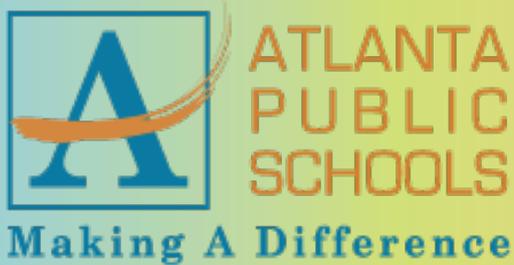


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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2010

**Atlanta Independent School System
Atlanta, Georgia**



ATLANTA INDEPENDENT SCHOOL SYSTEM

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
JUNE 30, 2010**

**Office of the Chief Financial Officer
Charles A. Burbridge**

130 Trinity Avenue, SW

Atlanta, Georgia 30303

ATLANTA INDEPENDENT SCHOOL SYSTEM

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INTRODUCTORY SECTION

March 22, 2011

Dear Citizens:

Atlanta Public Schools (APS) continues its journey to excellence, which began in 1999 under the leadership of Superintendent Dr. Beverly L. Hall. Directed by the assumption that every child can learn and succeed academically if provided quality instruction in a safe and nurturing learning environment, Atlanta Public Schools began implementing research-based reform models on a district-wide basis. These reform models focus on increasing student academic 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 academic 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. Three-fourths of APS students qualify for the federal free and reduced priced meals program, based on their family incomes that place them near the poverty line. Students also relocate frequently with nearly one-third of APS students moving during any single school year.

A decade ago, APS struggled in many areas. Student performance trailed the state by double digits, absenteeism was chronic; the graduation rate was below 40 percent; and the District had five superintendents at the helm in a 10-year period.

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

Highlights:

- APS fourth and eighth grade reading scores improved by fourteen points since 2002 on the National Assessment of Student Progress (NAEP) national standardized test. Student performance on these tests affirms the District's overall progress on state assessments.
- The District's graduation rate has increased dramatically, from 39 percent in 2002 to 69 percent in 2009.
- APS high school students from the class of 2010 earned a record \$129 million in academic and athletic scholarship offers. APS students also earned a record twenty-

nine 2010 Gates Millennium Scholarships – more than any school District in the nation.

APS Points of Pride

1. Seventy-nine percent of APS eighth-grade students met or exceeded standards on the 2010 Georgia Grade 8 Writing Assessment, improving their performance by 5 percentage points and closing the achievement gap with the state.
2. Bolstered by a \$10 million grant from the Bill and Melinda Gates Foundation, APS has accelerated its efforts to recruit, prepare and support teachers through its Effective Teacher in Every Classroom Initiative. This initiative reflects research that indicates all students can achieve at high levels in the presence of a highly effective teacher.
3. International Baccalaureate (IB) instruction is available to students in kindergarten through high school, including students at the newly IB-certified Deerwood Academy in southwest Atlanta. To compete on a global playing field, APS offers courses in Mandarin Chinese, Spanish and French. Arabic and Latin are also available in several high schools.
4. To promote a smooth transition from elementary to middle school, APS created the Middle School Transformation Initiative. In addition to single-gender schools, APS middle school students will benefit from block scheduling that provides more individualized instruction.
5. From a \$22.5 million math and science grant from the GE Foundation to the Early Learning and Literacy Resource Center housed at Dunbar Elementary with support from the Annie E. Casey Foundation and other partners, a network of civic and Fortune 500 companies has invested in APS' student achievement.
6. All APS high schools have been transformed into smaller, more personalized learning environments that offer specialized fields of study.
7. The District's two single-gender middle schools opened their associated high schools this year with incoming freshmen classes at B.E.S.T. Academy for boys and Coretta Scott King Young Women's Leadership Academy for girls.
8. Major renovations are underway at four APS schools, including North Atlanta, Benjamin E. Mays and D.M. Therrell high schools and Continental Colony Elementary School. These projects involve complete renovations and upgrades of existing buildings and campuses, costing more than \$100 million.
9. Project GRAD, a signature reform initiative, helps students in 35 schools to envision a path that includes college and career.
10. As other districts reduce arts education programs, APS has maintained its commitments to quality instruction in this area. The Fine Arts Department has earned more than \$1.2 million in professional development grants. Students also participate in programs with the Woodruff

Arts Center, the High Museum of Art and the Julliard School, which offers a Summer Jazz Residency.

Challenges Ahead

The challenges that confront those of us spearheading advances in urban public education are many and varied. In the case of Atlanta Public Schools, these challenges include questions raised recently about the integrity of state standardized tests administered to APS students and about the very real gains experienced by our students over the past decade. These are serious questions that deserve serious responses.

- In response to concerns raised about excessive erasures on the 2009 Criterion-Reference Competency Test (CRCT), the Atlanta Board of Education called for an independent investigation that involved the creation of a Blue Ribbon Commission to oversee the probe that was conducted by two national testing and forensic accounting firms. The results of that initial five-month investigation are currently being reviewed and further investigated by the state and APS. The District has taken a number of proactive actions based on the preliminary results of the independent investigation, including bolstering testing policies and procedures and providing a tailored education program for those students who may have been impacted by testing irregularities.
- In response to questions that have been raised recently about the District's graduation and dropout rates, we are currently reviewing the data associated with these areas from over the past decade to ensure that they accurately reflect the progress that we have made in accelerating student achievement and providing graduating seniors with the knowledge they need to be successful in doing college and university level work.
- APS has successfully met the challenge of maintaining a high level of educational services for our students during this extended economic downturn that has resulted in a reduction of resources, including state and property tax revenues to support education. Despite these considerable challenges, APS has maintained its commitment to continuing to provide visual and performing arts and music programs for our students. These programs enhance student achievement in the core curriculum courses and help reduce the dropout rate by maintaining the interest of those students with interests in the arts. While all schools and departments have experienced budget cuts as a result of dwindling economic resources, the District's innovative urban school reform programs continue intact, along with the maintenance of academic coaches, counselors, school nurses and social workers – all of which are essential components of the educational services provided to our students.

Local Economy

The development of the fiscal year 2010 budget, which was approved on May 10, 2010, was a planned, orderly process which evaluated the prioritization of available funds for provision of

Educational services for APS students.

Both of our primary funding sources for the fiscal year 2010 budget have suffered, primarily because of the nationwide recession. Our major revenue stream for operations is property taxes, although we reported more in fiscal year 2009, this revenue stream was below the budget by \$12.7 million.

Our second major general fund revenue stream is state revenue through the “Quality Basic Education” Act funding. Because of the economy in Georgia, the Governor has made numerous austerity reductions in this revenue stream exceeding \$22.3 million.

The economic slowdown, additional state budget cuts, increased unfunded mandates and tax revenue challenges have put tremendous challenges to the School District. There will be continuing financial challenges for fiscal year 2011 and beyond.

Long-Term Financial Planning

The School District plans capital improvements as future capital needs arise due to student population changes and facility repair and maintenance needs. Specific capital expenditure plans are formalized in conjunction with SPLOST receipts and anticipated annual receipts of capital outlay funds from the State of Georgia Department of Education. The School District regularly monitors anticipated capital outlay needs.

Strategic Planning, Implementation and Measurement

APS understands that a sound strategic plan is essential to the effective delivery of a world-class education. The District employs the Balanced Scorecard strategic management system to increase total customer value to students, parents, employees and community members. The strategic management system facilitates regular measurement of 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

The CAFR is prepared pursuant to OCGA 36-81-7. An independent audit was conducted by Mauldin and Jenkins, LLC.

Despite some of the challenges facing APS, we ended the fiscal year better than budgeted in the General Operating Fund. Using the full accrual basis of accounting, APS has total net assets of \$1.3 billion, an increase of approximately \$16.21 million from fiscal year 2009. There was also a decrease in unreserved fund balance. Further discussion is included in Management’s Discussion and Analysis as presented on pages 3-14.

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 Note 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 (CAFR) for the fiscal year ended June 30, 2009. 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.

