – resources of the School System formally set aside for Board approved projects.

Reserved for Federal Programs – resources received from various federal agencies that must be spent for specific purposes identified in the grant agreements.

Reserved for Local Programs – resources received from state (non-QBE) and local funds for specific purposes.

Designations of fund balance represent tentative management plans that are subject to change. The School System has made authorized allocation of fund balances for various capital, technology, and operational needs.

i. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are 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.

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

j. Use of Estimates

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

The School System recognizes 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.

The Schools System has changed the calculation of depreciation from the use of straight-line method with a half-year convention to the straight-line method only. This change is considered to be a change in estimate, will be handled prospectively beginning fiscal year 2008, and will start with the current book value of the underlying asset. No retroactive or retrospective calculations have been made, and no adjustment should be made to net assets.

k. Deferred revenue

The government-wide financial statements use the accrual basis of accounting. Revenue is recognized when earned. Property taxes are recognized as revenue in the fiscal year for which they are levied. Deferred revenues reported in governmental fund financial statements represent unearned revenues or revenues, which are measurable but not available and, in accordance with the modified basis of accounting, are reported as deferred revenues.

l. Rounding

The amounts within the financial statements and schedules may not add up or agree within the financial statements or footnotes due to immaterial rounding differences.

B. Budgets and Budgetary Accounting

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

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

1. Budget requests are completed in December.
2. Proposed budgets are consolidated and reviewed by the CFO, and submitted to the Superintendent of Schools and Budget Commission for additional review prior to approval by the Atlanta Board of Education.
3. Public hearings on the proposed budget are held in March and April.
4. The annual budget is legally adopted by the Board in May for the General Fund and Special Revenue Funds in June.
5. The administrative level of budgetary control upon adoption is at the program level. The Atlanta Board of Education must approve revisions between salary and non salary expenditures. Transfer of budgeted amounts between object categories within program functions requires the approval of the budget center manager.
6. Revenues and expenditures of the Capital Projects Fund are budgeted on an annual basis.

C. Fund Deficit/Excess Expenditures over Appropriations of Individual Funds

The following funds reported excess expenditures over final budget:

GENERAL FUND

Business Administration \$2,183,671
Maintenance and Operations of Facilities \$16,578,289
Student Transportation \$12,164,961
Other Support Services \$1,126,671
Debt Services:
 Principal \$6,218,582
 Interest \$1,771,013

OTHER FEDERAL PROGRAMS FUND

Pupil Services \$147,529
Business Administration \$48,971
Other Support \$10,341

TITLE I FUND

Pupil Services \$2,606,545
Business Administration \$11,222
Maintenance and Operations of facilities \$272
Central Support Services \$7,723

TITLE VI-B FUND

School Administration \$26,741
Student Transportation \$5,210

TITLE II FUND

Pupil Services \$1,333,423
School Administration \$12,684

OTHER SPECIAL PROJECTS FUND

Pupil Services \$604,274
Business Administration \$59,083

LOTTERY FUND

Instruction \$77,876

CAPITAL PROJECTS FUND

Instruction \$32,642
Student Transportation \$9,962,560

Charter School

Imagine Wesley Charter School reported a deficit balance of \$(268,327). The operating company of Imagine Wesley Charter School has agreed to advance the School funds to cover shortfalls in funds to pay operating expenditures.

D: Deposits and Investments Risks**Categorization of Deposits**

As of June 30, 2009, all of the School System's deposits were covered either by FDIC or collateralized by the financial institution or a combination of both, except for \$129,000 of deposits not collateralized by one of the School System's financial institutions.

At June 30, 2009, the carrying amount of deposits for AETC, the discretely presented component unit, was \$5,913,066 and the bank balance was \$5,861,503. Of the bank balances at June 30, 2009, \$1,353,494 was covered by federal depository insurance and the remaining balance was uncollateralized.

Categorization of Investments

The School System's investments as of June 30, 2009, are presented below. All investments are presented by investment type and debt securities are presented by maturity.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity Less than One Year</u>
Debt Securities		
U.S. Agencies		
Implicitly Guaranteed:		
FNMA, FHLM, FHLB Discount Notes	\$ 187,201,248	\$ 187,201,248
U.S. Government Bonds	7,002,170	7,002,170
Variable Rate Government Agency Bonds	3,000,930	3,000,930
Repurchase Agreements	53,300,000	53,300,000
	<u>\$ 250,504,348</u>	<u>\$ 250,504,348</u>
Other Investments		
Certificates of Deposits	\$ 6,630,291	\$ 6,630,291
U.S. Treasury Money Market		
Mutual Funds (Open End) - cash equivalents	77,301,902	-
Total Investments	<u>\$ 334,436,541</u>	<u>\$ 257,134,639</u>

The investments for AETC, the discretely presented component unit, as of June 30, 2009, are presented on the following page. All investments are presented by investment type and debt securities are presented by maturity.

Investment Type	Investment Maturity			
	Fair Value	Less than 1 Year	1-5 Years	More than 5 Years
Debt Securities				
U.S. and Agency Obligations	\$ 58,691	\$ 30,951	\$ -	\$ 27,740
Corporate Bonds	162,933	-	110,217	52,716
Total Securities	221,624	30,951	110,217	80,456
Other Investments				
Certificates of Deposit	1,121,175			
Equity and Equity Funds	489,027			
Other Investments	1,610,202			
Total Investments	\$ 1,831,826			

AETC, the discretely presented component unit, does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investment will adversely affect the fair value of an investment. The School System's investment management policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

AETC does not have a formal investment policy that limits investment maturities 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.

AETC, the discretely presented component unit, maintains equity securities in investment account at a financial institution, which are protected by the Securities Investor Protection Corporation ("SIPC") up to \$500,000 in the aggregate, from which \$100,000 is used to protect cash. As of June 30, 2009, all investment values in excess of SIPC coverage are \$381,661.

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 investments subject to credit quality risk are reflected below:

Rated Debt Instruments	Quality Ratings		
	Fair Value	AAA	A1
U.S. Treasury Money Market Mutual Funds	\$ 77,301,902	\$ 77,301,902	\$ -
Debt Securities			
U.S. Agencies			
Implicitly Guaranteed			
FNMA, FHLM, FHLB Discount Notes	187,201,248	187,201,248	-
U.S. Government Bonds	7,002,170	7,002,170	-
Variable Rate Government Agency Bonds	3,000,930	3,000,930	-
Repurchase Agreements	53,300,000	-	53,300,000
Total by Quality Rating	\$ 327,806,250	\$ 274,506,250	\$ 53,300,000

AETC, the discretely presented component unit, has no formal policy regarding credit risk for its investments including certificates of deposits. The investments subject to credit quality risk are reflected on the next page for AETC.

Rated Debt Instruments	Quality Ratings			
	Fair Value	AAA	AA	A
Debt Securities				
U.S. and Agency Obligations	\$ 58,691	\$ 58,691	\$ -	\$ -
Corporate Bonds	162,933	26,066	84,151	52,716
Total by Quality Rating	\$ 221,624	\$ 84,757	\$ 84,151	\$ 52,716

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 does have a policy concerning the composition of its investment portfolio and is in compliance with its investment policy.

The investment policy establishes, the following eligible investments individually are not to exceed the following composition in the portfolios of the General Fund and 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	25%
Bank Special Purpose Money Market Funds	25%
Commercial Paper	20%
Certificates of Deposit	10%

Investments in any one issuer that represents 5% or more of the total investments were as follows as of June 30, 2009:

Issuer	Investment Type	% of Total Investments
Federal Home Loan Bank	Federal Agency Securities	26.78%
Ridgeworth Fund - U.S. Money Market	Bank Special Purpose Money Market Funds	23.12%
Bank of America Merrill Lynch Repurchase Agreement	Repurchase Agreement	15.94%
Federal Home Loan Mortgage Corporation	Federal Agency Securities	14.92%
Federal National Mortgage Association	Federal Agency Securities	13.29%

AETC, the discretely presented component unit, does have a policy concerning the composition of its investment portfolio.

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

Issuer	Investment Type	% of Total Investments
Equity Mutual Funds	Equity	12%
International Mutual Funds	International	6%
Mid Cap Mutual Funds	Mid Cap	6%
Corporate Bonds	Corporate Bonds	9%

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.

As of year-end, AETC, the discretely presented component unit, had investments in foreign equity mutual funds totaling \$114,591. AETC does not currently have a foreign currency risk policy.

E. Due from Other Governments

Due from other governments consists of grant reimbursements due primarily from the Georgia Department of Education for expenditures made, 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 were billed on October 15, 2009. Property are due within 45 days of the billed date 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 period.

	Property Taxes <u>Receivable</u>	Allowance <u>for Uncollectible</u>	Net Property Taxes <u>Receivable</u>
General Fund	32,209,311	(8,872,175)	23,337,136

	Other <u>Receivable</u>	Allowance <u>for Uncollectible</u>	Net other <u>Receivable</u>
General Fund	1,181,091	(450,000)	731,091

G. Capital Assets

The following is a summary of changes in the Capital Assets during the fiscal year:

	Beginning Balance	Prior Year Corrections/ Practice Change	Restated Beginning Balances	Additions	Retirements	CIP Transfers/Reclass	Ending Balance
Governmental activities:							
Land	\$ 87,618,691	\$ (21,269)	\$ 87,597,422	\$ -	\$ -	\$ -	\$ 87,597,422
Construction in progress	2,275,195	2,667,073	4,942,268	129,107,702	-	(11,781,096)	122,268,874
Total Non-Depreciable Assets	89,893,886	2,645,804	92,539,690	129,107,702	-	(11,781,096)	209,866,296
Buildings	951,689,123	(11,953,393)	939,735,730	-	(765,700)	-	938,970,030
Building improvements	59,381,893	1,937,342	61,319,235	-	-	10,248,575	71,567,810
Land improvements	22,002,206	(7,837,583)	14,164,623	-	-	1,532,521	15,697,144
Equipment	123,617,453	(117,462,019)	6,155,434	587,555	(2,703,426)	-	4,039,563
Furniture & fixtures	38,714,345	(38,714,345)	-	56,030	-	-	56,030
Vehicles	24,461,182	(4,298,205)	20,162,977	16,093,337	(9,564,211)	-	26,692,103
Capital leases	18,836,996	(18,836,996)	-	-	-	-	-
Charter Schools	5,844,799	(16,000)	5,828,799	645,011	-	-	6,473,810
Total Depreciable assets	1,244,547,997	(197,181,199)	1,047,366,798	17,381,933	(13,033,337)	11,781,096	1,063,496,490
Total at cost	1,334,441,883	(194,535,395)	1,139,906,488	146,489,635	(13,033,337)	-	1,273,362,786
Less Accumulated Depreciation							
Buildings	198,846,515	(3,243,858)	195,602,657	23,597,926	(611,152)	-	218,589,431
Building improvements	20,454,964	(344,422)	20,110,542	4,455,315	-	-	24,565,857
Land improvements	8,976,572	(4,092,491)	4,884,081	982,140	-	-	5,866,221
Equipment	110,375,793	(105,173,142)	5,202,651	(50,036)	(2,453,426)	-	2,699,189
Furniture & fixtures	19,410,793	(19,410,793)	-	-	-	-	-
Vehicles	20,384,608	(5,876,298)	14,508,310	2,391,783	(9,564,211)	-	7,335,882
Capital leases	4,895,773	(4,895,773)	-	-	-	-	-
Charter Schools	1,621,390	-	1,621,390	706,890	-	-	2,328,280
Total accumulated depreciation	384,966,408	(143,036,777)	241,929,631	32,084,018	(12,628,789)	-	261,384,860
Governmental activities capital assets, net	\$ 949,475,475	\$ (51,498,618)	\$ 897,976,857	\$ 114,405,617	\$ (404,548)	\$ -	\$ 1,011,977,926
Business-type activities:							
Equipment	\$ 15,131,735	\$ (15,131,735)	\$ -	\$ -	\$ -	\$ -	\$ -
Totals at cost	15,131,735	(15,131,735)	-	-	-	-	-
Less: Accumulated Depreciation							
Equipment	7,719,388	(7,719,388)	-	-	-	-	-
Total accumulated depreciation	7,719,388	(7,719,388)	-	-	-	-	-
Business-type activities capital assets, net	\$ 7,412,347	\$ (7,412,347)	\$ -	\$ -	\$ -	\$ -	\$ -

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 28,496,755
Support Services:	
Pupil services	7,863
Educational media	41,745
Business administration	1,017,663
Maintenance and operation of facilities	128,209
Student transportation	2,391,783
Total	<u>\$ 32,084,018</u>

Component Unit:

Capital asset balances of AETC (discretely presented component unit) as of June 30, 2009 are as follows:

Equipment and furniture	\$ 1,041,752
Equipment purchased under capital leases	201,639
Leasehold improvements	<u>11,486</u>
Total historical cost	1,254,877
Less: Accumulated depreciation	(865,514)
Net Capital Assets	<u>\$ 389,363</u>

Depreciation expense of AETC for the year ended June 30, 2009 was \$201,634.

H. Long-term Debt

Capital Leases

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

In 2008, the School System entered into a lease agreement for the purchase of various capital assets in the amount of \$20,000,000. These leases were advanced funded. At June 30, 2009, portions of these advanced funded leases remained unspent and are reported as restricted cash and cash equivalents on the statement of net assets in the amount of \$ 7,777,198. See Note I for further discussions of restricted assets.

The assets acquired through capital leases are as follows:

Asset	Governmental Activites
Buses	\$ 11,132,491
Less: Accumulated depreciation	(2,197,839)
Net Capital Assets	<u>\$ 8,934,652</u>

Other items totaling \$13,785,648 that do not meet the School System's new capitalization threshold of \$50,000 were acquired in prior years through capital leases.