The District also received the Association of School Business Officials (ASBO) International's Certificate of Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the year ended June 30, 2009. This is the first year that the School District submitted the CAFR to ASBO. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International.

The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials and is also valid for a period of one year.

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, 2010. 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, 2009

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

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

ATLANTA INDEPENDENT SCHOOL SYSTEM

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2009

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Erin Green

President

John D. Munn

Executive Director

ATLANTA INDEPENDENT SCHOOL SYSTEM

List of Principal Officials June 30, 2010

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, 2010**

SUPERINTENDENT

Beverly L. Hall, Ed.D.

SENIOR CABINET

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

Veleter Mazyck.....General Counsel

Kathy Augustine..... Deputy Superintendent for Instruction

Millicent Few..... Chief Human Resources Officer

Larry Hoskins.....Deputy Superintendent for Operations

Suzanne Yeager.....Chief Communications Officer

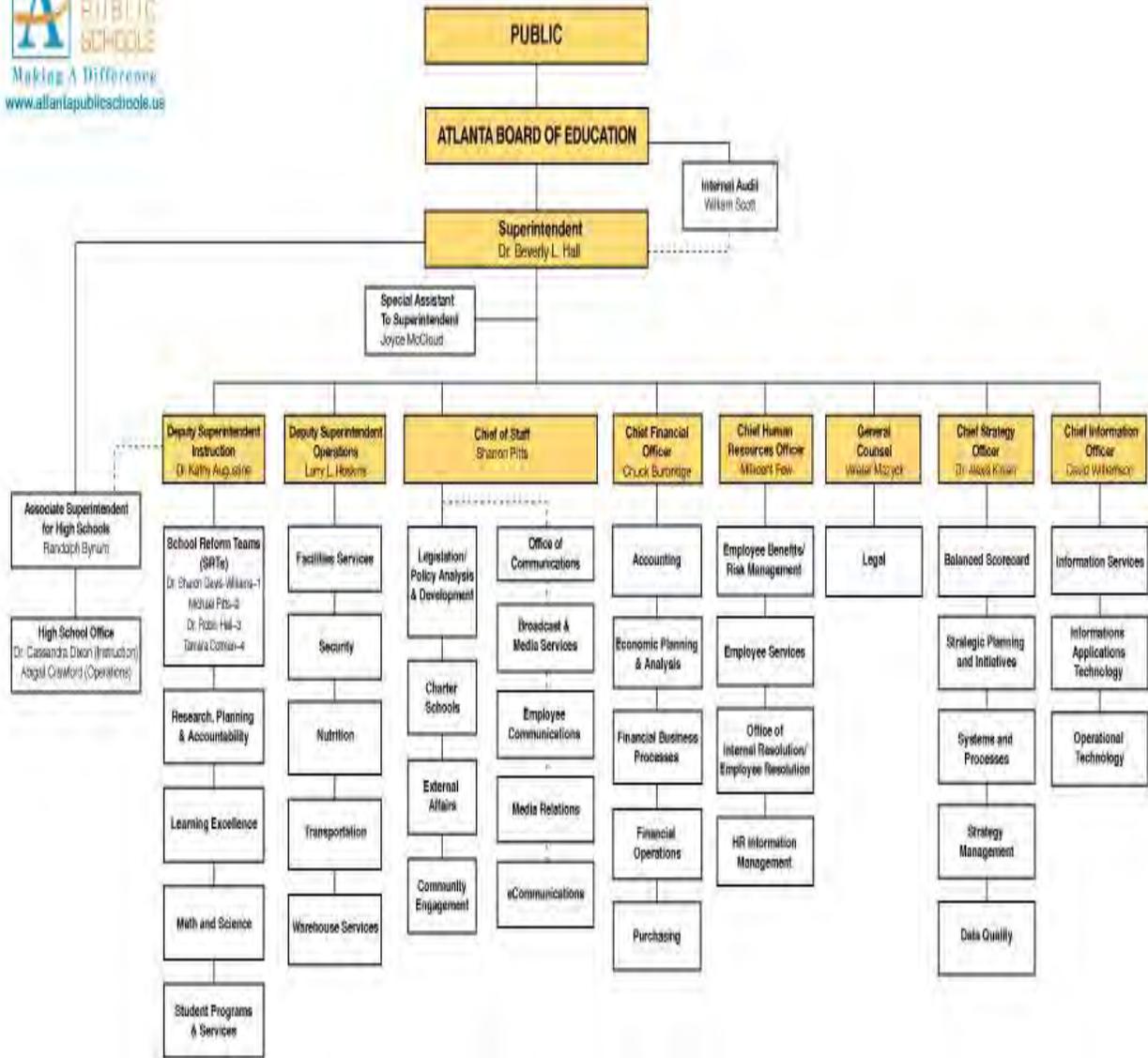
Joyce McCloud.....Special Assistant to the Superintendent

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

David Williamson.....Chief Information 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.

December 2010

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, 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, 2010, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Atlanta Independent School System as of June 30, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2011, 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 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, the Title I Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual, and the Schedule of Funding Progress as presented on pages 3 through 14 and pages 51, 52, and 53, 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 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 in the audit of the basic financial statements and, in our opinion, 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 in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 22, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

ATLANTA INDEPENDENT SCHOOL SYSTEM
Management's Discussion and Analysis
For the Year Ended June 30, 2010

The discussion and analysis of the Atlanta Independent School System's financial performance provides an overview of the fiscal year ended June 30, 2010. 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) Government-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, 2010 and contains other supplementary information.

FINANCIAL HIGHLIGHTS

Overall, net assets in fiscal year 2010 increased by 1.3% over fiscal year 2009. This is evidence of management's ability to maintain a balanced budget and control expenses, despite austerity reductions due to economic downturns affecting the Districts revenues. The key financial highlights for fiscal year 2010 as represented are:

Government-wide Financial Statements:

- Total net assets for the School System increased from \$1,282.71 million in fiscal year 2009 to \$1,298.92 million in fiscal year 2010, an increase of approximately \$16.21 million or 1.3% due to revenues exceeded expenses by approximately \$16 million as a result of major budget cuts during the year. Net assets increased by \$16.14 million for Governmental Activities and increased by roughly \$66,000 for Business-type Activities.
- Total revenues decreased from \$845.46 million in fiscal year 2009 to \$805.54 million in fiscal year 2010, a decrease of approximately \$-39.92 million or -4.7%. Revenue for Governmental Activities decreased \$-39.96 million while revenue for Business-type activities increased by \$0.05 million.
- Total expenses increased \$3.28 million or 0.4% from \$786.06 million in fiscal year 2009 to \$789.34 million in fiscal year 2010. Expenses increased in Governmental Activities by \$1.81 million and increased by \$1.47 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

Government-wide Financial Statements

The Government-wide financial statements are designed to provide the reader with a broad overview of the School System's finances in a manner similar to those used by private-sector businesses. The Statement of Net 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 administration, maintenance and operation of facilities, student transportation and central support.
- *Business-type Activities* – This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The Food Services proprietary fund is reported as a business-type activity.

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

	Governmental Activities		Business-type Activities		Total School System		
	2010	Restated 2009	2010	2009	2010	Restated 2009	percentage change
Current and other assets	\$ 376.38	\$ 453.29	\$ 2.47	\$ 2.34	\$ 378.85	\$ 455.63	-16.85%
Net capital assets	1,099.20	1,007.83	0.00	0.00	1,099.20	1,007.83	9.07%
Total assets	1,475.58	1,461.12	2.47	2.34	1,478.05	1,463.46	1.0%
Long-term debt outstanding	88.82	67.10	0.00	0.00	88.82	67.10	32.4%
Other liabilities	89.88	113.28	0.43	0.37	90.31	113.65	-20.5%
Total liabilities	178.70	180.38	0.43	0.37	179.13	180.75	-0.9%
Net assets							
Invested in capital assets, net of related debt	1,056.75	959.62	0.00	0.00	1,056.75	959.62	10.1%
Restricted for debt services	1.87	2.58	0.00	0.00	1.87	2.58	-27.6%
Restricted for capital projects	110.07	149.80	0.00	0.00	110.07	149.80	-26.5%
Unrestricted	128.19	168.74	2.04	1.97	130.23	170.71	-23.7%
Total net assets	\$ 1,296.88	\$ 1,280.74	\$ 2.04	\$ 1.97	\$ 1,298.92	\$ 1,282.71	1.3%

- **Total assets** increased by \$14.59 million or 1.0%.
- **Current and other assets** decreased by \$-76.78 million or -16.85%.