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

Fiscal Year Ending	Governmental Activites	Nonmajor Governmental Funds- Charter Schools	Nonmajor Governmental Funds- Charter Schools Notes Payable
2010	\$ 4,831,055	\$ 61,652	\$ 52,353
2011	4,831,055	43,455	53,828
2012	2,129,354	5,546	55,402
2013	2,129,354	-	57,079
2014	1,470,421	-	1,215,424
2015-2019	5,240,478	-	150,000
2020-2024	-	-	150,000
2025-2028	-	-	95,000
Total minimum payments	<u>20,631,717</u>	<u>110,653</u>	<u>1,829,086</u>
Less: Amount representing interest	(2,474,590)	(12,392)	(302,425)
Present value of minimum payments	<u>\$ 18,157,127</u>	<u>\$ 98,261</u>	<u>\$ 1,526,661</u>

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 bonded debt portion of property taxes collected by the City on behalf of the School System is retained by the City and used to pay the annual debt service on the outstanding bonds. The debt service payments are calculated using assumptions and estimates based on information available. As of June 30, 2009, \$2,579,052 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%	\$20,488,750

In prior fiscal years, the City of Atlanta 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, 2009, \$83,805,000 of bonds is outstanding and is considered defeased.

Changes in long-term obligations during the fiscal year ended June 30, 2009, were as follows:

H. Long-term Obligations

Changes in long-term obligations during the year ended June 30, 2009, were as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due within One Year
Governmental activities:					
Long-term debt					
Capital leases	\$ 23,511,222	\$ -	\$ (5,354,095)	\$ 18,157,127	\$ 4,158,631
Capital leases - Charter Schools	107,646	36,610	(45,995)	98,261	52,981
Intergovernmental agreement- City of Atlanta	21,385,800	-	(897,050)	20,488,750	1,026,875
Education Reform Success, Inc (COPS)	10,115,000	-	(550,000)	9,565,000	570,000
Total long-term debt	55,119,668	36,610	(6,847,140)	48,309,138	5,808,487
Other long-term liabilities					
Notes payable - Charter Schools	1,512,075	28,051	(13,465)	1,526,661	26,579
Compensated absences	5,675,108	2,443,229	(2,809,825)	5,308,512	2,509,842
Contingent legal liabilities	-	5,752,655	-	5,752,655	-
Workers' compensation	5,409,473	4,991,248	(2,574,165)	7,826,556	2,550,265
Total other long-term liabilities	12,596,656	13,215,183	(5,397,455)	20,414,384	5,086,686
Total long-term obligations	\$ 67,716,324	13,251,793	\$ (12,244,595)	\$ 68,723,522	\$ 10,895,173

Note: The General Fund has been typically used to liquidate the liability for compensated absences.

At June 30, 2009, payments due by fiscal year, which includes principal and interest for these items, are as follows:

Fiscal Year Ending	Capital Leases		Intergovernmental Agreements City of Atlanta		Education Reform Success, Inc. Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 4,158,631	\$ 672,423	\$ 1,026,875	\$ 955,176	\$ 570,000	\$ 394,987
2011	4,316,491	514,564	1,022,875	915,454	595,000	371,449
2012	1,778,535	350,819	1,040,875	875,446	620,000	346,878
2013	1,841,220	288,134	1,086,875	832,790	645,000	321,275
2014	1,247,378	222,980	1,143,625	787,004	670,000	294,640
2015-2019	4,814,872	425,670	6,472,375	2,910,296	3,795,000	1,033,820
2020-2024	-	-	6,805,375	1,127,522	2,670,000	223,405
2025-2027	-	-	1,889,875	94,298	-	-
Total Principal and Interest	\$ 18,157,127	\$ 2,474,590	\$ 20,488,750	\$ 8,497,987	\$ 9,565,000	\$ 2,986,454

I. Restricted Assets

Special Purpose Local Option Sales Tax (SPLOST), advanced capital lease proceeds and proceeds from certificates of participation related to Education Reform Success, Inc., are reported as restricted assets in the Statement of Net Assets because its use is limited by statutory provisions. Restricted assets at June 30, 2009, were as follows:

	Capital Projects SPLOST Proceeds	ERS Inc.	Total
Restricted Cash and Cash Equivalents:			
Capital Acquisitions	\$ 7,772,789	\$ 4,409	\$ 7,777,198
Restricted Investments:			
Capital Acquisitions	\$146,776,410		\$ 146,776,410
Total Restricted Investments, Cash and Cash Equivalents	<u>\$154,549,199</u>	<u>\$ 4,409</u>	<u>\$ 154,553,608</u>

J. Inter-fund Receivables and Payables

Inter-fund receivables and payables net balances as of June 30, 2009 are as follows:

	Due from other funds	Due to other funds
Governments Funds		
General Fund	\$ 14,759,585	\$ 37,884,796
Capital Projects Funds	31,475,952	1,568,620
Nonmajor Governmental Funds	11,949,465	10,910,549
Business- Type Fund		
Food Service Fund	2,908	7,823,945
	<u>\$ 58,187,910</u>	<u>\$ 58,187,910</u>

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 year-end, balances of inter-fund amounts receivable or payable have been recorded. It is management's intent to repay inter-fund balances within the next fiscal year.

K. Inter-fund Transfers

K. Inter-fund transfers

Transfers within the governmental and to the proprietary funds for the year ended June 30, 2009 are as follows:

	Transfers In	Transfers Out
Governmental funds:		
General Fund	\$ -	\$ (63,260,179)
Capital Projects Fund	33,200,000	-
Nonmajor Governmental Funds	30,520,179	(460,000)
	<u>\$ 63,720,179</u>	<u>\$ (63,720,179)</u>

Transfers are used to: (1) move local funds from the General Fund to the Capital Projects Fund to fund construction projects; (2) transfer state revenues and allocable property taxes to the individual Charter Schools to fund their operations.

L. Risk Management

The School System is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The School System is self-insured for workers' compensation claims and unemployment compensation. The School System purchases commercial insurance in amounts deemed prudent by management for all other risks of loss. Settled claims have not yet exceeded purchased commercial insurance coverage in any of the past three 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 Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
Fiscal year 2008	\$ -	\$ 251,797	\$ (251,797)	\$ -
Fiscal year 2009	\$ -	\$ 306,811	\$ (306,811)	\$ -

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 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%. Changes in the claims liability during the last two fiscal years are as follows:

	Balance at Beginning of Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Year
Fiscal year 2008	\$ 5,462,745	\$ 2,543,877	\$ (2,597,149)	\$ 5,409,473
Fiscal year 2009	\$ 5,409,473	\$ 4,991,248	\$ (2,574,165)	\$ 7,826,556

M. Nonmonetary Transactions

The School System received from the United States Department of Agriculture through the Georgia Department of Education approximately \$1,601,586 in donated food commodities for its lunchroom programs. The federally assigned value of these commodities is reflected as revenue and expense in the Food Services Fund financial statements.

N. On-behalf Payments for Fringe Benefits

The School System has recognized revenues and expenditures in the amount of \$3,137,195 for health insurance and pension costs paid by the Georgia Department of Education to the State Merit System of Personnel Administration for non-certified personnel on the School System's behalf.

O. Retirement Plans

Teachers Retirement System of Georgia (TRS)

Plan Description

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

TRS provides service retirement, disability retirement, and survivor's benefits for its members. A member is eligible for service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service. Early retirement benefits are reduced by the lesser of 1/12 of 7% of each month the member is below age 60, or by 7% of each year or fraction thereof by which the member has less than 30 years of service.

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

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

TRS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by calling 404-352-6500 or by accessing their website at www.trsga.com.

Funding Policy

Employees of the School System who are covered by TRS are required to pay 5% of their gross earnings to TRS. The School System makes monthly employer contributions to TRS at rates adopted by the TRS Board of Trustees as advised by their independent actuary. The employer contribution rate is 9.28% at June 30, 2009.

Total actual and required contributions were as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
School System	\$30,872,725	\$29,935,263	\$28,437,198
Employees	<u>16,655,525</u>	<u>16,153,799</u>	<u>15,299,294</u>
	<u>\$47,528,250</u>	<u>\$46,089,062</u>	<u>\$43,736,492</u>

City of Atlanta General Employees Pension Plan

Plan Description

All permanent employees of the School System who are not covered under the TRS are eligible to participate in the City of Atlanta General Employees' Pension Plan (the "Plan"). In addition, certain School System employees employed prior to July 1, 1979, also participate in the Plan.

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

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

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

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

City of Atlanta General Employees Pension Plan
68 Mitchell Street
Atlanta, GA
Telephone Number: (404) 330-6000

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

The School System's membership in the Plan as of July 1, 2008 is as follows:

Active employees	972
Inactive members	51
Retirees and beneficiaries	2,458
Total membership	<u>3,481</u>

Method Used to Value Investments

Investments are stated at fair value. Fair value of Plan assets at July 1, 2008 was \$160,503,974.

Funding Policy and Annual Pension Cost

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

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

The actuarial determined contribution amount is the sum of the annual normal cost (determined under the entry age normal actuarial cost method) and the amortization of the unfunded actuarial accrued liability as a level percentage of future payrolls (over 40 years from January 1, 1979). The most current valuation reflects a change in the Plan year from January 1, through December 31 to July 1, to June 30.

The Plan's annual pension cost for the current year, based on actuarial valuations performed as of July 1, 2008 and related information for the Plan is as follows:

Contribution rates as a percent of covered payroll:

Employee	6.0% or 7.0%
Employer	8.00%

Annual recommended contribution	\$39,599,627
Employer contributions made	\$42,000,000

Actuarial valuation date	7/1/2008
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Actuarial cost method	Entry age normal
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Amortization method	Level % of payroll
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Actuarial assumptions:

Investment rate of return	8.0% per year
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Projected salary increases:

Inflation	3.0% per year
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Merit or seniority and productivity	4.5% per year
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Post retirement benefit increases	N/A
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The asset valuation method used is the actuarial value from the prior year plus net new money plus 20% of the asset appreciation/depreciation for the current year and each of the prior four years.

Three-Year Trend Information is as follows:

Year	Annual Required Contribution (ARC)	% of ARC Contributed	Net Pension (Asset)/Obligation
2007	\$46,116,267	106%	\$10,316,810
2008	\$38,582,186	141%	(\$4,842,947)
2009	\$39,599,627	106%	(\$7,272,550)

Net Pension Asset - The School System's actuarially required contribution, pension cost, and decrease in the beginning net pension asset for the year ended June 30, 2009, were computed as follows:

Actuarially required contribution	\$	39,599,627
Decrease in net pension asset		(387,436)
ARC adjustment		358,206
Annual pension cost		<u>39,570,397</u>
Actual contributions made		<u>(42,000,000)</u>
Increase in net pension asset		2,429,603
Net pension asset, June 30, 2008		4,842,947
Net pension asset, June 30, 2009	\$	<u>7,272,550</u>

* Plan year begin date changed from January 1 to July 1 as of July 2007. Thus, amounts for 2007 and beyond are as of June 30.

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

Actuarial Valuation Date	Actuarial Value of Assets*	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL use as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
7/1/2008	\$150,876,105	\$655,110,071	\$504,233,966	23.00%	\$28,272,933	1783.45%

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

P. Post Employment Benefits

Georgia Retiree Health Benefit Fund

Plan Description. The School System contributes to the Georgia Retiree Health Benefit Fund (“GRHBF”), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Department of Community Health. GRHBF provides health insurance benefits to eligible retirees and their qualified beneficiaries. Pursuant to Title 45, Chapter 18 of the Official Code of Georgia Annotated, the authority to establish and amend the benefit provisions of the plan is assigned to the Board of Community Health. The Department of Community Health issues a publicly available financial report that includes financial statements and required supplementary

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

Funding Policy. The contribution requirements of plan members and participating employers are established and may be amended by the Board of Department of Community Health. 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 of Department of Community Health. This contribution rate is established to fund both the active and retired employee health insurance plans based on projected pay-as-you-go financing requirements. The employer contribution rates for the combined active and retiree plans for the fiscal year ended June 30, 2009, were as follows:

Certified Employees

July 2008 – January 2009	18.534% of state-based salaries for August – February coverage
February 2009	8.579% of state-based salaries for March coverage
March 2009 – May 2009	3.6884% of state-based salaries for April – June coverage
June 2009	0.000% of state-based salaries for July coverage

Non-Certificated Employees \$162.72 per month

The School System's contribution to the health insurance plans for the fiscal year ended June 30, 2009, was \$ 30,600,143, which equaled the required contribution. The contribution for fiscal year ended June 30, 2008 was \$ 34,489,793.

Q. Commitments and Contingencies

Construction Commitments

The School System has active construction projects as of June 30, 2009. The projects relate to construction and renovation of school buildings. At year-end, the School System's commitments with contractors were \$94,704,040.

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 \$5,752,655.

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

R. Prior Period Adjustments/Accounting Change

During fiscal year 2009, the School System made a variety of prior period adjustments due to various errors or omissions and change in accounting practice which require the restatement of the June 30, 2008 net assets. June 30, 2008 net assets have been adjusted as shown below.

The School System changed its depreciation method from the half-year convention to monthly straight-line depreciation. Additionally, the capitalization threshold for all asset classes with the exception of land has been increased from \$2,500 to \$50,000.

Governmental Activities:

The School System has determined that a restatement of Governmental Activities net assets is required to correct prior year capital assets and long-term debt. As a result of these corrections and change in accounting practice, the beginning net assets of the Governmental Activities have been adjusted as follows:

Governmental activities net assets as previously reported	\$ 1,279,591,845
Prior period adjustments:	
Correction of capital assets, net of accumulated depreciation	(5,905,668)
Change in accounting practice capitalization threshold	<u>(45,592,950)</u>
Governmental activities 2008 net assets restated	<u><u>\$ 1,228,093,227</u></u>

Proprietary Fund and Business Type Activities

The School System has determined that a restatement of Proprietary Fund and Business- Type Activities net assets is required to restate prior year capital assets. As a result of the change in accounting practice, the beginning net assets of the Proprietary Fund Business-Type Activities have been adjusted as follows:

Proprietary Fund and Business-type activities net assets previously reported	\$ 7,897,282
Prior period adjustment:	
Change in accounting practice capitalization threshold	<u>(7,412,347)</u>
Proprietary Fund and Business-type activities 2008 net assets, restated	<u><u>\$ 484,935</u></u>

S. New Accounting Pronouncements

Four new GASB Statements (Statement No. 49, 52, 55, and 56) were implemented this fiscal year. GASB Statement 49, Accounting and Financial Reporting for Pollution Remediation Obligations, requires separate note disclosure; GASB Statement No. 52, Land and Other Real Estate Held as Investments by Endowments, disclosure is not deemed applicable to the school system. GASB Statement 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments and GASB Statement 56, Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards, require no additional note disclosures.

T. 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.

As of June 30, 2009, the School System was the responsible party in the remediation of mold removal, asbestos abatement, expired chemical disposal, paint disposal, tire disposal and air quality testing. A site assessment and preliminary evaluation of required remediation indicated no liability at June 30, 2009. APS paid \$1,219,792 for current financial year remediation activities.

REQUIRED SUPPLEMENTARY INFORMATION

Atlanta Independent School System
GENERAL FUND
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with
	Original (1)	Final (1) (2)	Actual	Final Budget (Over) Under
REVENUES				
Local taxes	\$ 503,700,000	\$ 503,700,000	\$ 507,895,487	(4,195,487)
Sales tax Income	9,000,000	9,000,000	6,179,859	2,820,141
Investment earnings	8,121,687	8,121,687	3,844,856	4,276,831
Tuition charges	75,000	75,000	140,047	(65,047)
Facility rental fees	1,081,000	1,081,000	1,246,236	(165,236)
State revenues	137,048,313	137,048,313	122,514,004	14,534,309
Federal revenues	2,500,000	2,500,000	4,328,538	(1,828,538)
Charges for services	-	-	767,348	(767,348)
Other	50,000	50,000	10,549,923	(10,499,923)
Total revenues	661,576,000	661,576,000	657,466,298	4,109,702
EXPENDITURES				
Current:				
Instruction	372,310,171	347,893,340	325,201,914	22,691,426
Support Services:				
Pupil services	21,830,443	21,947,746	20,045,172	1,902,574
Improvement of instructional services	54,871,004	55,578,438	23,260,125	32,318,313
Educational media	11,174,402	11,257,069	7,858,047	3,399,022
General administration	22,684,897	24,141,574	10,837,052	13,304,522
School administration	39,934,002	39,402,368	25,799,000	13,603,368
Business administration	15,504,226	14,425,559	16,609,230	(2,183,671)
Maintenance and operation of facilities	70,301,992	70,893,611	87,471,900	(16,578,289)
Student transportation	16,224,784	17,164,493	29,329,454	(12,164,961)
Central support	36,740,079	49,806,600	33,455,895	16,350,705
Other support services	-	18,553	1,145,224	(1,126,671)
Debt Service:				
Principal	-	-	6,218,582	(6,218,582)
Interest	-	-	1,771,013	(1,771,013)
Total Expenditures	661,576,000	652,529,351	589,002,608	63,526,743
Excess (deficiency) of revenues over (under) expenditures	-	9,046,649	68,463,690	(59,417,041)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	932,980	(932,980)
Operating transfers out	-	(63,305,000)	(63,260,179)	(44,821)
Net change in fund balances	-	(54,258,351)	6,136,491	(60,394,842)
Fund Balance, Beginning of Year	151,764,465	151,764,465	151,764,465	-
FUND BALANCE, END OF YEAR	\$ 151,764,465	\$ 97,506,114	\$ 157,900,956	\$ (60,394,842)

(1) Original and Final budget amounts do not include budgeted revenues or expenditures of various principal accounts.

(2) Property taxes and state fund revenues related to charter schools are budgeted in the Instruction Function.

Atlanta Independent School System
Required Supplementary Information
For the Fiscal Year Ended June 30, 2009

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets* (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL use as a Percentage of Covered Payroll ((b-a)/c)
1/1/2003	\$109,367,500	\$579,890,481	\$470,522,981	18.90%	\$47,042,418	1000.30%
1/1/2004	\$107,323,985	\$581,451,634	\$474,127,649	18.50%	\$45,898,463	1033.00%
1/1/2005	\$102,301,954	\$580,470,790	\$478,168,836	17.60%	\$40,366,756	1184.60%
1/1/2006	\$116,866,067	\$600,055,443	\$483,189,376	19.50%	\$26,185,568	1845.30%
*7/1/2007	\$133,058,241	\$643,301,615	\$510,243,374	20.70%	\$29,105,414	1753.10%
7/1/2008	\$150,876,105	\$655,110,071	\$504,233,966	23.00%	\$28,272,933	1783.45%

Schedule of Employer Contributions

Fiscal Year Ended	Required Contribution (ARC)	Employer Contribution	ARC Contributed
June 30, 2004	\$35,453,732	\$35,904,000	101%
June 30, 2005	\$42,237,822	\$37,437,676	88%
June 30, 2006	\$44,827,011	\$39,015,662	87%
June 30, 2007	\$46,116,267	\$49,265,265	106%
June 30, 2008	\$38,582,186	\$54,567,288	141%
June 30, 2009	\$39,599,627	\$42,000,000	106%

See notes to the financial statements for actuarial assumptions used in the above calculations.

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

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

Combining Balance Sheet – Nonmajor Governmental Funds – Charter Schools

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

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

Title I Fund

Title II Fund

Title VI-B Fund

Lottery 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 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 math 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 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 is not considered necessary.

Charter Schools Fund was established to combine activities of charter schools operating within the limits of the School System.

Capital Projects Fund

Education Reform Success Fund was established to account for activities related to the Education Reform Success, Inc., (a non-profit corporation) which was established by the School System for the purpose of providing financing for some of the School System's buildings and equipment.

Atlanta Independent School System
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2009

	Special Revenue Funds						Component Units		
							Capital Projects Fund		
	Title I	Title II	Title VI-B	Lottery	Other Federal Programs	Other Special Projects	Charter Schools	Education Reform Success	Total
Assets:									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,328,390	\$ -	\$ 7,328,390
Restricted cash equivalents	-	-	-	-	-	-	-	4,409	4,409
Due from other funds	-	-	-	211,275	-	11,738,190	-	-	11,949,465
Due from other governments	9,991,589	2,356,820	1,263,416	-	1,030,565	705,705	402,562	-	15,750,657
Accounts receivable	-	-	-	-	-	20,518	784,374	-	804,892
Total Assets	\$ 9,991,589	\$ 2,356,820	\$ 1,263,416	\$ 211,275	\$ 1,030,565	\$ 12,464,413	\$ 8,515,326	\$ 4,409	\$ 35,837,813
Liabilities:									
Accounts payable	\$ 571,300	\$ 22,108	\$ 101,162	\$ -	\$ 243,960	\$ 427,838	\$ 3,880,867	\$ -	\$ 5,247,235
Salaries and benefits payable	1,353,081	193,870	551,388	211,275	16,880	35,306	460,262	-	2,822,062
Due to other funds	7,531,049	2,140,342	610,866	-	628,292	-	-	-	10,910,549
Due to other governments	536,159	500	-	-	-	-	163,106	-	699,765
Total Liabilities	9,991,589	2,356,820	1,263,416	211,275	889,132	463,144	4,504,235	-	19,679,611
Fund Balances(Deficits):									
Reserved for federal programs	-	-	-	-	147,413	-	-	-	147,413
Reserved for local programs	-	-	-	-	-	-	167,966	4,409	172,375
Unreserved/designated for local programs	-	-	-	-	-	12,001,269	-	-	12,001,269
Unreserved/undesignated	-	-	-	-	(5,980)	-	3,843,125	-	3,837,145
Total Fund Balance	-	-	-	-	141,433	12,001,269	4,011,091	4,409	16,158,202
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,991,589	\$ 2,356,820	\$ 1,263,416	\$ 211,275	\$ 1,030,565	\$ 12,464,413	\$ 8,515,326	\$ 4,409	\$ 35,837,813

The accompanying notes are an integral part of the basic financial statements

Atlanta Independent School System
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2009

	Special Revenue Funds						Component Units		
	Title I	Title II	Title VI-B	Lottery	Other Federal Programs	Other Special Projects	Charter Schools	Capital Project Fund	
								Education Reform Success	Total
REVENUES									
State	\$ -	\$ -	\$ 64,503	\$ 2,590,578	\$ 57,657	\$ 2,749,114	\$ 818,856	\$ -	\$ 6,280,708
Federal	46,181,743	7,421,331	8,281,430	-	4,123,236	-	1,322,188	-	67,329,928
Other	-	-	-	-	-	9,767,547	2,319,207	391	12,087,145
Total Revenues	46,181,743	7,421,331	8,345,933	2,590,578	4,180,893	12,516,661	4,460,251	391	85,697,781
EXPENDITURES									
Current									
Instruction	26,834,200	2,355,302	4,171,495	2,266,155	1,445,901	2,073,785	22,600,084	-	61,746,922
Support services									
Pupil services	11,280,740	1,333,423	1,718,903	329,109	523,463	628,506	127,167	-	15,941,311
Improvement of instructional services	3,234,652	3,515,040	1,315,264	14,896	1,579,818	5,398,871	10,767	-	15,069,308
Educational media	-	-	-	-	-	1,223,668	4,171,535	-	5,395,203
General administration	1,341,976	-	194,238	-	120,128	1,743,002	1,608,115	-	5,007,459
School administration	289,456	12,684	26,741	4,428	28,835	66,253	508,348	-	936,745
Business administration	293,261	-	-	-	48,971	74,894	3,017,016	1,600	3,435,742
Maintenance and operation of facilities	272	-	-	-	14,554	9,909	-	-	24,735
Student transportation	499,337	-	919,292	-	30,162	67,697	1,422	-	1,517,910
Central support	177,079	203,180	-	-	54,746	3,942	-	-	438,947
Other support services	2,230,770	-	-	-	200,150	99,918	569,213	-	3,100,051
Nutrition	-	-	-	-	-	12,500	-	-	12,500
Debt Service									
Principal	-	-	-	-	-	31,834	59,460	550,000	641,294
Interest	-	-	-	-	-	107,229	118,432	417,699	643,360
Total Expenditures	46,181,743	7,419,629	8,345,933	2,614,588	4,046,728	11,542,008	32,791,559	969,299	113,911,487
Excess (deficiency) of revenues over (under) expenditures	-	1,702	-	(24,010)	134,165	974,653	(28,331,308)	(968,908)	(28,213,706)
OTHER FINANCING SOURCES(USES)									
Transfers in	-	-	-	-	-	-	29,664,769	855,410	30,520,179
Transfers out	-	-	-	-	-	(460,000)	-	-	(460,000)
Total Other Financing Sources(Uses)	-	-	-	-	-	(460,000)	29,664,769	855,410	30,060,179
Net change in Fund Balances	-	1,702	-	(24,010)	134,165	514,653	1,333,461	(113,498)	1,846,473
Fund Balances (Deficit), Beginning of Year	-	(1,702)	-	24,010	7,268	11,486,616	2,677,630	117,907	14,311,729
FUND BALANCES (DEFICIT), END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ 141,433	\$ 12,001,269	\$ 4,011,091	\$ 4,409	\$ 16,158,202

The accompanying notes are an integral part of the basic financial statements

Atlanta Independent School System
Combining Balance Sheet
Nonmajor Governmental Funds- Charter Schools
June 30, 2009

	Blended Component Units							Total
	Drew Charter School, Inc	Imagine Wesley International Academy, LLC	Kipp West Atlanta Young Scholars Academy, Inc	Neighborhood Charter School Inc.	Southeast Atlanta Charter Middle School, Inc.	Tech High School, Inc	University Community Academy, Inc	
Assets:								
Cash and cash equivalents	\$ 4,134,083	\$ 28,562	\$ 929,730	\$ 787,838	\$ 392,808	\$ 356,682	\$ 698,687	\$ 7,328,390
Due from other governments	225,857	-	-	-	-	11,984	164,721	402,562
Accounts receivable	180,928	17,344	127,126	401,372	-	-	57,604	784,374
TOTAL ASSETS	4,540,868	45,906	1,056,856	1,189,210	392,808	368,666	921,012	8,515,326
Liabilities:								
Accounts payable	3,395,072	36,453	-	182,268	50,475	30,145	186,454	3,880,867
Salaries and benefits payable	-	277,780	182,482	-	-	-	-	460,262
Due to other governments	-	-	-	-	-	163,106	-	163,106
Total Liabilities	3,395,072	314,233	182,482	182,268	50,475	193,251	186,454	4,504,235
Fund Balances(Deficits):								
Reserved for local programs	123,723	-	-	20,000	-	-	24,243	167,966
Unreserved/undesignated	1,022,073	(268,327)	874,374	986,942	342,333	175,415	710,315	3,843,125
Total Fund Balance (Deficits)	1,145,796	(268,327)	874,374	1,006,942	342,333	175,415	734,558	4,011,091
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,540,868	\$ 45,906	\$ 1,056,856	\$ 1,189,210	\$ 392,808	\$ 368,666	\$ 921,012	\$ 8,515,326

The accompanying notes are an integral part of the basic financial statements

Atlanta Independent School System
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - Charter Schools
For the Year Ended June 30, 2009