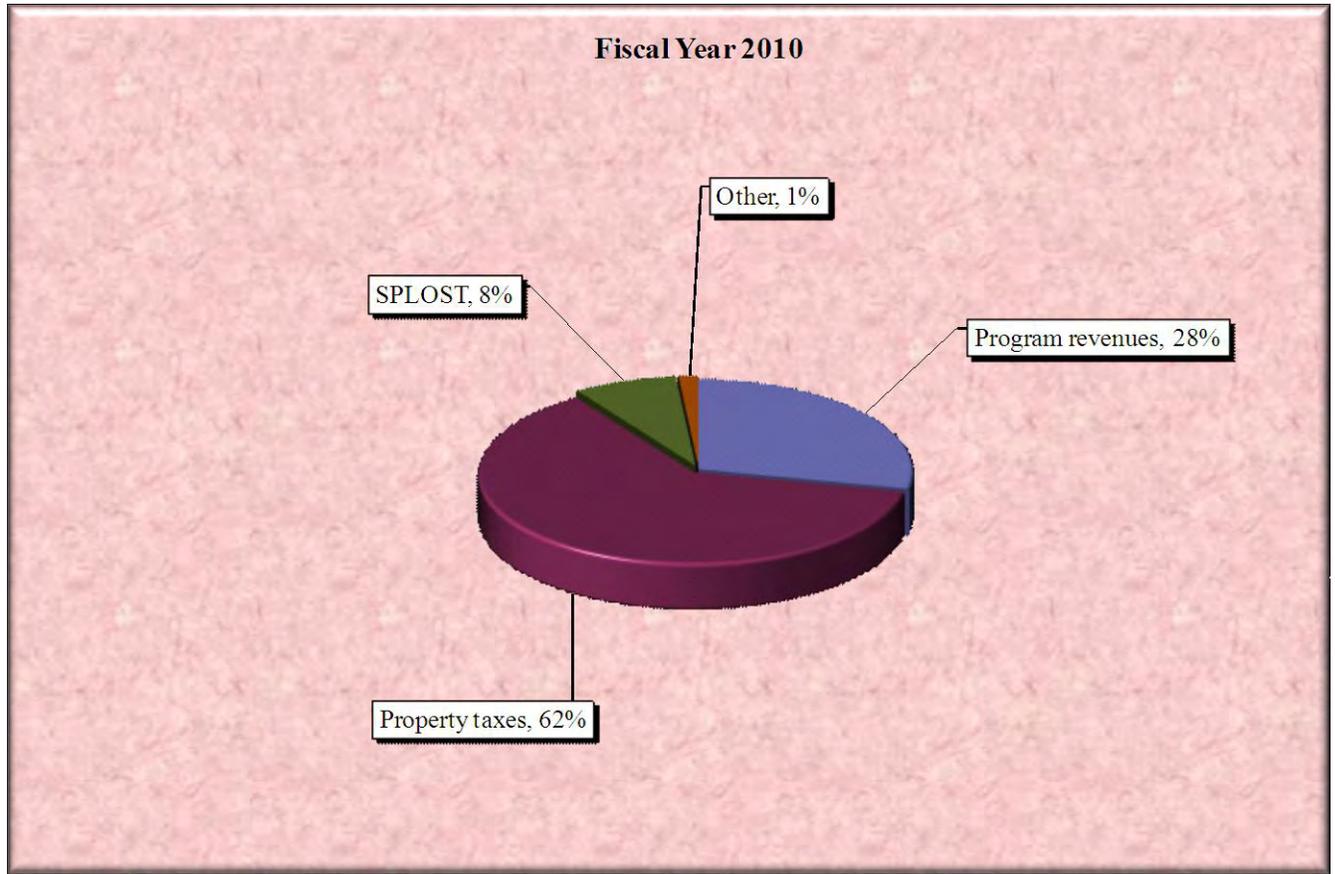
- **Capital assets, net of accumulated depreciation** for all activities increased by \$91.37 million or 9.07%. For governmental activities, the increase primarily represents additions to buildings and building improvements.
- **Long-term debt outstanding** increased by \$21.72 million or 32.4%. The increase was primarily due to the increase of contingent liabilities for sales tax and SPLOST refunds of roughly \$31.5 million offset by reductions of \$4.1 million and \$3.2 million decreases in capital leases and contingent liabilities, respectively.

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

	Governmental Activities		Business-type Activities		Total School System		
	2010	Restated 2009	2010	2009	2010	Restated 2009	Percentage Change
Revenues							
Program revenues							
Charges for services	\$ 1.84	\$ 2.15	\$ 1.84	\$ 2.29	\$ 3.68	\$ 4.44	-17.2%
Operating grants and contributions	203.78	203.64	21.44	20.95	225.22	224.59	0.3%
General revenues							
Property taxes, levied for general purposes	498.92	479.63	0.00	0.00	498.92	479.63	4.0%
Special Purpose Local Option Sales Tax	63.43	108.96	0.00	0.00	63.43	108.96	-41.8%
Investment earnings	0.23	6.42	0.01	0.00	0.24	6.42	-96.3%
Grants and Contributions not restricted to specific programs	1.31	4.33	0.00	0.00	1.31	4.33	-69.8%
Property taxes levied for debt service	1.27	1.26	0.00	0.00	1.27	1.26	0.9%
Other	10.58	15.30	0.00	0.00	10.58	15.30	-30.8%
Gain on Sale of Assets	0.90	0.53	0.00	0.00	0.90	0.53	69.3%
Total Revenues	782.26	822.22	23.29	23.24	805.55	845.46	-4.7%
Expenses:							
Instruction	438.04	427.13	0.00	0.00	438.04	427.13	2.6%
Support Services:							
Pupil services	37.30	36.13	0.00	0.00	37.30	36.13	3.2%
Improvement of instructional services	40.43	38.60	0.00	0.00	40.43	38.60	4.7%
Educational media	8.39	9.22	0.00	0.00	8.39	9.22	-9.0%
General administration	14.11	15.70	0.00	0.00	14.11	15.70	-10.1%
School administration	28.24	26.43	0.00	0.00	28.24	26.43	6.8%
Business administration	15.33	24.15	0.00	0.00	15.33	24.15	-36.5%
Maintenance and operation of facilities	90.75	88.48	0.00	0.00	90.75	88.48	2.6%
Student transportation	39.59	53.66	0.00	0.00	39.59	53.66	-26.2%
Central support	48.57	38.80	0.00	0.00	48.57	38.80	25.2%
Food services	0.00	0.00	23.22	21.75	23.22	21.75	6.8%
Other support services	3.35	3.71	0.00	0.00	3.35	3.71	-9.7%
Interest expense	2.02	2.30	0.00	0.00	2.02	2.30	-12.1%
Total Expenses	766.12	764.31	23.22	21.75	789.34	786.06	0.4%
Change in Net Assets	\$ 16.14	\$ 57.91	\$ 0.07	\$ 1.49	\$ 16.21	\$ 59.40	-72.7%
Beginning Net Assets, as restated (Note R)	1,280.74	1,222.83	1.97	0.48	1,282.71	1,223.31	
Ending Net Assets	1,296.88	1,280.74	2.04	1.97	1,298.92	1,282.71	