	Blended Component Units							Total
	Drew Charter School, Inc	Imagine Wesley International Academy, LLC	Kipp West Atlanta Young Scholars Academy, Inc	Neighborhood Charter School Inc.	Southeast Atlanta Charter Middle School, Inc.	Tech High School, Inc	University Community Academy, Inc	
Revenues								
State funds	\$ -	\$ -	\$ -	\$ -	\$ 153,179	\$ 484,313	\$ 181,364	\$ 818,856
Federal funds	554,517	-	445,617	-	44,452	112,881	164,721	1,322,188
Other funds	677,687	104,235	449,711	459,519	154,461	258,756	214,838	2,319,207
Total Revenues	1,232,204	104,235	895,328	459,519	352,092	855,950	560,923	4,460,251
Expenditures								
Current								
Instruction	6,657,997	2,453,845	3,618,915	3,595,299	1,296,146	1,950,367	3,027,515	22,600,084
Support services								
Pupil services	-	51,446	-	32,265	29,678	-	13,778	127,167
Improvement of instructional services	-	10,767	-	-	-	-	-	10,767
General administration	2,378,341	-	320,325	209,337	74,259	458,976	730,297	4,171,535
School administration	-	1,299,768	-	-	-	-	308,347	1,608,115
Business administration	330,266	16,050	-	-	-	162,032	-	508,348
Maintenance and operation of facilities	497,843	1,071,335	-	269,386	172,296	343,780	662,376	3,017,016
Central support services	-	1,422	-	-	-	-	-	1,422
Other support services	-	190,944	10,686	-	108,215	229,627	29,741	569,213
Debt Service:	-							
Principal	-	4,226	-	27,304	27,930	-	-	59,460
Interest	-	25,774	-	6,627	86,031	-	-	118,432
Total Expenditures	9,864,447	5,125,577	3,949,926	4,140,218	1,794,555	3,144,782	4,772,054	32,791,559
Excess (deficiency) of revenues over (under) expenditures	(8,632,243)	(5,021,342)	(3,054,598)	(3,680,699)	(1,442,463)	(2,288,832)	(4,211,131)	(28,331,308)
Other Financing Source								
Transfers in	9,065,802	5,350,695	3,235,074	3,944,494	1,464,199	2,331,751	4,272,754	29,664,769
Total Other Financing Sources	9,065,802	5,350,695	3,235,074	3,944,494	1,464,199	2,331,751	4,272,754	29,664,769
Net change in fund balances	433,559	329,353	180,476	263,795	21,736	42,919	61,623	1,333,461
Beginning Fund Balance (deficit)	712,237	(597,680)	693,898	743,147	320,597	132,496	672,935	2,677,630
FUND BALANCES (DEFICIT), END OF YEAR	\$ 1,145,796	\$ (268,327)	\$ 874,374	\$ 1,006,942	\$ 342,333	\$ 175,415	\$ 734,558	\$ 4,011,091

The accompanying notes are an integral part of the basic financial statements.

Atlanta Independent School System
SPECIAL REVENUE FUND - TITLE I FUND
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget (Over) Under
	Original	Final	Actual	
Revenue				
Federal funds	\$ 45,073,553	\$ 51,958,729	\$ 46,181,743	\$ 5,776,986
Expenditures				
Current				
Instruction	37,545,506	31,919,894	26,834,200	5,085,694
Support services				
Pupil services	1,631,840	8,674,195	11,280,740	(2,606,545)
Improvement of instructional services	1,297,033	5,945,075	3,234,652	2,710,423
General administration	2,888,147	1,405,990	1,341,976	64,014
School administration	-	402,993	289,456	113,537
Business administration	-	282,039	293,261	(11,222)
Maintenance and operation of facilities	-	-	272	(272)
Student transportation	1,711,027	797,732	499,337	298,395
Central support	-	169,356	177,079	(7,723)
Community services	-	2,361,455	2,230,770	130,685
Total Expenditures	45,073,553	51,958,729	46,181,743	5,776,986
Deficiency of revenues over(under) expenditures	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

Atlanta Independent School System
SPECIAL REVENUE FUND - TITLE II FUND
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget (Over) Under
	Original	Final		
Revenue				
Federal funds	\$ 6,643,015	\$ 8,206,956	\$ 7,421,331	\$ 785,625
Expenditures				
Current				
Instruction	2,828,700	2,411,869	2,355,302	56,567
Support services				
Pupil services	-	-	1,333,423	(1,333,423)
Improvement of instructional services	3,780,400	5,409,500	3,515,040	1,894,460
School administration	-	-	12,684	(12,684)
Central support	33,915	385,587	203,180	182,407
Total Expenditures	6,643,015	8,206,956	7,419,629	787,327
Excess (deficiency) revenues over(under) expenditures	-	-	1,702	(1,702)
Fund Balance, Beginning of Year	(1,702)	(1,702)	(1,702)	-
FUND BALANCE, END OF YEAR	\$ (1,702)	\$ (1,702)	\$ -	\$ (1,702)

Atlanta Independent School System
SPECIAL REVENUE FUND - TITLE VI-B FUND
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget (Over) Under
	Original	Final	Actual	
Revenue				
Federal funds	\$ 9,566,037	\$ 10,124,973	\$ 8,281,430	\$ 1,843,543
State revenue	-	-	64,503	(64,503)
Total Revenue	9,566,037	10,124,973	8,345,933	1,779,040
Expenditures				
Current				
Instruction	4,552,708	5,528,107	4,171,495	1,356,612
Support services				
Pupil services	2,513,180	1,940,031	1,718,903	221,128
Improvement of instructional services	1,506,860	1,543,803	1,315,264	228,539
General administration	125,347	198,950	194,238	4,712
School administration	-	-	26,741	(26,741)
Student transportation	867,942	914,082	919,292	(5,210)
Total Expenditures	9,566,037	10,124,973	8,345,933	1,779,040
Excess revenues over expenditures	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

Atlanta Independent School System
SPECIAL REVENUE FUND - LOTTERY FUND
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget (Over) Under
	Original	Final	Actual	
Revenue				
State Revenue	\$ 2,576,578	\$ 2,698,697	\$ 2,590,578	\$ 108,119
Expenditures				
Current				
Instruction	2,076,578	2,188,279	2,266,155	(77,876)
Support services				
Pupil services	-	475,000	329,109	145,891
Improvement of instructional services	500,000	55,000	14,896	40,104
School administration	-	4,428	4,428	-
Total Expenditures	2,576,578	2,722,707	2,614,588	108,119
Deficiency of revenues under expenditures	-	(24,010)	(24,010)	-
Fund Balance, Beginning of Year	24,010	24,010	24,010	-
FUND BALANCE, END OF YEAR	\$ 24,010	\$ -	\$ -	\$ -

Atlanta Independent School System
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS FUND
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget (Over) Under
	Original	Final	Actual	
Revenue				
Federal funds	\$ 4,645,663	\$ 6,188,096	\$ 4,123,236	\$ 2,064,860
State revenue	-	-	57,657	(57,657)
Total Revenue	<u>4,645,663</u>	<u>6,188,096</u>	<u>4,180,893</u>	<u>2,007,203</u>
Expenditures				
Current				
Instruction	1,696,812	1,952,380	1,445,901	506,479
Support services				
Pupil services	205,108	375,934	523,463	(147,529)
Improvement of instructional services	2,423,763	3,060,815	1,579,818	1,480,997
General administration	59,870	218,544	120,128	98,416
School administration	-	28,835	28,835	-
Business administration	-	-	48,971	(48,971)
Maintenance and operation of facilities	4,200	17,200	14,554	2,646
Student transportation	63,836	100,835	30,162	70,673
Central support	195,233	231,236	54,746	176,490
Other support	-	189,809	200,150	(10,341)
Total Expenditures	<u>4,648,822</u>	<u>6,175,588</u>	<u>4,046,728</u>	<u>2,128,860</u>
Excess(deficiency) revenues over(under) expenditures	(3,159)	12,508	134,165	(121,657)
Fund Balance, Beginning of Year	<u>7,268</u>	<u>7,268</u>	<u>7,268</u>	-
FUND BALANCE, END OF YEAR	<u>\$ 4,109</u>	<u>\$ 19,776</u>	<u>\$ 141,433</u>	<u>\$ (121,657)</u>

Atlanta Independent School System
SPECIAL REVENUE FUND - OTHER SPECIAL PROJECTS FUND
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget (Over) Under
	Original	Final	Actual	
Revenue				
State Revenue	\$ 160,338	\$ 41,190	\$ 2,749,114	\$ (2,707,924)
Other Local Revenue	16,201,703	18,723,165	9,767,547	8,955,618
Total Revenue	16,362,041	18,764,355	12,516,661	6,247,694
Expenditures				
Current				
Instruction	3,729,997	3,413,685	2,073,785	1,339,900
Support services				
Pupil services	24,063	24,232	628,506	(604,274)
Improvement of instructional services	5,261,880	5,871,940	5,398,871	473,069
Educational media	1,205,520	1,223,727	1,223,668	59
General administration	3,659,609	4,502,172	1,743,002	2,759,170
School administration	5,200	2,541,327	66,253	2,475,074
Business administration	15,461	15,811	74,894	(59,083)
Maintenance and operation of facilities	42,705	43,346	9,909	33,437
Student transportation	24	730,184	67,697	662,487
Central support	-	5,751	3,942	1,809
Other Support Services	4,873,077	4,875,108	99,918	4,775,190
Nutrition	14,618	17,546	12,500	5,046
Debt Service	-	139,828	139,063	765
Total Expenditures	18,832,154	23,404,657	11,542,008	11,862,649
Excess (deficiency)revenues over(under) expenditures	(2,470,113)	(4,640,302)	974,653	(5,614,955)
Other financing uses				
Transfers out	-	(460,000)	(460,000)	-
Net change in fund balance	(2,470,113)	(5,100,302)	514,653	(5,614,955)
Fund Balance, Beginning of Year	11,486,616	11,486,616	11,486,616	-
FUND BALANCE, END OF YEAR	\$ 9,016,503	\$ 6,846,314	\$ 12,515,922	\$ (5,614,955)

Atlanta Independent School System
CAPITAL PROJECTS FUND
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget (Over) Under
	Original	Final	Actual	
Revenue				
Other local revenue	\$ 24,886,906	\$ 61,239,750	\$ 6,075,104	\$ 55,164,646
State revenue	-	-	1,131,052	(1,131,052)
Sales tax revenue	78,132,867	263,453,060	97,585,402	165,867,658
Total Revenue	103,019,773	324,692,810	104,791,558	219,901,252
Expenditures				
Current				
Instruction	100,000	200,033	232,675	(32,642)
Support services				
General administration	-	1,900,000	1,336,018	563,982
Business administration	-	175,004	154,052	20,952
Maintenance and operation of facilities	75,000	1,931,096	1,800,538	130,558
Student transportation	6,253,096	10,914,639	20,877,199	(9,962,560)
Central support	-	11,032,232	4,622,232	6,410,000
Capital outlays	96,591,677	298,539,806	151,389,516	147,150,290
Total Expenditures	103,019,773	324,692,810	180,412,230	144,280,580
Excess (deficiency) revenues over(under) expenditures	-	-	(75,620,672)	75,620,672
Other Financing Sources				
Transfer in	-	-	33,200,000	(33,200,000)
Fund Balance, Beginning of Year	192,208,401	192,208,401	192,208,401	-
FUND BALANCE, END OF YEAR	\$ 192,208,401	\$ 192,208,401	\$ 149,787,729	\$ 42,420,672

Atlanta Independent School System
Combining Statement of Changes in Assets and Liabilities
Agency Fund
June 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Assets:				
Cash and cash equivalents	\$ 828,328	\$ 1,615,120	\$ 1,561,608	\$ 881,840
Liabilities:				
Due to local schools and student groups	\$ 828,328	\$ 1,615,120	\$ 1,561,608	\$ 881,840

Quality Basic Education Programs – Program Expenditures

Schedule of Allotments and Expenditures by Program

Schedule of Expenditures by Object – Lottery Programs

Schedule of Approved Local Option Sales Tax Projects

Schedule of State Revenue

QUALITY BASIC EDUCATION
PROGRAMS - PROGRAM EXPENDITURES

The Official Code of Georgia Annotated Section 20-2-172 (a) Expenditure Controls for fiscal years 2007 and 2008 state:

For each program identified in Code Section 20-2-161, each local School System shall spend 100 percent of funds designated for direct instructional costs on the direct instructional costs of such program on one or more of the programs identified in Code Section 20-2-161 at the system level, with no requirement that the School System spend any specific portion of such funds at the site where such funds were earned.

The following pages are presented for purposes of additional analysis and reflect overall minimum expenditure requirements compared to overall program expenditures made by the School System as described above and also reflect minimum program expenditure requirements compared to actual expenditures made by the School System on a program basis.

ATLANTA INDEPENDENT SCHOOL SYSTEM BOARD OF EDUCATION
GENERAL FUND - QUALITY BASIC EDUCATION PROGRAM(QBE)
SCHEDULE OF ALLOTMENTS AND EXPENDITURES - BY PROGRAM
YEAR ENDED JUNE 30, 2009

DESCRIPTION	ALLOTMENTS FROM GEORGIA DEPARTMENT OF EDUCATION (1)(2)	SALARIES	ELIGIBLE QBE PROGRAM COSTS OPERATIONS	TOTAL
Direct Instructional Programs				
1011 Kindergarten Program	\$ 17,643,626	\$ 20,623,363	\$ -	20,623,363
1061 Kindergarten Program-Early Intervention Program	4,973,726	2,937,609	-	2,937,609
1021 Primary Grades (1-3) Program	43,865,508	64,559,879	24,605,898	89,165,777
1071 Primary Grades-Early Intervention (1-3) Program	9,939,798	23,707,607	-	23,707,607
1051 Upper Elementary Grades (4-5) Program	18,205,560	17,952,942	3,239,348	21,192,290
1091 Upper Elem Grades-Early Intervention (4-5) Program	6,529,808	9,045,767	-	9,045,767
1031 Middle Grades (6-8) Program	1,024,147	-	-	-
1081 Middle School (6-8) Program	28,521,468	39,356,081	2,165,685	41,521,766
1041 High School General Education (9-12) Program	26,753,866	49,186,203	4,521,534	53,707,737
3011 Vocational Laboratory (9-12) Program	6,441,337	6,705,827	566,809	7,272,636
Students with Disabilities				
2021 Category I	2,162,119	36,816,777	2,996,012	39,812,789
2031 Category II	3,165,435	2,024,755	-	2,024,755
2041 Category III	14,359,105	3,184,075	1,697,932	4,882,007
2051 Category IV	2,497,395	-	-	-
2011 Category V	550,345	-	-	-
2111 Gifted Student - Category VI	7,353,607	8,575,766	17,221	8,592,987
2211 Remedial Education Program	2,121,109	1,867,079	22,643	1,889,722
5071 Alternative Education Program	2,336,762	1,414,781	10,694,134	12,108,915
1351 English Speakers of Other Languages (ESOL)	2,010,614	3,771,231	77,612	3,848,843
TOTAL DIRECT INSTRUCTIONAL PROGRAMS	\$ 200,455,335	\$ 291,729,742	\$ 50,604,828	\$ 342,334,570
1310 Media Center Program	5,858,869	8,428,577	773,852	9,202,429
1210 Staff and Professional Development	1,123,906	4,080,657	714,069	4,794,726
TOTAL QBE FORMULA FUNDS	\$ 207,438,110	\$ 304,238,976	\$ 52,092,749	\$ 356,331,725
1100 Twenty days additional Instruction		787,055	-	787,055
1320 Pupil Transprtation		12,420,234	7,340,209	19,760,443
1445 On behalf		3,137,195	-	3,137,195
1450 Indirect costs - Central Admin.		76,081,546	84,087,125	160,168,671
1455 Indirect costs - School Admin.		40,517,384	518,949	41,036,333
1457 Indirect costs - Facilities M&O		19,158,499	40,829,979	59,988,478
1500 Nurses		141,338	-	141,338
	\$	456,482,227	\$	184,869,011
			\$	641,351,238

(1) Comprised of State Funds plus Local Five Mill Share.

(2) Allotments do not include the impact of the State budget austerity reduction.

ATLANTA INDEPENDENT SCHOOL SYSTEM

Lottery Programs

Schedule of Expenditures by Object

For the Year Ended June 30, 2009

	Pre-Kindergarten Program 2009
Salaries	\$ 2,145,415
Employee benefits	356,414
Employee travel	29,542
Registration	4,428
Materials and supplies	78,789
	<u>\$ 2,614,588</u>

ATLANTA INDEPENDENT SCHOOL SYSTEM
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2009

<u>PROJECT</u>	<u>ORIGINAL ESTIMATED COST (1)</u>	<u>CURRENT ESTIMATED COSTS (2)</u>	<u>AMOUNT EXPENDED IN CURRENT YEAR (3)</u>	<u>AMOUNT EXPENDED IN PRIOR YEARS (4)</u>	<u>PROJECT STATUS</u>
SPLOST I					
Dekalb County					
Renovations, modifications, additions and equipment for the following facilities: Crim High School, Coan Middle School, Marshall Middle School, Burgess Elementary School, Drew Elementary School, East Lake Elementary School, Lin Elementary School, Peterso	\$ 10,240,967	\$ 15,559,529	\$ -	\$ 15,559,529	Completed
Fulton County					
New schools and facilities, school renovations and additions, building upgrades and critical infrastructure improvements, technology, lease purchase payments, and land acquisition; and for the retirement of previously incurred debt	538,713,487	532,455,072	-	519,183,943	Completed
SPLOST II					
Dekalb County					
Renovations, modifications, additions and equipment for the following facilities: Crim High School, Coan Middle School, Burgess/Peterson Elementary School, East Lake Elementary School, Lin Elementary School, Toomer Elementary School, and Whitefoord Eleme	21,355,321	23,472,500	401,457	26,041,605	Ongoing
Fulton County					
New school construction, classroom additions, renovations, infrastructure improvements, security system improvements, technology improvements, land acquisition, site preparation, new staff development and instructional support facilities, new maintenance	486,538,295	426,839,322	26,303,000	401,069,400	Ongoing
SPLOST III					
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	552,357,776	94,450,005	11231861	Ongoing
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	20,511,000	20,511,000	9,644,428	110,067	Ongoing
	<u>\$ 1,629,716,846</u>	<u>\$ 1,571,195,199</u>	<u>\$ 130,798,890</u>	<u>\$ 973,196,405</u>	

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

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

See notes to the basic financial statements.

ATLANTA INDEPENDENT SCHOOL SYSTEM
SCHEDULE OF STATE REVENUE
FISCAL YEAR ENDED JUNE 30, 2009

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES			TOTAL
	GENERAL FUND	CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	
GRANTS				
Bright from the Start:				
Georgia Department of Early Care and Learning				
Pre-Kindergarten Program	\$ -	\$ -	\$ 2,590,578	\$ 2,590,578
Education, Georgia Department of				
Quality Basic Education				
Direct Instructional Cost				
Kindergarten Program	9,035,105	-	-	9,035,105
Kindergarten Program - Early Intervention Program	2,379,079	-	-	2,379,079
Primary Grades (1-3) Program	22,561,348	-	-	22,561,348
Primary Grades - Early Intervention (1-3) Program	4,736,976	-	-	4,736,976
Upper Elementary Grades (4-5) Program	9,332,895	-	-	9,332,895
Upper Elementary Grades - Early Intervention (4-5) Program	3,169,944	-	-	3,169,944
Middle Grades (6-8) Program	475,183	-	-	475,183
Middle School (6-8) Program	14,448,888	-	-	14,448,888
High School General Education (9-12) Program	13,701,815	-	-	13,701,815
Vocational Laboratory (9-12) Program	3,192,021	-	-	3,192,021
Students with Disabilities - All Categories	11,539,602	-	-	11,539,602
Gifted Student - Category VI	3,592,115	-	-	3,592,115
Remedial Education Program	1,053,370	-	-	1,053,370
Alternative Education Program	1,184,822	-	-	1,184,822
English Speakers of Other Languages (ESOL)	972,451	-	-	972,451
Media Center Program	2,461,327	-	-	2,461,327
20 Days Additional Instruction	1,785,949	-	-	1,785,949
Staff and Professional Development	224,035	-	-	224,035
Indirect Cost				
Central Administration	2,363,187	-	-	2,363,187
School Administration	7,117,812	-	-	7,117,812
Facility Maintenance and Operations	7,395,799	-	-	7,395,799
Categorical Grants				
Pupil Transportation				
Regular	3,347,954	-	-	3,347,954
Bus Replacement	660,409	-	-	660,409
Nursing Services	770,685	-	-	770,685
Mid-term Adjustment Hold-Harmless	3,063,440	-	-	3,063,440
Austerity Reduction	(-12,397,388)			(-12,397,388)
Other State Programs				
Career, Technical and Agriculture	-	-	202,492	202,492
Charter Schools- Direct	-	-	818,856	818,856
Charter Schools- APS	-	-	460,000	460,000
Health Insurance	2,968,863	-	-	2,968,863
Middle School Graduation Coach	-	-	-786,390	786,390
Middle School Math Remediation and Intervention Grant	-	-	(-3)	(-3)
CTAE M.E. Support	-	-	1,761	1,761
High Performance Principal Grant	-	-	15,000	15,000
National Teacher Certification	329,996	-	-	329,996
Preschool Handicapped Program	-	-	64,503	64,503
Residential Treatment Centers Grant	877,990	-	811,250	1,689,240
Teacher's Retirement	168,332	-	-	168,332
Vocational Supervisors	-	-	57,657	57,657
Virtual School State Grants	-	-	(-1,656)	(-1,656)
Other	-	-	473,880	473,880
Georgia State Financing and Investment Commission				
Reimbursement on Construction Projects	-	1,131,052	-	1,131,052
	\$ 122,514,004	\$ 1,131,052	\$ 6,280,708	\$ 129,925,764

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 year's financial statements, note disclosures, and supplementary information. This information is unaudited.

Contents

Schedule

Financial Trends

1 - 6

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

Operating Information

7 - 12

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

Demographic and Economic Information

13 - 18

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

Data Source:

Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report for the applicable year. The School System implemented GASB No. 34 in fiscal year 2002; therefore, tables presenting government-wide financial data include only eight years of information.

ATLANTA INDEPENDENT SCHOOL SYSTEM
Net Asset by Component
Last Eight Fiscal Years
Schedule 1

Fiscal Year Ended June 30,	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
							restated see Note R	
Governmental Activities								
Invested in Capital Assets, Net of Related Debt	481,975,764	629,768,301	733,997,697	803,563,172	831,829,656	893,683,701	854,305,957	962,142,127
Restricted	2,482,792	-	-	3,988,606	26,478,370	106,980,587	182,517,605	2,579,052
Unrestricted	<u>249,505,942</u>	<u>182,053,270</u>	<u>95,404,253</u>	<u>115,840,477</u>	<u>125,881,509</u>	<u>157,963,991</u>	<u>191,270,394</u>	<u>322,546,253</u>
Total Governmental Activities Net Assets	<u>733,964,498</u>	<u>811,821,571</u>	<u>829,401,950</u>	<u>923,392,255</u>	<u>984,189,535</u>	<u>1,158,628,279</u>	<u>1,228,093,956</u>	<u>1,287,267,432</u>
Business-Type Activities								
Invested in Capital Assets, Net of Related Debt	2,720,262	2,887,616	3,897,068	5,055,963	5,776,388	8,504,052	-	-
Restricted	-	-	-	-	-	-	-	-
Unrestricted	<u>(12,995,516)</u>	<u>(18,572,353)</u>	<u>(22,325,064)</u>	<u>(25,805,372)</u>	<u>(26,121,644)</u>	<u>(9,964,379)</u>	<u>484,935</u>	<u>1,972,799</u>
Total Business-Type Activities Net Assets	<u>(10,275,254)</u>	<u>(15,684,737)</u>	<u>(18,427,996)</u>	<u>(20,749,409)</u>	<u>(20,345,256)</u>	<u>(1,460,327)</u>	<u>484,935</u>	<u>1,972,799</u>
Primary Government Activities								
Invested in Capital Assets, Net of Related Debt	484,696,026	632,655,917	737,894,765	808,619,135	837,606,044	902,187,753	854,305,957	962,142,127
Restricted	2,482,792	-	-	3,988,606	26,478,370	106,980,587	182,517,605	2,579,052
Unrestricted	<u>236,510,426</u>	<u>163,480,917</u>	<u>73,079,189</u>	<u>90,035,105</u>	<u>99,759,865</u>	<u>147,999,612</u>	<u>191,755,329</u>	<u>324,519,052</u>
Total Primary Government Activities Net Assets	<u>723,689,244</u>	<u>796,136,834</u>	<u>810,973,954</u>	<u>902,642,846</u>	<u>963,844,279</u>	<u>1,157,167,952</u>	<u>1,228,578,891</u>	<u>1,289,240,231</u>

Source: Atlanta Independent School System Financial Reports
for previous years and fiscal year ended June 30, 2009

ATLANTA INDEPENDENT SCHOOL SYSTEM

**Change in Net Assets
Last Eight Fiscal Years
Schedule 2**

Fiscal Year Ended June 30,	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	Restated see Note R <u>2008</u>	<u>2009</u>
Expenses								
Governmental Activities								
Instruction	369,380,523	404,300,173	424,091,453	435,352,357	393,121,077	384,275,604	442,325,531	420,129,141
Pupil Services	22,627,253	21,649,868	21,890,649	24,009,140	29,201,941	20,424,786	36,915,697	36,258,110
Improvement of Instructional Services	28,097,268	23,447,177	21,135,004	20,011,373	31,910,382	27,779,791	42,180,829	38,609,352
Educational Media Services	12,360,619	7,615,931	6,746,870	7,087,158	11,326,263	8,112,792	11,637,527	13,392,263
General Administration	10,924,016	13,622,969	21,539,082	18,908,200	22,244,328	22,613,568	18,659,059	17,306,220
School Administration	30,642,476	25,948,073	24,230,800	23,247,406	36,313,409	25,103,296	34,558,215	26,933,533
Business Administration	8,337,982	6,452,828	5,482,136	6,685,755	12,973,297	14,960,540	11,483,553	27,167,147
Maintenance and Operations	61,198,598	58,896,420	61,354,665	48,321,284	60,098,358	57,871,414	91,600,184	88,484,674
Pupil Transportation	17,000,163	16,678,855	15,189,582	14,678,214	21,658,991	19,865,342	42,709,556	53,663,655
Support Services-Central	25,991,753	23,404,234	29,129,882	26,204,018	26,764,937	25,086,693	32,899,945	38,798,862
Community Services	3,214,167	6,116,012	-	-	-	(13,721)	-	-
Support Services-Other	681,496	-	-	423,301	837,701	2,267,033	9,330,309	4,276,311
Enterprise Operations	977,215	-	-	-	-	-	-	-
Employee Benefits	237,108	249,094	-	-	-	-	-	-
Interest	-	-	690,836	538,613	1,855,674	1,031,588	1,788,213	2,414,373
Depreciation	-	-	204,969	-	-	-	-	-
Total Governmental Activities Expenses	591,670,637	608,381,634	631,685,928	625,466,819	648,306,358	609,378,726	776,088,617	767,433,642
Business-Type Activities								
Food Services	25,739,005	27,325,463	26,552,371	25,772,181	21,711,551	19,204,656	30,519,130	21,752,821
Total Business-Type Activities Expenses	25,739,005	27,325,463	26,552,371	25,772,181	21,711,551	19,204,656	30,519,130	21,752,821
Total Primary Government Activities Expenses	617,409,642	635,707,097	658,238,299	651,239,000	670,017,909	628,583,382	806,607,747	789,186,463
Program Revenues								
Governmental Activities								
Charges for Services								
Instruction	-	-	-	-	-	1,004,517	114,350	140,047
School Administration	-	-	-	-	2,097,124	-	-	-
Maintenance and Operations	-	-	-	-	-	1,067,404	-	1,246,236
Enterprise Operations	-	-	-	-	-	-	3,749,416	767,347
Operating Grants and Contributions								
Instruction	213,249,865	211,745,193	187,402,434	170,977,158	176,215,716	156,075,020	168,958,774	114,293,580
Pupil Services	4,209,345	4,428,193	6,558,788	8,414,003	7,400,136	14,951,701	18,133,132	16,028,209
Improvement of Instructional Services	17,993,177	13,528,687	17,556,463	16,447,379	11,712,590	16,073,230	16,110,597	16,060,575
Educational Media Services	1,723,159	121,737	30,954	182,646	1,491,330	2,424,655	3,745,884	5,651,064
General Administration	2,084,660	2,648,088	3,756,784	4,151,612	4,516,383	3,336,077	3,104,288	6,044,243
School Administration	448,209	2,097,074	381,845	238,704	355,600	6,065,020	3,498,951	6,133,525
Business Administration	-	-	-	366,225	1,115,379	1,102,416	9,106,449	6,051,768
Maintenance and Operations	56,963	222,320	58,967	27,511	261,388	8,740,838	9,262,487	17,286,810
Pupil Transportation	806,645	1,046,705	379,673	1,409,015	1,960,211	5,206,251	5,337,639	8,121,816
Support Services-Central	735,268	108,992	754,227	1,105,539	104,874	984,451	660,429	7,559,691
Community Services	2,762,298	3,597,754	-	-	-	65,551	226,806	2,536,468
Support Services-Other	564,776	-	2,524,240	1,444,714	677,385	7,365,780	1,307,102	-
Enterprise Operations	-	-	-	-	-	-	-	9,254
Capital Grants and Contributions								
Instruction	8,592,231	2,124,937	2,717,420	2,230,799	8,927	-	-	-
Maintenance and Operations	-	-	-	-	-	1,191,630	2,207,605	-
Pupil Transportation	-	-	-	-	1,640,644	-	653,047	-
Total Governmental Activities Program Revenues	253,226,596	241,669,680	222,121,795	206,995,305	209,611,500	225,654,541	246,176,956	207,930,633
Business-Type Activities								
Charges for Services								
Food Services	1,886,863	2,388,324	1,966,090	3,566,337	2,580,828	2,534,746	2,187,375	2,291,777
Operating Grants and Contributions								
Food Services	20,013,045	19,527,656	20,250,537	18,088,139	18,265,689	19,068,852	20,877,018	20,948,908
Total Business-Type Activities Program Revenues	21,899,908	21,915,980	22,216,627	21,654,476	20,846,517	21,603,598	23,064,393	23,240,685
Total Primary Government Activities Program Revenues	275,126,504	263,585,660	244,338,422	228,649,781	230,458,017	247,258,139	269,241,349	231,171,318