Primary Government

Sources of Revenues

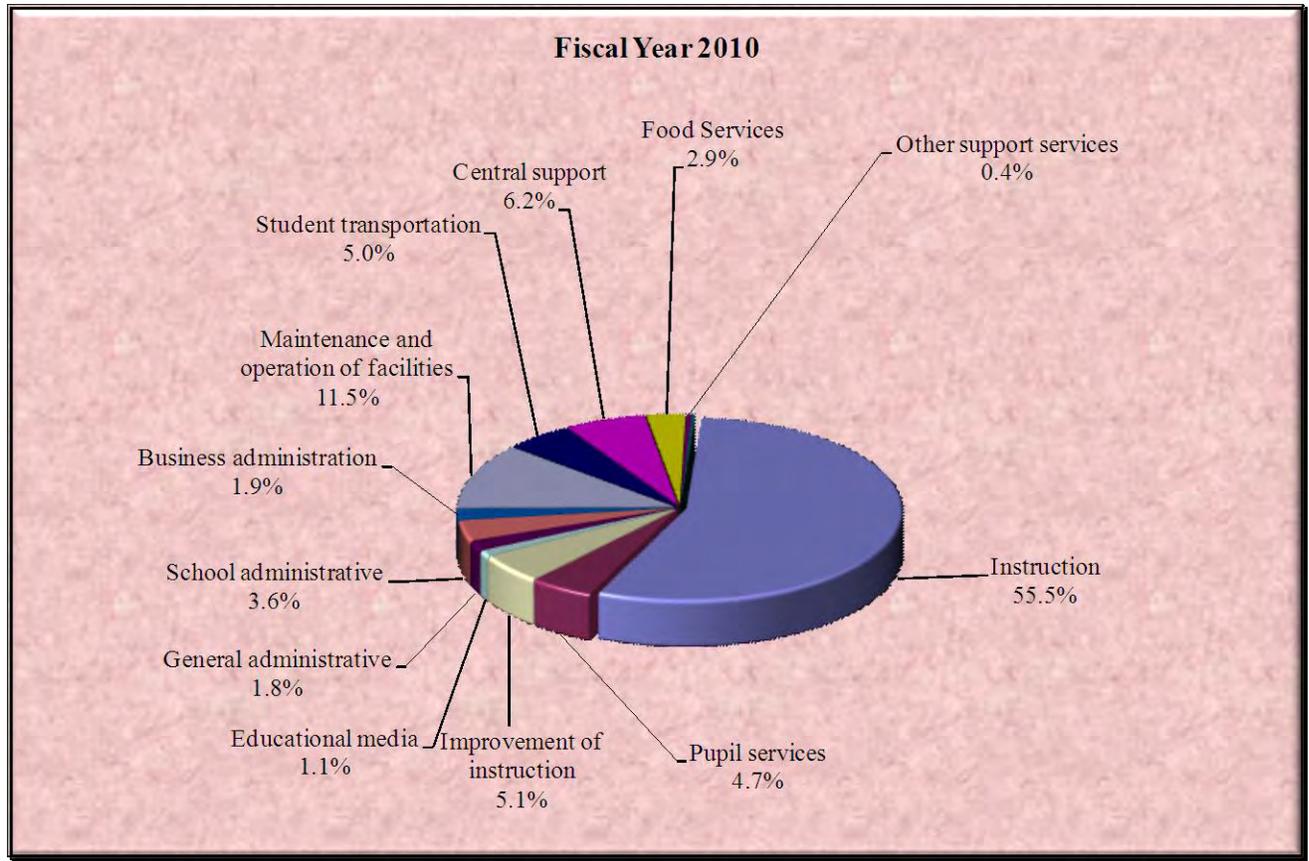


Total revenues, overall, decreased \$-39.92 million or -4.7%, from fiscal year 2009 to fiscal year 2010, due to a decrease of approximately \$46 million in SPLOST revenue offset by an increase of approximately \$19 million in property taxes.

- Program revenues are primarily grant related and account for 28.4% or \$228.90 million, of total revenues received due to State QBE revenue decrease.
- General revenues represent the major revenue stream for the School System. They account for 71.6% or \$576.65 million, of total revenues received in FY 2010. Between fiscal years 2009 and 2010, an increase of \$19.29 million in property tax revenue occurred and a decrease in SPLOST sales tax revenues of \$-45.53 million.

Primary Government

Expenses



Total expenses increased from 2009 to 2010 by 0.4% or \$3.28 million. Management continues to accurately forecast spending levels and manage spending throughout the year.

- Governmental activities account for 97.1%, or \$766.12 million of total District spending. Four groups of activities account for 86.7%, or \$664.20 million of governmental spending: instruction (\$438.04 million or 57.2%); pupil and improvement of instructional services (\$77.73 million or 10.1%); administration and business services (\$57.68 million or 7.5%); and maintenance and operations (\$90.75 million or 11.8%).
- Business-activities revenues and expenses increased from 2009 to 2010, with revenue increasing by approximately \$47,000 or 0.2% and expenses increasing by \$1.47 million or 6.8%. Revenues increased due to an increase in pupil sales. Expenses increased as a result of unanticipated increase in costs.

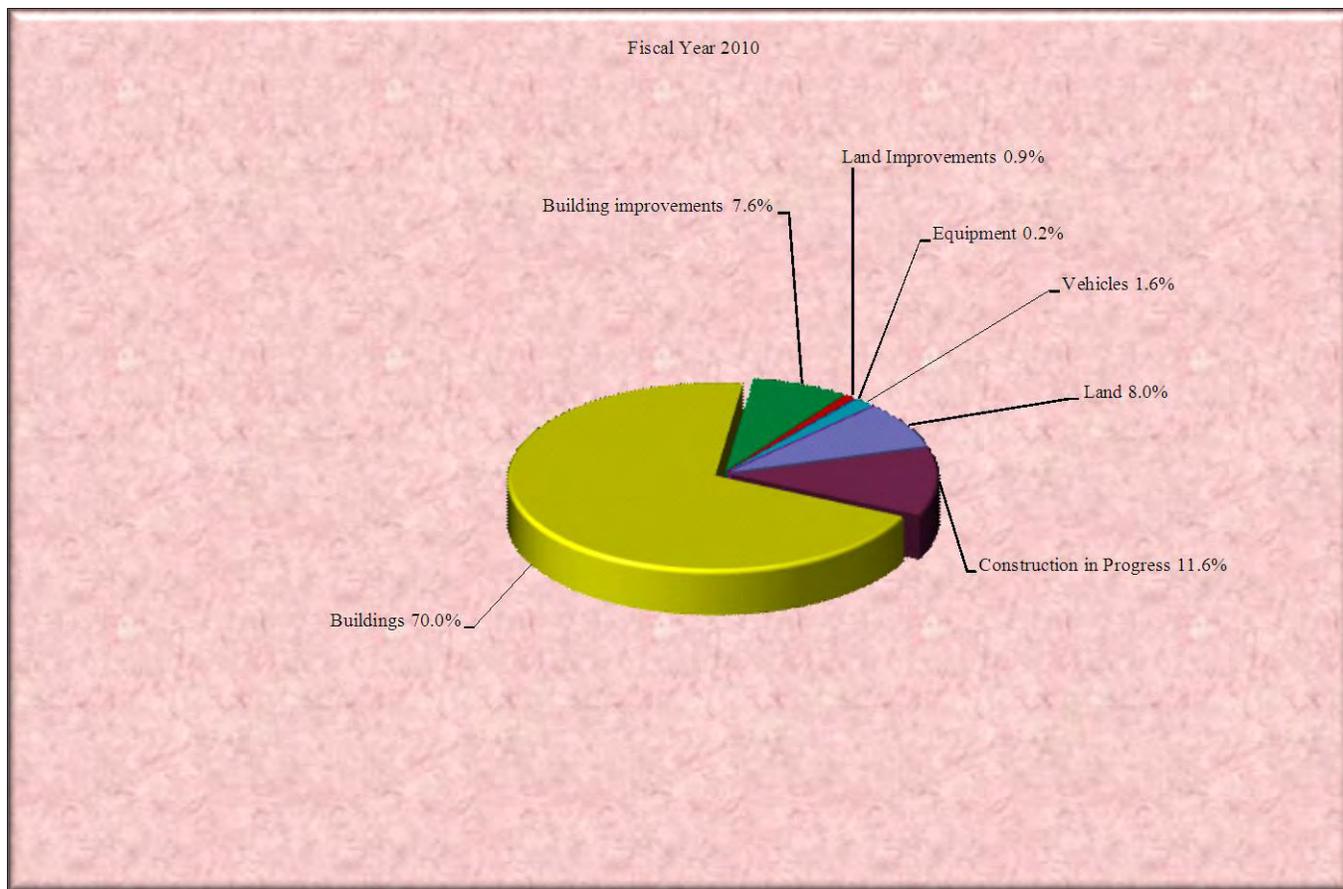
Table 3 - Net Cost of Governmental Activities (in millions of dollars)