ATLANTA INDEPENDENT SCHOOL SYSTEM
Change in Net Assets
Last Eight Fiscal Years
Schedule 2

Fiscal Year Ended June 30, <i>Net (Expense)/Revenue</i>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities								
Instruction	(147,538,427)	(190,430,043)	(233,971,599)	(262,144,400)	(216,896,434)	(227,196,067)	(273,252,407)	(305,695,512)
Pupil Services	(18,417,908)	(17,221,675)	(15,331,861)	(15,595,137)	(21,801,805)	(5,473,085)	(18,782,565)	(20,229,900)
Improvement of Instructional Services	(10,104,091)	(9,918,490)	(3,578,541)	(3,563,994)	(20,197,792)	(11,706,561)	(26,070,232)	(22,548,777)
Educational Media Services	(10,637,460)	(7,494,194)	(6,715,916)	(6,904,512)	(9,834,933)	(5,688,137)	(7,891,643)	(7,741,199)
General Administration	(8,839,356)	(10,974,881)	(17,782,298)	(14,756,588)	(17,727,945)	(19,277,491)	(15,554,771)	(11,261,978)
School Administration	(30,194,267)	(23,850,999)	(23,848,955)	(23,008,702)	(33,860,685)	(19,038,276)	(31,059,264)	(20,800,008)
Business Administration	(8,337,982)	(6,452,828)	(5,482,136)	(6,319,530)	(11,857,918)	(13,858,124)	(2,377,104)	(21,115,381)
Maintenance and Operations	(61,141,635)	(58,674,100)	(61,295,698)	(48,293,773)	(59,836,970)	(48,063,172)	(80,130,092)	(69,951,628)
Pupil Transportation	(16,193,518)	(15,632,150)	(14,809,909)	(13,269,199)	(18,058,136)	(13,467,461)	(36,718,870)	(45,541,838)
Support Services-Central	(25,256,485)	(23,295,242)	(28,375,655)	(25,098,479)	(26,660,063)	(24,102,242)	(32,239,516)	(31,239,171)
Other Support Services	(451,869)	(2,518,258)	2,524,240	1,021,413	(106,503)	5,098,747	226,806	(4,276,311)
Non-Instructional Services	(116,720)	-	-	-	-	79,272	(8,023,207)	2,536,468
Enterprise Operations	-	-	-	-	-	-	3,749,416	776,601
Interest	(977,215)	-	(690,836)	(538,613)	(1,855,674)	(1,031,588)	(1,788,213)	(2,414,373)
Total Governmental Activities Net (Expenses)/Revenues	(338,444,041)	(366,711,954)	(409,564,133)	(418,471,514)	(438,694,858)	(383,724,185)	(529,911,661)	(559,503,009)
Business-Type Activities								
Food Services	(3,839,097)	(5,409,483)	(4,335,744)	(4,117,705)	(865,034)	2,398,942	(7,454,737)	1,487,864
Total Business-Type Activities Net (Expenses)/Revenues	(3,839,097)	(5,409,483)	(4,335,744)	(4,117,705)	(865,034)	2,398,942	(7,454,737)	1,487,864
Total Primary Government Activities Net Expense	(342,283,138)	(372,121,437)	(413,899,877)	(422,589,219)	(439,559,892)	(381,325,243)	(537,366,398)	(558,015,145)
General Revenues and Other Charges in Net Assets								
Governmental Activities								
Taxes								
Property Taxes Levied for General Purposes	325,547,139	353,451,241	373,487,358	377,215,701	361,839,014	436,902,846	470,036,120	479,629,504
Property Taxes Levied for Debt Services	-	-	-	-	-	1,036,250	1,153,847	1,262,460
Sales Tax	93,920,742	79,256,916	85,604,946	91,202,366	115,953,787	121,568,835	115,735,907	108,957,224
Other Taxes	-	-	-	-	1,979,560	-	-	-
Federal and Other State Aid not Restricted to Specific Programs	-	-	-	-	9,411,373	-	1,347,241	4,328,538
Interest and Investment Earnings	16,910,046	11,616,090	1,995,307	4,658,043	7,319,327	13,315,151	13,648,335	6,419,960
Miscellaneous	6,789,405	5,935,088	3,786,290	5,900,535	6,316,574	15,129,339	6,855,522	17,551,096
Gain on Sale of Assets	-	-	-	-	2,505,987	3,129,377	-	528,432
Transfers	-	-	(1,592,485)	(1,796,292)	(1,036,966)	(16,416,074)	(9,400,000)	-
Extra ordinary Items	-	-	-	-	-	(1,981,811)	-	-
Total Governmental Activities	443,167,332	450,259,335	463,281,416	477,180,353	504,288,656	572,683,913	599,376,972	618,677,214
Business-Type Activities								
Interest and Investment Earnings	-	-	-	-	59,711	(9,535)	-	-
Transfers	-	-	1,592,485	1,796,292	1,036,966	16,416,074	9,400,000	-
Other	-	-	-	-	-	79,445	-	-
Total Business-Type Activities	-	-	1,592,485	1,796,292	1,096,677	16,485,984	9,400,000	-
Total Primary Government Activities	443,167,332	450,259,335	464,873,901	478,976,645	505,385,333	589,169,897	608,776,972	618,677,214
Change in Net Assets								
Governmental Activities	104,723,291	83,547,381	53,717,283	58,708,839	65,593,798	188,959,728	69,465,311	59,174,206
Business-Type Activities	(3,839,097)	(5,409,483)	(2,743,259)	(2,321,413)	231,643	18,884,926	1,945,263	1,487,864
Total Primary Government	100,884,194	78,137,898	50,974,024	56,387,426	65,825,441	207,844,654	71,410,574	60,662,070

Source: Atlanta Independent School System Financial Reports
for previous years and fiscal year ended June 30, 2009

Notes:
Restatement in year 2008 due to prior period adjustments for change in accounting principle and estimates.
In fiscal year 2008, change in pension expense allocation.
In fiscal year 2007, change in allocation of capital assets.
Changes in Instruction support 2007 to 2008 due to proper allocation of salary and benefits in 2008.
GASB 34 implemented in 2002, only eight years presented.

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

Fiscal Year Ended June 30,	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund										
Reserved	37,852,719	15,826,687	16,933,754	11,938,879	11,159,630	7,325,684	13,692,102	21,785,030	20,198,038	17,709,809
Unreserved	7,945,023	61,608,320	38,418,253	62,084,468	37,292,448	68,098,575	73,372,473	91,809,975	131,566,427	-
Total General Fund	<u>45,797,742</u>	<u>77,435,007</u>	<u>55,352,007</u>	<u>74,023,347</u>	<u>48,452,078</u>	<u>75,424,259</u>	<u>87,064,575</u>	<u>113,595,005</u>	<u>151,764,465</u>	<u>17,709,809</u>
All Other Governmental Funds										
Reserved	43,516,273	57,281,761	156,758,830	80,968,852	70,077	70,078	22,216,154	103,139,827	168,623,662	147,413
Unreserved, reported in:										
Capital Project Funds	73,976,485	111,530,754	12,000,000	12,000,000	32,778,625	30,060,165	39,512,697	34,183,429	23,702,646	-
Special Revenue Funds	61,010,424	25,073,172	22,558,744	18,027,458	17,571,631	11,868,263	12,177,524	12,652,472	14,193,822	12,001,268
Total All Other Governmental Funds	<u>178,503,182</u>	<u>193,885,687</u>	<u>191,317,574</u>	<u>110,996,310</u>	<u>50,420,333</u>	<u>41,998,506</u>	<u>73,906,375</u>	<u>149,975,728</u>	<u>206,520,130</u>	<u>12,148,681</u>
Total	<u>224,300,924</u>	<u>271,320,694</u>	<u>246,669,581</u>	<u>185,019,657</u>	<u>98,872,411</u>	<u>117,422,765</u>	<u>160,970,950</u>	<u>263,570,733</u>	<u>358,284,595</u>	<u>29,858,490</u>

Source: Atlanta Independent School System Financial Report
for previous years and fiscal year ended June 30, 2009

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

Fiscal Year Ended June 30,	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Local Taxes	405,622,567	448,066,734	313,659,063	346,768,390	365,523,133	370,256,829	369,492,043	415,687,665	471,313,094	507,895,487
Sales Taxes	-	-	93,920,742	79,256,916	85,604,946	91,202,366	115,953,787	122,980,958	106,562,802	103,765,261
State Revenues	186,076,281	214,552,078	190,093,723	177,702,841	152,497,189	137,310,665	141,640,201	151,924,389	163,747,188	129,925,764
Federal Revenues	52,250,677	58,428,717	44,949,186	57,560,015	63,594,376	65,118,135	66,535,863	71,658,231	71,651,548	71,658,466
Investment Income	-	-	16,910,046	11,616,090	1,995,307	4,658,043	7,319,327	13,315,151	13,648,335	6,419,960
Facility Rental Fees	-	-	472,438	436,094	709,320	876,965	949,298	-	1,604,301	1,246,236
Tuition Charges	-	-	176,055	30,800	45,748	11,707	243,698	-	114,350	140,047
Charges for Other Services	-	-	-	-	-	-	904,128	2,071,921	3,749,416	767,348
Other	-	-	24,324,599	11,875,018	9,545,822	9,578,369	15,066,259	15,884,882	13,512,915	26,137,068
Total Revenues	643,949,525	721,047,529	684,505,852	685,246,164	679,515,841	679,013,079	718,104,604	793,523,197	845,903,950	847,955,637
Expenditures										
Current Expenditures										
Instruction	238,210,463	335,112,602	353,337,682	387,299,503	405,869,137	395,383,620	358,003,139	405,189,908	373,703,960	387,181,511
Support Services										
Pupil Services	19,485,052	20,966,352	22,590,159	21,612,774	21,853,555	23,972,046	28,296,328	23,654,225	33,795,599	35,986,483
Improvement of Instructional Services	16,495,237	25,957,684	49,379,326	32,991,181	21,181,874	20,071,788	31,811,061	31,501,828	38,823,821	38,329,433
Educational Media	7,174,165	9,151,192	12,351,085	7,601,608	6,738,907	7,080,214	11,128,439	9,119,001	10,507,784	13,253,250
General Administration	5,922,162	16,253,607	10,683,333	13,026,341	13,504,910	9,832,227	15,066,526	15,833,120	17,134,640	17,180,529
School Administration	15,405,246	25,319,655	30,642,476	35,456,730	24,230,800	23,525,692	35,579,029	28,207,534	32,147,765	26,735,745
Business Services	3,828,292	16,210,243	8,337,982	6,452,828	5,482,136	6,795,841	12,959,536	15,632,317	23,625,597	20,199,024
Maintenance & Operation of Facilities	50,989,195	52,598,342	61,193,777	62,044,973	61,539,367	48,442,054	59,941,395	60,202,421	84,456,521	89,297,173
Student Transportation	11,249,423	20,044,651	16,088,475	14,295,463	13,022,959	12,815,478	19,331,040	17,344,114	37,822,559	51,724,563
Central Support	10,918,711	38,447,863	25,991,753	26,264,962	30,515,657	26,393,782	26,567,407	28,680,154	29,586,277	38,517,074
Community Services	14,210	72,905	3,214,167	8,582,226	526,684	220,262	-	-	983,284	-
Nutrition	-	-	-	-	-	-	-	-	49,014	12,500
Other	1,624,196	2,861,537	681,496	141,088,759	169,069,406	-	796,364	2,386,576	-	4,245,275
Food Services Operation	24,252,316	24,379,053	-	-	-	-	-	-	-	-
Other Operations of Non-Instructional Services	121,193	15,376	-	-	-	-	48,270	-	7,974,781	-
Employee Benefits	95,403,205	103,857	-	-	-	-	-	-	-	-
Enterprise Operations	891,101	7,579,712	-	-	-	-	-	-	-	-
Other Uses	73,868,397	57,968,892	78,153,025	-	-	107,635,321	78,371,573	-	-	-
Capital Outlays	-	-	-	-	-	-	-	56,735,237	67,911,787	151,389,516
Debt Service Interest	2,266,350	2,045,429	977,215	-	690,836	538,613	403,266	-	1,788,213	2,414,373
Capital Lease Principal	2,385,000	2,600,000	10,225,534	8,417,826	6,066,632	4,386,236	2,700,668	3,840,761	2,387,590	6,859,876
Advance Refunding Escrow	-	110,501,066	37,991,609	-	-	-	-	-	-	-
Total Expenditures	580,503,914	768,190,018	721,839,094	765,135,174	780,292,860	687,093,174	681,004,041	698,327,196	762,699,192	883,326,325
Excess / (Deficiency) of Revenues over (under) Expenditures	63,445,611	(47,142,489)	(37,333,242)	(79,889,010)	(100,777,019)	(8,080,095)	37,100,563	95,196,001	83,204,756	(35,370,688)
Other Financing Sources (Uses)										
Proceeds from Capital Leases	22,227,750	6,178,613	4,112,800	3,814,304	2,952,010	-	-	2,638,066	20,000,000	-
From Sale of Assets	-	-	-	-	-	-	3,131,798	3,169,238	909,104	932,980
From Notes	-	-	-	-	-	-	40,000	10,115,000	-	-
From Bonds	-	-	-	2,129,553	13,270,248	11,875,815	3,907,884	3,921,678	-	-
Transfers in	64,724,963	83,207,278	42,589,027	2,482,792	18,158,072	18,128,500	19,874,172	27,635,695	25,307,215	63,720,179
Transfers out	(63,922,489)	(83,207,278)	(42,589,027)	(2,482,792)	(19,750,557)	(19,924,792)	(19,874,172)	(44,051,769)	(34,707,215)	63,720,179
Total Other Financing Sources/(Uses)	23,030,224	6,178,613	4,112,800	5,943,857	14,629,773	10,079,523	7,079,682	3,427,908	11,509,104	128,373,338
Extraordinary Items	-	-	-	-	-	-	-	(1,981,811)	-	-
Net Change in Fund Balances	86,475,835	(40,963,876)	(33,220,442)	(73,945,153)	(86,147,246)	1,999,428	44,180,245	96,642,098	94,713,862	(34,437,708)
Fund Balance at Beginning of Year	138,072,273	312,346,296	279,890,024	258,964,810	185,019,657	115,423,338	116,292,413	166,928,634	263,570,733	358,284,595
Prior Period Corrections	-	-	-	-	-	-	498,296	-	-	-
FUND BALANCE AT END OF YEAR	224,548,108	271,382,420	246,669,582	185,019,657	98,872,411	117,422,766	160,970,954	263,570,733	358,284,596	323,846,887
RECORDED FUND BALANCE AT END OF YEAR	224,300,924	271,320,694	246,669,582	185,019,657	98,872,411	117,422,766	160,970,954	263,570,733	358,284,596	323,846,887
Debt service as a percentage of noncapital expenditures	0.81%	15.08%	6.92%	1.11%	0.87%	0.72%	0.46%	0.60%	0.60%	1.28%