	Total Cost of Services			Net Cost of Services		
	2010	Restated 2009	Percentage Change	2010	Restated 2009	Percentage Change
Instruction	\$ 438.04	\$ 427.13	2.6%	\$ -327.07	\$ -318.66	2.6%
Support Services :						
Pupil services	37.30	36.13	3.2%	-22.83	-15.85	44.1%
Improvement of instructional services	40.43	38.60	4.7%	-12.78	-18.40	-30.5%
Educational media	8.39	9.22	-9.0%	-6.99	-6.32	10.6%
General administration	14.11	15.70	-10.1%	-10.41	-9.91	5.0%
School administration	28.24	26.43	6.8%	-21.40	-20.55	4.1%
Business administration	15.33	24.15	-36.5%	-12.40	-20.22	-38.7%
Maintenance and operation of facilities	90.75	88.48	2.6%	-74.23	-69.94	6.1%
Student transportation	39.59	53.66	-26.2%	-31.31	-45.12	-30.6%
Central support	48.57	38.80	25.2%	-38.58	-31.12	24.0%
Community services	0.00	0.00	0.0%	2.12	2.81	-24.7%
Other support services	3.35	3.71	-9.7%	-3.35	-3.71	-9.7%
Enterprise operations	0.00	0.00	0.0%	0.75	0.78	-3.2%
Interest expense	2.02	2.30	-12.1%	-2.02	-2.30	-12.1%
Total Expenses	\$ 766.12	\$ 764.31	0.2%	\$ -560.50	\$ -558.51	0.4%

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		
	2010	Restated 2009	Percentage change
Land	\$ 87.48	\$ 87.60	-0.1%
Construction in Progress	128.03	122.27	4.7%
Buildings	769.91	720.38	6.9%
Building improvements	83.76	47.00	78.2%
Land Improvements	10.12	9.83	3.0%
Furniture and Fixtures	0.05	0.06	-16.7%
Equipment	2.04	1.34	52.2%
Vehicles	17.80	19.35	-8.0%
Total	\$ 1,099.19	\$ 1,007.83	9.1%



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		
	2010	Restated 2009	percentage change
Capital leases	\$ 14.00	\$ 18.16	-22.9%
Intergovernmental agreement-			
City of Atlanta	19.46	20.49	-5.0%
Education Reform Success	9.00	9.57	-6.0%
Compensated absences	5.80	5.31	9.2%
Contingent Liabilities - Legal	2.59	5.75	-54.9%
Contingent Liabilities - Sales Tax Refund	2.53	0.00	100.0%
Contingent Liabilities - SPLOST Refund	29.06		
Workers' compensation	6.38	7.83	-18.5%
	<u>\$ 88.82</u>	<u>\$ 67.11</u>	<u>32.4%</u>

Outstanding long-term debt increased, in the current fiscal year; due to the increase of contingent liabilities for sales tax and SPLOST refunds of roughly \$31.5 million offset by reductions of \$4.1 million and \$3.2 million decrease in capital leases and contingent liabilities, respectively (see Note R). For more detailed information on the School System's long-term debt, see Note H in the notes to the basic financial statements.

Fund Financial Statements

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

The School System has three 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, Title I – Special Revenue Fund, Capital Projects Fund and other governmental funds of lesser magnitude. Fund accounting statements use the modified accrual method of accounting, which measures cash and other financial assets that can be readily converted to cash. These statements present a short-term view of the School System's operations and services and do not include the long-term focus presented in the Government-wide financial statements. For an explanation of the differences, see the reconciliations included with the Governmental Fund Statements.

Proprietary fund 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 Government-wide statements. The School System has one proprietary fund, Food Services. This fund provides student meals at a cost based on the student's ability to pay, subsidized by federal funds and the School System.

Fiduciary fund 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 Government-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, Title I – Special Revenue Fund, Capital Projects Fund and other governmental funds by type of revenue for the fiscal year ended June 30, 2010 as compared to June 30, 2009.

Table 6 - Revenues (in millions of dollars)

	Governmental Funds			Percentage Change
	2010	Restated 2009	Increase (Decrease)	
Local taxes	\$ 493.83	\$ 507.89	\$ -14.06	-2.8%
Sales taxes income	95.44	103.77	-8.33	-8.0%
State revenues	110.94	129.11	-18.17	-14.1%
Federal revenues	82.46	70.34	12.12	17.2%
Investment income	0.41	6.42	-6.01	-93.6%
Facility rental fees	1.00	1.25	-0.25	-20.0%
Tuition charges	0.09	0.14	-0.05	-35.7%
Charges for services	0.75	0.77	-0.02	-2.6%
Other	22.08	23.82	-1.74	-7.3%
Proceeds from sale of capital assets	1.22	0.93	0.29	31.2%
Total Revenues	\$ 808.22	\$ 844.44	\$ -36.21	-4.3%

The following table presents a summary of the General Fund, Title I – Special Revenue Fund, Capital Projects Fund and other governmental funds by type of expenditures for the fiscal year ended June 30, 2010 as compared to June 30, 2009.

Table 7 - Expenditures (in millions of dollars)

	Governmental Funds			
	2010	Restated 2009	Increase (Decrease)	Percentage Change
Instruction	\$ 403.80	\$ 394.25	\$ 9.55	2.4%
Support services				
Pupil services	36.23	35.86	0.37	1.0%
Improvement of instructional services	39.45	38.32	1.13	2.9%
Educational media	8.15	9.08	-0.93	-10.3%
General administration	13.76	15.57	-1.81	-11.6%
School administration	27.51	26.23	1.28	4.9%
Business administration	15.93	17.18	-1.25	-7.3%
Maintenance and operation of facilities	90.30	89.30	1.00	1.1%
Student transportation	36.26	51.72	-15.46	-29.9%
Central support	47.40	38.52	8.88	23.1%
Other support services and nutrition	3.27	3.69	-0.42	-11.3%
Capital outlays	139.77	151.39	-11.62	-7.7%
Debt service	7.78	9.10	-1.32	-14.5%
Total Expenditures	<u>869.61</u>	<u>880.21</u>	<u>-10.59</u>	<u>-1.2%</u>
Excess (deficiency) of revenues over (under) expenditures - See Table 6	(61.39)	(35.77)	(25.62)	
Transfers in	44.66	34.06	10.61	
Transfers out	<u>(44.66)</u>	<u>(34.06)</u>	<u>(10.61)</u>	
Fund Balances, Beginning of Year as restated	<u>319.84</u>	<u>355.60</u>	<u>(35.76)</u>	
FUND BALANCES, End of Year	<u>\$ 258.45</u>	<u>\$ 319.83</u>	<u>\$ (61.38)</u>	

Decreases in student transportation and capital outlay due to budget cuts during the current fiscal year.

Analysis of Major Funds

The School System has three major funds: the General Fund, Capital Projects Fund and the Title I – Special Revenue 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. The Title I – Special Revenue Fund is a federal grant used to supplement the general operating fund by ensuring students gain knowledge and skills, as well as upgrade the entire educational program for systematic reform.

General Fund

As of June 30, 2010, total fund balance in the General Fund was \$109.73 million, reserved \$33.80 million, and \$75.93 million in unreserved undesignated. As a result of operations in fiscal year 2010, the fund balance decreased by \$-48.17 million. For Budget to Actual comparison purposes, the General Fund reported excess expenditures over final budget for the following functions:

GENERAL FUND

Instruction

Salary \$38,150,901

Pupil Services

Non-Salary \$4,162,799

Improvement of Instruction

Non-Salary \$1,123,760

Maintenance and Operations

Salary \$17,527,272

Non-Salary \$1,700,550

Student Transportation

Salary \$16,912,260

Debt Service

Principal \$5,185,506

Interest \$1,627,598

Capital Projects Fund

As of June 30, 2010, total fund balance in the Capital Projects Fund was \$136.89 million. This balance included reserves of \$136.89 million for Special Purpose Local Option Sales Tax (SPLOST). The fund balance decreased by \$-12.90 million due primarily to an increase in SPLOST capital expenditures and a decrease in SPLOST revenues.

Title I – Special Revenue Fund

As of June 30, 2010, the Title I – Special Revenue Fund has a zero fund balance. Revenues equaled expenditures. This fund is a reimbursable grant.

Other Governmental Funds

As of June 30, 2010, total fund balance in Other Governmental Funds was \$11.83 million. This balance included unreserved/designated fund balance of \$11.77 million for special revenue fund.

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 received Federal American Recovery Reinvestment Act (ARRA) funds which helped to offset reductions in State QBE funding. 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, 2010, 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. In August of this year, the Superior Court issued an order expressly authorizing the City and Atlanta Development Authority (ADA) to transfer to APS for its general purposes all of the Perry Bolton and BeltLine ad valorem tax increment that they had received for tax years up to and including 2009. Pursuant to this order, the City and ADA actually made a transfer of funds to APS.

The Plaintiffs in the Clark case have initiated two appeals of orders related to the August transfer of funds. Briefing on those appeals is currently under way. APS filed motions to dismiss both appeals on behalf of all defendants other than the Tax Commissioner and will file responsive briefs in December 2010. The City of Atlanta will file briefs on behalf of the District in support of the District's cross appeals.

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 General Fund original budget and the amended budget are presented on page 51 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, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 194,577,261	\$ 4,594,170	\$ 199,171,431
Restricted cash	2,825	-	2,825
Investments	92,491,192	-	92,491,192
Taxes receivable, net	30,297,484	-	30,297,484
Due from other governments	46,704,245	266,514	46,970,759
Other receivables	428,833	116,729	545,562
Internal balances	2,622,317	(2,622,317)	-
Prepaid expenses and other assets	50,387	110,299	160,686
Total current assets	<u>367,174,544</u>	<u>2,465,395</u>	<u>369,639,939</u>
Noncurrent assets:			
Net pension asset	9,212,450	-	9,212,450
Non-depreciable capital assets	215,513,530	-	215,513,530
Depreciable capital assets	1,170,394,979	-	1,170,394,979
Less: Accumulated depreciation	(286,708,664)	-	(286,708,664)
Total noncurrent assets	<u>1,108,412,295</u>	<u>-</u>	<u>1,108,412,295</u>
TOTAL ASSETS	<u>1,475,586,839</u>	<u>2,465,395</u>	<u>1,478,052,234</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other current liabilities	80,898,376	338,465	81,236,841
Due to other governments	3,935	-	3,935
Unearned revenues	8,979,131	88,443	9,067,574
Current portion of long-term obligations	13,378,007	-	13,378,007
Total current liabilities	<u>103,259,449</u>	<u>426,908</u>	<u>103,686,357</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	75,444,529	-	75,444,529
TOTAL LIABILITIES	<u>178,703,978</u>	<u>426,908</u>	<u>179,130,886</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,056,744,474	-	1,056,744,474
Restricted for:			
Debt service	1,868,740	-	1,868,740
Capital projects	110,074,677	-	110,074,677
Unrestricted	128,194,970	2,038,487	130,233,457
TOTAL NET ASSETS	<u>\$ 1,296,882,861</u>	<u>\$ 2,038,487</u>	<u>\$ 1,298,921,348</u>

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, 2010

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	TOTALS
Primary Government						
Governmental activities:						
Instruction	\$ 438,036,127	\$ 90,084	\$ 110,873,809	\$ (327,072,234)	\$ -	\$ (327,072,234)
Support Services:						
Pupil services	37,303,898	-	14,470,057	(22,833,841)	-	(22,833,841)
Improvement of instructional services	40,427,290	-	27,647,132	(12,780,158)	-	(12,780,158)
Educational media	8,394,083	-	1,404,768	(6,989,315)	-	(6,989,315)
General administration	14,110,681	-	3,705,087	(10,405,594)	-	(10,405,594)
School administration	28,239,428	-	6,841,227	(21,398,201)	-	(21,398,201)
Business administration	15,327,591	-	2,925,304	(12,402,287)	-	(12,402,287)
Maintenance and operation of facilities	90,747,017	995,042	15,521,798	(74,230,177)	-	(74,230,177)
Student transportation	39,593,169	-	8,286,759	(31,306,410)	-	(31,306,410)
Central support	48,566,805	-	9,984,164	(38,582,641)	-	(38,582,641)
Community services	-	-	2,116,177	2,116,177	-	2,116,177
Other support services	3,350,291	-	-	(3,350,291)	-	(3,350,291)
Enterprise operations	-	754,773	-	754,773	-	754,773
Interest expense	2,022,585	-	-	(2,022,585)	-	(2,022,585)
Total Governmental activities	766,118,965	1,839,899	203,776,282	(560,502,784)	-	(560,502,784)
Business-type activities						
Food services	23,222,029	1,836,912	21,442,603	-	57,486	57,486
Total Business-type activities	23,222,029	1,836,912	21,442,603	-	57,486	57,486
Total School System	\$ 789,340,994	\$ 3,676,811	\$ 225,218,885	\$ (560,502,784)	\$ 57,486	\$ (560,445,298)
General revenues:						
Taxes:						
Property Taxes levied for general purposes				498,921,379	-	498,921,379
Property Taxes. Levied for debt service				1,271,739	-	1,271,739
Special Local Option Sales Tax & Other Taxes				63,438,076	-	63,438,076
Grants and Contributions not restricted to specific programs				1,306,947	-	1,306,947
Investment earnings				230,484	8,202	238,686
Other				10,583,834	-	10,583,834
Gain on sale of capital assets				897,453	-	897,453
Total General revenues				576,649,912	8,202	576,658,114
Change in net assets				16,147,128	65,688	16,212,816
Net assets - beginning of year, as restated (Note R)				1,280,735,733	1,972,799	1,282,708,532
Net assets - end of year				\$ 1,296,882,861	\$ 2,038,487	\$ 1,298,921,348

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

Atlanta Independent School System
Balance Sheet
Governmental Funds
June 30, 2010

	General Fund	Capital Projects Fund	Title I Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 100,367,801	\$ 94,209,460	\$ -	\$ -	\$ 194,577,261
Restricted cash	-	-	-	2,825	2,825
Investments	66,992,832	25,498,360	-	-	92,491,192
Taxes Receivables, net	17,833,127	12,464,357	-	-	30,297,484
Due from other governments	19,553,780	-	20,938,045	6,212,420	46,704,245
Other receivables	428,833	-	-	-	428,833
Due from other funds	-	32,663,483	-	11,034,442	43,697,925
Interest receivable	387	-	-	-	387
Prepaid items	-	50,000	-	-	50,000
	<u>\$ 205,176,760</u>	<u>\$ 164,885,660</u>	<u>\$ 20,938,045</u>	<u>\$ 17,249,687</u>	<u>\$ 408,250,152</u>
TOTAL ASSETS					
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 53,125,087	\$ 3,929,183	\$ 2,658,243	\$ 1,891,596	\$ 61,604,109
Retainage payables	-	2,822,656	-	-	2,822,656
Contracts payable	-	16,471,611	-	-	16,471,611
Due to other funds	19,276,370	-	18,279,802	3,519,436	41,075,608
Due to other governments	-	-	-	3,935	3,935
Deferred revenue	23,048,086	4,777,168	-	-	27,825,254
Total Liabilities	<u>\$ 95,449,543</u>	<u>\$ 28,000,618</u>	<u>\$ 20,938,045</u>	<u>\$ 5,414,967</u>	<u>\$ 149,803,173</u>
 Fund Balances:					
Reserved for:					
Federal programs	\$ -	\$ -	\$ -	\$ 64,126	\$ 64,126
Debt service	1,868,740	-	-	-	1,868,740
Board action items	31,930,465	-	-	-	31,930,465
Reserved for capital projects	-	136,885,042	-	2,825	136,887,867
Unreserved/designated for					
Local programs-Special revenue fund	-	-	-	11,767,769	11,767,769
Unreserved, undesignated, reported in:					
General fund	75,928,012	-	-	-	75,928,012
	<u>75,928,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,928,012</u>
Total Fund Balances	<u>109,727,217</u>	<u>136,885,042</u>	<u>-</u>	<u>11,834,720</u>	<u>258,446,979</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 205,176,760</u>	<u>\$ 164,885,660</u>	<u>\$ 20,938,045</u>	<u>\$ 17,249,687</u>	<u>\$ 408,250,152</u>