Source: Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2009

Notes: Recorded Fund Balances for 2000 and 2001 changed due to inventory reserves.
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 expense.
Large fluctuations in expenditures due to reclasses within functions.

**ATLANTA INDEPENDENT SCHOOL SYSTEM
GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS
Schedule 5**

Fiscal Year	Taxes	State Grants	Federal Grants	Other	Total	Local	% of total		
							State	Federal	Other
2000	307,556,808	173,618,365	1,047,792	10,730,838	492,953,803	62%	35.22%	0.21%	2.18%
2001	305,699,801	193,545,040	1,063,223	7,224,034	507,532,098	60%	38.13%	0.21%	1.42%
2002	313,659,063	175,553,782	1,069,298	20,302,508	510,584,651	61%	34.38%	0.21%	3.98%
2003	346,768,390	170,033,573	427,849	14,822,888	532,052,700	65%	31.96%	0.08%	2.79%
2004	362,726,900	141,848,193	1,153,791	8,086,373	513,815,257	71%	27.61%	0.22%	1.57%
2005	370,256,829	124,113,881	1,326,039	13,084,964	508,781,713	73%	24.39%	0.26%	2.57%
2006	384,221,179	133,943,879	3,870,753	15,437,607	537,473,418	71%	24.92%	0.72%	2.87%
2007	430,844,808	145,105,716	1,112,951	19,069,158	596,132,633	72%	24.34%	0.19%	3.20%
2008	480,152,929	154,892,058	1,347,241	17,353,301	653,745,529	73%	23.69%	0.21%	2.65%
2009	514,075,346	122,514,004	4,328,538	16,548,410	657,466,298	78%	18.63%	0.66%	2.52%

Source: Atlanta Independent School System Financial Reports
for previous years and fiscal year ended June 30, 2009

**ATLANTA INDEPENDENT SCHOOL SYSTEM
GENERAL FUND EXPENDITURES BY FUNCTION
Last Ten Fiscal Years
Schedule 6**

Fiscal Year	Instruction	Pupil Services	School and Admin. Services	Business Services	Capital Outlay	Other	Total	total current expenditures % of change from prior year	total capital outlay % of change from prior year	total expenditures % of change from prior year
2000	205,362,018	14,490,090	37,064,898	60,170,176	7,098	115,427,286	432,521,566	0.49%	-156111.07%	-1.68%
2001	296,112,778	16,895,530	70,616,896	70,386,212	-	38,237,302	492,248,718	43.18%	0.00%	13.81%
2002	315,472,276	18,373,267	62,467,052	71,978,407	-	41,681,449	509,972,451	3.15%	0.00%	3.60%
2003	343,085,735	17,131,932	59,678,758	69,558,556	-	27,740,683	517,195,664	4.52%	0.00%	1.42%
2004	359,444,397	15,259,936	52,257,050	68,966,619	-	37,341,209	533,269,211	1.32%	0.00%	3.11%
2005	360,922,790	15,635,773	23,265,642	65,285,140	3,029,090	34,293,523	502,431,958	-6.21%	100.00%	-5.78%
2006	328,733,992	20,886,301	42,964,459	85,768,267	-	31,105,339	509,458,358	2.85%	0.00%	1.40%
2007	371,030,700	10,491,218	34,463,418	87,064,138	2,638,066	31,071,989	536,759,530	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	356,320,086	20,045,172	36,636,052	133,410,584	-	42,590,714	589,002,608	0.38%	100.00%	-0.47%

Source: Atlanta Independent School System Financial Reports
for previous years and fiscal year ended June 30, 2009

Note: Capital Outlay has been allocated between functions.

**ATLANTA INDEPENDENT SCHOOL SYSTEM
ASSESSED AND ESTIMATED ACTUAL VALUE OF
TAXABLE PROPERTY
LAST EIGHT 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	Total Direct Tax Rate
December 31, 2002	8,567,121,679	6,901,913,667	366,881,480	1,662,085,635	188,994,248	17,309,008,213	32.64
December 31, 2003	9,578,478,978	7,104,858,403	323,814,720	1,590,030,109	160,151,146	18,437,031,064	32.08
December 31, 2004	10,282,698,452	7,433,699,007	308,725,135	1,626,457,946	1,732,722,383	17,918,858,157	31.00
December 31, 2005	10,842,205,309	7,255,025,020	618,322,584	1,590,005,363	186,756,118	20,118,802,158	30.09
June 30, 2006	11,954,278,920	8,069,483,015	699,409,813	1,621,488,855	1,720,017,791	20,624,642,812	32.13
June 30, 2007	13,202,618,136	9,744,120,546	776,908,905	1,595,456,173	1,887,341,520	23,431,762,240	31.61
June 30, 2008	13,980,076,949	13,067,992,615	1,031,326,231	1,615,241,347	2,093,949,974	27,600,687,168	30.49
June 30, 2009	13,872,372,979	11,249,746,299	890,877,231	1,720,999,874	1,910,282,501	25,823,713,882	30.49

Source: Statistical section of the City of Atlanta, Georgia 2009 Comprehensive Annual Financial Report
For the Year Ended June 30, 2009

Notes:

- 1 Other Property** consist of Historical, Agricultural, Conservation, Utility, Motor Vehicle, Heavy Equipment, Timber, Motor Homes, etc., and is not included in total assessed value.
- 2 Tax Exempt Property** consist of Basic Homestead, Elderly, Disabled Veteran, Freeport, etc.
- 3 The City of Atlanta** changed from a December 31 fiscal year to a June 30 fiscal year in 2006.

ATLANTA INDEPENDENT SCHOOL SYSTEM
PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
(Per \$1,000 Assessed Value) Last Ten Fiscal Years
Schedule 8

City Direct Rates							Overlapping Rates					
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)	Fulton County, Georgia			
									County Levy (3)	County Bond Levy	Georgia State Levy	Total
December 31, 2000	6.57	24.93	0.50	1.32	1.00	34.32	1.96	2.22	9.14	0.66	0.25	10.05
December 31, 2001	6.28	23.84	0.48	1.27	0.96	32.83	1.86	2.22	13.31 (3)	0.38	0.25	13.94
December 31, 2002	9.02	21.67	0.50	1.34	0.11	32.64	1.30	2.50	12.53 (3)	0.28	0.25	13.06
December 31, 2003	8.71	21.46	0.50	1.30	0.11	32.08	1.14	3.60	12.05 (3)	0.27	0.25	12.57
December 31, 2004	8.25	20.87	0.50	1.27	0.11	31.00	1.05	4.20	11.59 (3)	0.07	0.25	11.91
December 31, 2005	7.64	20.42	0.50	1.43	0.10	30.09	2.05	5.00	11.58 (3)	0.06	0.25	11.89
June 30, 2006 (4)	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 (4)	7.09	22.64	0.50	1.33	0.05	31.61	0.96	5.00	10.28 (3)	0.06	0.25	10.59
June 30, 2008 (4)	7.12	21.64	0.50	1.18	0.50	30.49	0.83	5.00	10.28 (3)	0.00	0.25	10.53
June 30, 2009 (4)	7.12	21.64	0.50	1.18	0.54	30.49	0.83	5.00	10.28 (3)	0.00	0.25	10.53

Source: **December 2002 -June 2009** **Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report For the Year Ended June 30, 2009**
December 2000 -December 2001 **Statistical section of the Atlanta Board of Education Financial Report for the Year Ended June 30, 2008**

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

**ATLANTA INDEPENDENT SCHOOL SYSTEM
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2008 AND NINE YEARS AGO**

Schedule 9

2008

Tax Payer	Type of Business	Taxable Assessed Value₁	Rank	Percentage of Total City Taxable Assessed Value
AT &T (formerly Bell South)	Communication Service	\$ 333,432,299	1	1.36%
Georgia Power Company	Utility Service	332,146,406	2	1.36%
Development Authority of Fulton	Government	206,701,589	3	0.85%
Coca-Cola Company	Marketing and Manufacturing	174,796,651	4	0.72%
Post Apartment Homes	Residential Real Estate	168,194,137	5	0.69%
BF ATL, LLC	Commercial Real Estate	158,985,279	6	0.65%
Sun Trust Plaza Association	Commercial Real Estate	119,200,000	7	0.49%
Georgia Pacific Company	Pulp and Paper Manufacturing	105,231,889	8	0.43%
GA Promenade, LLC	Residential Real Estate	101,252,131	9	0.41%
Hines One Atlanta Center, LP	Commercial Real Estate	91,507,582	10	0.37%
Total		<u>\$ 1,791,447,963</u>		<u>7.33%</u>

1999

Tax Payer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Bell South	Communication Service	\$ 312,435,314	1	2.42%
Coca-Cola Company	Marketing and Manufacturing	155,802,140	2	1.21%
Georgia Power Company	Utility Service	152,322,369	3	1.18%
AT&T	Communication Service	135,061,777	4	1.05%
Georgia Pacific Company	Pulp and Paper Manufacturing	81,202,870	5	0.63%
CSC Associates	Commercial Real Estate	79,010,070	6	0.61%
One Ninety One Peachtree Association	Commercial Real Estate	76,178,120	7	0.59%
Sprint	Communication Service	33,365,121	8	0.26%
Norfolk Southern	Commercial Real Estate/Hospitality	29,011,609	9	0.22%
MCI Telecom	Communication Service	27,328,391	10	0.21%
Total		<u>\$ 1,081,717,781</u>		<u>8.38%</u>

Source: Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report
For the Year Ended June 30, 2009

Note:

- The final 2008 taxable assessed values for principal tax payers is not available due to the temporary collection order for 2008 which may cause some properties to be billed at prior year's value. The update will not be available until the 2008 digest is certified.

**ATLANTA INDEPENDENT SCHOOL SYSTEM
PROPERTY TAX LEVIES AND COLLECTIONS
LAST EIGHT 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
December 31, 2002	173,920,120	158,225,729	90.98%	15,105,557	173,331,286	99.66%
December 31, 2003	178,909,014	166,815,658	93.24%	11,462,115 ²	178,277,773	99.65%
December 31, 2004	180,733,587	170,502,285	94.34%	9,752,408 ²	180,254,693	99.74%
December 31, 2005	178,703,068	160,301,279	89.70%	17,909,963 ²	178,211,242	99.72%
June 30, 2006	6,750,195	6,750,195	100.00%	-	6,750,195	100.00%
June 30, 2007	179,606,933	164,976,460	91.85%	11,685,144 ²	176,661,604	98.36%
June 30, 2008	182,020,745	173,030,142	95.06%	6,494,066	179,527,207	98.63%
June 30, 2009	196,377,854	190,475,498	96.02%	7,422,956	197,898,454	99.76%

Source: Statistical section of the City of Atlanta, Georgia 2009 Comprehensive Annual Financial Report
For the Year Ended June 30, 2009

- Notes:**
- 1** Does not include tax revenues retained by Fulton and DeKalb County for administrative expenditures, therefore the collection rate shown is slightly less than actual.
 - 2** Adjusted to collection in subsequent year.
 - 3** Information for the period prior to December 31, 2002 was not available.
 - 4** The City of Atlanta changed from a December 31 fiscal year to a June 30 fiscal year in 2006.

**ATLANTA INDEPENDENT SCHOOL SYSTEM
COMPARISON OF PROPERTY TAX MILLAGE RATES
as of June 30, 2009
Schedule 11**

	<u>TOTAL RATE</u>	<u>MAINTENANCE AND OPERATION</u>	<u>DEBT SERVICE</u>
Atlanta Public Schools	22.18	21.64	0.54
Clayton County Schools	20.00	20.00	0.00
Cobb County Schools	18.90	18.90	0.00
DeKalb County Schools	22.98	22.98	0.00
Douglas County Schools	21.35	18.35	3.00
Fulton County Schools	17.50	17.50	0.00
Gwinnett County Schools	20.55	19.25	1.30
Rockdale County Schools	21.00	21.00	0.00

Source: Georgia Department of Revenue and Atlanta Public School Board Docs

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

ATLANTA INDEPENDENT SCHOOL SYSTEM
TAX MILLAGE RATES
LAST TEN FISCAL YEARS
Schedule 12

Tax Year	Maintenance and Operations	Sinking Bond Fund	Total Levy	Comments
2000	23.84	0.96	24.80	Millage rate roll-back of \$1.09 on every \$1,000 levied for Education
2001	21.94	0.12	22.06	Decrease of 2.74 mills due to: o Roll-Back Operating - 1.9 mills o Defeasement Bond Sinking .77 mills o Roll-Back Bond Sinking .07 mills
2002	21.67	0.11	21.78	Decrease of 0.276 mills
2003	21.46	0.11	21.57	Decrease of 0.215 mills
2004	20.87	0.11	20.98	Decrease of 0.58 mills
2005	20.42	0.10	20.53	Decrease of 0.45 mills
2006	22.65	0.05	22.70	Increase of 2.17 mills
2007	22.64	0.054	22.694	Decrease of 0.006 mills
2008	21.64	0.054	21.694	Decrease of 1.000 mills
2009	21.64	0.054	21.694	No change from 2008

Source: Georgia Department of Revenue and Atlanta Public School Board Docs

**ATLANTA INDEPENDENT SCHOOL SYSTEM
DEMOGRAPHIC STATISTICS
LAST EIGHT FISCAL YEARS**
Schedule 13

Fiscal Year Ended	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
December 31, 2002	428,100	149,831	32,925	32.3	55,640	7.9%
December 31, 2003	432,900	153,070	32,739	34.0	53,485	7.7%
December 31, 2004	434,900	162,297	33,838	33.8	51,358	7.4%
Decemver 31, 2005	442,100	173,159	34,825	34.7	50,188	5.9%
June 30, 2006	451,600	184,186	35,846	34.7	49,924	5.3%
June 30, 2007	451,600	184,186	35,846	34.7	49,707	4.5%
June 30, 2008	461,956	196,683	36,309	32.0	51,377	5.9%
June 30, 2009	477,300	198,580	37,744	35.0	48,093	10.3%

Source: Statistical section of the City of Atlanta, Georgia 2009 Comprehensive Annual Financial Report
For the Year Ended June 30, 2009

Notes: 1 Information for the period prior to December 31, 2002 was not available.
2 The City of Atlanta changed from a December 31 fiscal year to a June 30 fiscal year in 2006.

ATLANTA INDEPENDENT SCHOOL SYSTEM
GENERAL FUND PER PUPIL COST
LAST TEN FISCAL YEARS
Schedule 14

<u>Fiscal Year ⁴</u>	<u>Expenditures ¹</u>	<u>Active Enrollment ²</u>	<u>Cost Per Pupil Enrolled</u>	<u>Average Daily Attendance ³</u>	<u>Cost Per Pupil Attended</u>
2000	432,522	58,097	7.445	52,684	8.210
2001	492,249	56,955	8.643	54,411	9.047
2002	509,972	56,586	9.012	54,961	9.279
2003	517,196	54,946	9.413	52,398	9.871
2004	533,269	52,103	10.235	49,565	10.759
2005	502,432	51,377	9.779	49,138	10.225
2006	509,458	50,631	10.062	44,534	11.440
2007	536,734	49,773	10.798	48,720	11.017
2008	591,778	48,532	12.194	44,935	13.170
2009	589,003	48,093	12.247	51,449	11.448

Sources: ¹ Atlanta Independent School System Financial Reports for fiscal year ended June 30, 2009
² GA Department of Education Enrollment by Grade report for FY2009.
³ APS Average Daily attendance report as of June 30, 2009.
⁴ Fiscal years 2000-2008 - Statistical section of the 2008 Atlanta Board of Education CAFR.

**ATLANTA INDEPENDENT SCHOOL SYSTEM
SCHOOL BREAKFAST PROGRAM
LAST TEN FISCAL YEARS
MEALS SERVED
Schedule 15**

<u>Fiscal Year</u>	<u>Total</u>	<u>Free</u>	<u>Reduced</u>	<u>Paid</u>
2000	3,301,943	2,868,928	91,094	341,921
2001	3,132,092	2,784,088	75,298	272,706
2002	3,247,865	3,018,458	76,582	152,825
2003	3,022,747	2,744,137	71,277	207,333
2004	3,249,614	2,935,318	72,924	241,372
2005	2,788,851	2,499,934	83,064	205,853
2006	2,707,493	2,435,219	85,014	187,260
2007	2,782,559	2,490,514	105,082	186,963
2008	2,854,746	2,597,420	85,533	171,793
2009	2,884,599	2,634,544	78,887	171,168

Source: Atlanta Public School Nutrition Department

**ATLANTA INDEPENDENT SCHOOL SYSTEM
SCHOOL LUNCH PROGRAM
LAST TEN FISCAL YEARS
MEALS SERVED
Schedule 16**

<u>Fiscal Year</u>	<u>Total</u>	<u>Free</u>	<u>Reduced</u>	<u>Paid</u>
2000	7,317,974	5,746,033	307,254	1,264,687
2001	7,173,947	5,786,478	273,307	1,114,162
2002	7,073,273	6,043,275	282,511	747,487
2003	6,834,927	5,720,433	260,505	853,989
2004	6,597,114	5,420,054	230,992	946,068
2005	6,040,086	4,929,194	283,294	827,598
2006	5,980,314	4,924,894	289,292	766,128
2007	5,938,199	4,886,222	314,070	737,907
2008	5,894,475	4,943,800	272,290	678,385
2009	5,919,633	4,961,606	252,189	705,838

Source: Atlanta Public School Nutrition Department

**ATLANTA INDEPENDENT SCHOOL SYSTEM
NUMBER OF SCHOOLS
LAST TEN FISCAL YEARS**
Schedule 17

<u>Fiscal Year</u>	<u>Total</u>	<u>Elementary</u>	<u>Middle</u>	<u>High</u>
2000	96	68	17	11
2001	95	68	16	11
2002	92	66	16	10
2003	89	63	16	10
2004	89	63	16	10
2005	85	59	16	10
2006	89	59	16	14
2007	94	58	16	20
2008	93	57	17	19
2009	95	57	19	19

Source: Atlanta Public Schools - Web Page - Fast Facts

ATLANTA INDEPENDENT SCHOOL SYSTEM
Principal Employers
Last Eight Years
Schedule 18

2002				2003			
Employer	Type of Business	Employees	Percentage of Total Employment	Employer	Type of Business	Employees	Percentage of Total Employment
International Business Machine Corp.	Technology Services	3,851	1.99%	International Business Machine Corp.	Technology Services	3,683	1.90%
Georgia-Pacific Corporation	Pulp and Paper Manufacturing	3,245	1.68%	Georgia-Pacific Corporation	Pulp and Paper Manufacturing	3,352	1.73%
Efficiency Plus Consultants	Consulting	3,200	1.65%	Efficiency Plus Consultants	Consulting	3,200	1.65%
The Coca-Cola Company	Marketing and Manufacturing	3,181	1.64%	The Coca-Cola Company	Marketing and Manufacturing	3,095	1.60%
Cable News Network, Inc.	Media	2,055	1.06%	Cable News Network, Inc.	Media	2,087	1.08%
Atlanta Journal and Constitution	Media	1,423	0.73%	Atlanta Journal and Constitution	Media	1,664	0.86%
Tenet Healthsystem, Inc.	Healthcare	1,336	0.69%	Tenet Healthsystem, Inc.	Healthcare	1,400	0.72%
Turner Entertainment Networks	Entertainment	1,019	0.53%	Turner Entertainment Networks	Entertainment	1,029	0.53%
Atlanta Marriott Marquis Hotel	Hospitality	1,000	0.52%	Turner Broadcasting System, Inc.	Media/Entertainment	912	0.47%
Turner Broadcasting System, Inc.	Media/Entertainment	943	0.49%	Skanska USA Building, Inc.	Construction-related Services	793	0.41%
Total		21,253	10.97%	Total		21,215	10.95%

2004				2005			
Employer	Type of Business	Employees	Percentage of Total Employment	Employer	Type of Business	Employees	Percentage of Total Employment
International Business Machine Corp.	Technology Services	3,864	1.97%	International Business Machine Corp.	Technology Services	3,697	1.81%
Georgia-Pacific Corporation	Pulp and Paper Manufacturing	3,358	1.71%	The Coca-Cola Company	Marketing and Manufacturing	3,096	1.52%
The Coca-Cola Company	Marketing and Manufacturing	3,062	1.56%	Accenture LLP	Consulting	3,000	1.47%
Cable News Network, Inc.	Media	1,953	0.99%	Georgia-Pacific Corporation	Pulp and Paper Manufacturing	2,434	1.19%
Atlanta Journal and Constitution	Media	1,407	0.72%	Cable News Network, Inc.	Media	1,922	0.94%
Tenet Healthsystem, Inc.	Healthcare	1,377	0.70%	Allied Barton Security Services	Security Services	1,896	0.93%
Turner Entertainment Networks	Entertainment	1,067	0.54%	Tenet Healthsystem, Inc.	Healthcare	1,410	0.69%
Turner Broadcasting System, Inc.	Media/Entertainment	974	0.50%	Turner Broadcasting System, Inc.	Media/Entertainment	1,351	0.66%
Atlanta Spirit, Inc.	Sports	797	0.41%	Turner Entertainment Networks	Entertainment	1,118	0.55%
Air Serv Corp.	Transportation	767	0.39%	Atlanta Journal and Constitution	Media	1,017	0.50%
Total		18,626	9.49%	Total		20,941	10.26%

2006				2007			
Employer	Type of Business	Employees	Percentage of Total Employment	Employer	Type of Business	Employees	Percentage of Total Employment
International Business Machine Corp.	Technology Services	4,225	2.00%	The Coca-Cola Company	Marketing and Manufacturing	3,029	1.65%
The Coca-Cola Company	Marketing and Manufacturing	3,178	1.51%	Allied Barton Security Services	Security Services	2,395	1.30%
Allied Barton Security Services	Security Services	2,148	1.02%	Accenture LLP	Consulting	2,100	1.14%
Cable News Network, Inc.	Media	1,924	0.91%	Cable News Network, Inc.	Media	1,809	0.98%
Air Serv Corp.	Transportation	1,721	0.82%	Turner Broadcasting System, Inc.	Media/Entertainment	1,710	0.93%
Accenture LLP	Consulting	1,700	0.81%	Air Serv Corp.	Transportation	1,391	0.76%
Turner Broadcasting System, Inc.	Media/Entertainment	1,528	0.72%	Turner Entertainment Networks	Entertainment	1,290	0.70%
Tenet Healthsystem, Inc.	Healthcare	1,408	0.67%	Tenet Healthsystem, Inc.	Healthcare	1,279	0.69%
Turner Entertainment Networks	Entertainment	1,054	0.50%	Georgia-Pacific Corporation	Pulp and Paper Manufacturing	1,106	0.60%
Atlanta Journal and Constitution	Media	1,036	0.49%	Earthlink, Inc.	Internet	1,106	0.60%
Total		19,922	9.45%	Total		17,215	9.35%

2008				2009			
Employer	Type of Business	Employees	Percentage of Total Employment	Employer	Type of Business	Employees	Percentage of Total Employment
International Business Machine Corp.	Technology Services	3,827	1.95%	The Coca-Cola Company	Marketing and Manufacturing		
Allied Barton Security Services	Security Services	3,702	1.88%	Allied Barton Security Services	Security Services		
The Coca-Cola Company	Marketing and Manufacturing	3,009	1.53%	Accenture LLP	Consulting		
Accenture LLP	Consulting	1,900	0.97%	Cable News Network, Inc.	Media		
Cable News network	Media	1,871	0.95%	Turner Broadcasting System, Inc.	Media/Entertainment		
Turner Broadcasting System, Inc.	Media/Entertainment	1,781	0.91%	Air Serv Corp.	Transportation		
Tenet Health System, Inc.	Healthcare	1,251	0.64%	Turner Entertainment Networks	Entertainment		
Georgia-Pacific Corporation	Pulp and Paper Manufacturing	1,099	0.56%	Tenet Healthsystem, Inc.	Healthcare		
Air Service Corp	Transportation	1,060	0.54%	Georgia-Pacific Corporation	Pulp and Paper Manufacturing		
Atlanta Journal and Constitution	Media	1,008	0.51%	Earthlink, Inc.	Internet		
Total		20,508	10.44%	Total			

Source: Statistical section of the City of Atlanta, Georgia 2009 Comprehensive Annual Financial Report
For the Year Ended June 30, 2009

Note: 1. Fiscal Year 2009 data was not available.