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

ATLANTA INDEPENDENT SCHOOL SYSTEM

Reconciliation of Governmental Fund Balance Sheet
to the Government-wide Statement of Net Assets
June 30, 2010

Total Fund balances - total governmental funds		\$	258,446,979
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	\$	1,385,908,509	
Less: Accumulated depreciation		<u>(286,708,664)</u>	1,099,199,845
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	\$	4,777,168	
Property Taxes receivable		24,056,510	
Allowance for uncollectible receivables		<u>(9,987,555)</u>	18,846,123
Accumulated pension contributions in excess of annual required contributions are reported as assets for governmental activities.			
			9,212,450
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	\$	(13,998,496)	
City of Atlanta - Intergovernmental Agreement		(19,461,875)	
Education Reform Success		(8,995,000)	
Compensated absences		(5,803,613)	
Workers compensation		(6,382,039)	
Contingent Liabilites - sales tax refund		(2,526,157)	
Contingent Liabilites - SPLOST refund		(29,064,201)	
Contingent legal liabilities		<u>(2,591,155)</u>	<u>(88,822,536)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES		\$	<u>1,296,882,861</u>

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

Atlanta Independent School System
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2010

	General Fund	Capital Projects Fund	Title I Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Local taxes	\$ 493,825,791	\$ -	\$ -	\$ -	\$ 493,825,791
Sales taxes income	-	95,443,229	-	-	95,443,229
State revenues	107,237,545	-	-	3,705,242	110,942,787
Federal revenues	15,452,007	-	44,339,053	22,672,208	82,463,268
Investment income	230,484	179,734	-	-	410,218
Facility rental fees	995,042	-	-	-	995,042
Tuition charges	90,084	-	-	-	90,084
Charges for services	754,773	-	-	-	754,773
Other	7,191,940	3,391,894	-	11,497,440	22,081,274
Total revenues	625,777,666	99,014,857	44,339,053	37,874,890	807,006,466
EXPENDITURES					
Current:					
Instruction	365,086,188	105,062	22,831,413	15,782,166	403,804,829
Support Services:					
Pupil services	19,336,072	-	11,720,537	5,177,461	36,234,070
Improvement of instructional services	23,793,186	-	4,711,894	10,942,204	39,447,284
Educational media	8,143,333	-	-	2,377	8,145,710
General administration	10,681,778	698,423	1,519,132	864,457	13,763,790
School administration	26,105,555	-	310,146	1,093,534	27,509,235
Business administration	15,526,599	-	288,371	119,206	15,934,176
Maintenance and operation of facilities	90,136,587	150,356	1,500	12,853	90,301,296
Student transportation	31,154,180	3,149,717	608,003	1,345,080	36,256,980
Central support	33,757,481	11,520,936	240,089	1,880,940	47,399,446
Other support services	199,688	-	2,107,968	966,994	3,274,650
Capital Outlays	-	139,770,104	-	-	139,770,104
Debt Service:					
Principal	5,185,506	-	-	570,000	5,755,506
Interest	1,627,598	-	-	394,987	2,022,585
Total Expenditures	630,733,751	155,394,598	44,339,053	39,152,259	869,619,661
Excess (deficiency) of revenues over/(under) expenditures	(4,956,085)	(56,379,741)	-	(1,277,369)	(62,613,195)
OTHER FINANCING SOURCES(USES)					
Proceeds from sale of capital assets	1,224,378	-	-	-	1,224,378
Transfers in	-	43,477,054	-	1,187,093	44,664,147
Transfers out	(44,442,032)	-	-	(222,115)	(44,664,147)
Total Other Financing Sources(Uses)	(43,217,654)	43,477,054	-	964,978	1,224,378
Net change in fund balances	(48,173,739)	(12,902,687)	-	(312,391)	(61,388,817)
Fund Balances, Beginning of Year as restated	157,900,956	149,787,729	-	12,147,111	319,835,796
FUND BALANCES, End of Year	\$ 109,727,217	\$ 136,885,042	\$ -	\$ 11,834,720	\$ 258,446,979

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 Government-wide Statement of Activities
For the Year Ended June 30, 2010

Total Net Change in Fund Balances - Governmental Funds \$ (61,388,817)

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 exceed depreciation of in the current period.

Capital outlays	120,896,502	
Depreciation expense	(29,202,128)	
	91,694,374	91,694,374

The net effect of various miscellaneous transactions involving disposal of capital assets which decreased net assets. (326,925)

Revenues reported in the statement of activities that do not provide current financial resources and, therefore, are not reported as revenues in governmental funds. This represents the deferred revenue in the governmental funds recognized as revenue in the statement of activities (\$5,952,532) offset by SPLOST and sales tax refunds that are shown as a contingent liability and a reduction of sales tax revenues (\$31,590,358) in the statement of activities. (25,637,826)

Pension contributions in excess of Annual Required Contributions are reported as assets for Governmental Activities. 1,939,900

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The issuance of long-term debt (e.g., leases, notes) provides current financial resources.

Capital leases	4,158,631	
Intergovernmental agreement - bonds payable	1,026,875	
Compensated absences	(495,101)	
Education Reform Success - certificates of participation	570,000	
Contingent Legal Liabilities	3,161,500	
Workers' compensation	1,444,517	
	9,866,422	9,866,422

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 16,147,128

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, 2010

ASSETS

Current assets:

Cash and cash equivalents	\$ 4,594,170
Due from other governments	266,514
Other receivables	116,729
Inventories	110,299
Total Assets	\$ 5,087,712

LIABILITIES

Liabilities:

Current Liabilities:

Accounts payable and accrued liabilities	\$ 338,465
Due to other funds	2,622,317
Unearned revenue	88,443
Total Liabilities	3,049,225

NET ASSETS

Unrestricted	\$ 2,038,487
Total net assets	2,038,487
TOTAL LIABILITIES AND NET ASSETS	\$ 5,087,712

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, 2010

Operating revenue:		
Charges for services	\$	1,836,912
<hr/>		
Operating expenses:		
Personnel costs		3,581,202
Professional and contract services		16,563,118
Supplies and materials		2,169,910
Other operating costs		907,799
<hr/>		
Total Operating Expenses		23,222,029
<hr/>		
Operating Loss:		(21,385,117)
<hr/>		
Nonoperating revenues:		
Grants - Child Nutrition Program		21,442,603
Investment Income		8,202
<hr/>		
Total Nonoperating revenues:		21,450,805
<hr/>		
Changes in net assets		65,688
<hr/>		
Net Assets Beginning of Year		1,972,799
<hr/>		
NET ASSETS, END OF YEAR	\$	2,038,487
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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, 2010

Cash Flow From Operating Activities	
Cash received from user charges	\$ 1,832,880
Cash payments to employees for services	(3,608,738)
Cash payments to suppliers for goods and services	<u>(23,196,711)</u>
Net cash used for operating activities	<u>(24,972,569)</u>
Cash Flows From Non-capital Financing Activities	
Non-operating grants received	<u>20,165,225</u>
Net cash provided from for non-capital financing activities	<u>20,165,225</u>
Cash Flows From Investing Activities	
Interest on bank accounts	<u>8,202</u>
Net cash provided by investing activities	<u>8,202</u>
Net change in cash and cash equivalents	<u>(4,799,142)</u>
Cash and cash equivalents, beginning of year	<u>9,393,312</u>
Cash and cash equivalents, end of year	<u><u>\$ 4,594,170</u></u>
Reconciliation of operating (loss) to net cash provided (used) by operating activities:	
Operating (loss)	\$ (21,385,117)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Commodities used	1,555,788
Changes in Assets and Liabilities	
Increase in Accounts Receivables	(4,032)
Decrease in liabilities	<u>(5,139,208)</u>
Net cash used for operating activities	<u><u>\$ (24,972,569)</u></u>
Noncash Non-Capital Financing Activities	
USDA donated food commodity	<u><u>\$ 1,555,788</u></u>

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

Atlanta Independent School System
Statement of Fiduciary Assets and Liabilities
June 30, 2010

	<u>Agency Fund</u>
	<u>Local School, Club and Class</u>
	<u>Funds</u>
Assets:	
Cash and cash equivalents	\$ <u>901,214</u>
Liabilities:	
Due to local schools and student groups	\$ <u>901,214</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, 2010

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.

Blended Component Unit

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

2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net 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.

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 fiscal period. The State of Georgia reimburses the School System for teachers' salaries and operating costs through the Quality Basic Education Formula Earnings program (QBE). Generally, teachers are contracted for the school year (July 1 – June 30) and paid over a twelve month contract period, generally September 1 through August 31. In accordance with the respective rules and regulations of the QBE program, the State of Georgia reimburses the School System over the same twelve month period in which teachers are paid. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year are accrued. Since the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, the School System recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition. 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, intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School System.

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.

Title I Special Revenue Fund - This fund was established to account for federal grants 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.

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 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 costs of food services fund inventories are recorded as expenditures when consumed (consumption method). Prepaids are payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items in the government-wide financial statements.

e. Capital Assets

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

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

	<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 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 and are not liabilities of the governmental funds.

g. Long-term Obligations

In the governmental-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net 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 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.

Unreserved/Designated 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.

Workers Compensation:

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

k. Deferred(Unearned) 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.

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

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

The following funds reported excess expenditures over final budget:

GENERAL FUND		SPECIAL REVENUE FUND - COMBINED	
Instruction		Pupil Services	
<i>Salary</i>	\$38,150,901	<i>Salary</i>	\$5,227,468
Pupil Services		School Administration	
<i>Non-Salary</i>	\$4,162,799	<i>Salary</i>	\$114,102
Improvement of Instruction			
<i>Non-Salary</i>	\$1,123,760		
Maintenance and Operations			
<i>Salary</i>	\$17,527,272		
<i>Non-Salary</i>	\$1,700,550		
Student Transportation			
<i>Salary</i>	\$16,912,260		
Debt Service			
<i>Principal</i>	\$5,185,506		
<i>Interest</i>	\$1,627,598		

D: Deposits and Investments Risks

Deposits (Governmental Funds)

The School System’s cash and investment policy limits deposits to demand and money market accounts and time deposits at local banks. The School System’s deposit shall be secured by Federal Depositary Insurance Corporation (FDIC) coverage and /or bank pledges. State statutes require banks holding public funds to secure the funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held. State statutes define acceptable security for collateralization. Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor’s criteria for AAAM rated money market funds. However, Georgia 1 Fund operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an

investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on a \$1.00 per share value. The fair value of the School System's position in the pool is the same as the value of pool shares (\$1 per share value). The regulatory oversight agency for Georgia Fund 1 is the Office of Treasury and Fiscal Services of the State of Georgia.

Funds included in this Pool are not required to be collateralized. The fair value of the School System's position in the pool approximates the value of the School System's pool shares. Credit risk, value, and interest risk at June 30, 2010 are as follows:

<u>Credit Risk</u>	<u>Value</u>	<u>Interest Risk</u>
AAAm rated	\$22,057,425	46 day WAM

The School System classifies its investments in Georgia Fund I as cash and cash equivalents.

Categorization of Deposits

As of June 30, 2010, all of the School System's deposits were covered either by FDIC or collateralized by the financial institution or a combination of both.

Categorization of Investments

The School System's investments as of June 30, 2010, 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	99,490,700	99,490,700
Repurchase Agreements	70,000,000	70,000,000
	<u>169,490,700</u>	<u>169,490,700</u>
Other Investments		
Certificates of Deposits	4,999,863	4,999,863
U.S. Treasury Money Market		
Mutual Funds (Open End) - cash equivalents	60,970,914	60,970,914
Georgia Fund 1 - Cash Equivalents	22,057,425	22,057,425
Total Investments	<u>257,518,902</u>	<u>257,518,902</u>

Investment Reconciliation

	Total Investments	Reclass to Cash and Cash Equivalents	Investments on Balance Sheet as of June 30, 2010
General Fund Investments	146,040,335	(79,047,503)	66,992,832
Capital Projects Investments	89,421,142	(63,922,782)	25,498,360
Georgia Fund I - Cash Equivalents	<u>22,057,425</u>	<u>(22,057,425)</u>	<u>-</u>
	<u>257,518,902</u>	<u>(165,027,710)</u>	<u>92,491,192</u>

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 to 3 years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk

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

Credit Quality Risk

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

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

The 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	60,970,914	60,970,914	-
Georgia Fund I - Cash Equivalents	22,057,425	22,057,425	
Debt Securities			
U.S. Agencies			
Implicitly Guaranteed			
FNMA, FHLM, FHLB Discount Notes	99,490,700	99,490,700	-
Certificates of Deposits	4,999,863	N/A	N/A
Repurchase Agreements	<u>70,000,000</u>	<u>-</u>	<u>70,000,000</u>
Total by Quality Rating	<u>257,518,902</u>	<u>182,519,039</u>	<u>70,000,000</u>

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, 2010:

Issuer	Investment Type	% of Total Investments
Tri Party Repo Agreement	Repurchase Agreement	27.18%
BOFA Government Reserves Capital	Money Market Funds	23.68%
US MONEY MARKET- Georgia Fund 1	Money Market Funds	8.57%
Federal National Mortgage Association	Federal Agency Securities	17.41%
Federal Home Loan Mortgage Corporation	Federal Agency Securities	11.26%
Federal Home Loan Bank	Federal Agency Securities	9.90%
Financial Institutions	Certificates of Deposits	1.94%

Foreign Currency Risk

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

E. Due from Other Governments

Due from other governments consists of grant reimbursements due primarily from the Georgia Department of Education for expenditures 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 August 15, 2010. Property taxes will be due October 15, 2010 at which time they become delinquent and penalties and interest may be assessed and liens may be attached to property. An allowance has been established for estimated amounts that will not be collected. The School System considers revenues to be available if they are collected within 30 days of the end of the current fiscal year.

General Fund	<u>Property Taxes Receivable</u> 27,820,682	<u>Allowance for Uncollectible</u> (9,987,555)	<u>Net Property Taxes Receivable</u> 17,833,127
General Fund	<u>Other Receivable</u> 878,833	<u>Allowance for Uncollectible</u> (450,000)	<u>Net other Receivable</u> 428,833
Capital Projects Fund	<u>SPLOST Tax Receivable</u> 12,464,357	<u>Allowance for Uncollectible</u> -	<u>Net SPLOST Tax Receivable</u> 12,464,357

G. Capital Assets

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

	Beginning Balance	Change in Accounting Entity	Restated Beginning Balance (see Note R)	Increases	Decreases & Transfers	Ending Balance
Governmental activities:						
Land	87,597,422	-	87,597,422	13,656	(127,769)	87,483,309
Construction in Progress	122,268,874	-	122,268,874	116,936,243	(111,174,896)	128,030,221
Total Non-Depreciable Assets	209,866,296	-	209,866,296	116,949,899	(111,302,665)	215,513,530
Buildings	938,970,030	-	938,970,030	68,253,295	(1,370,510)	1,005,852,815
Building Improvements	71,567,810	-	71,567,810	42,359,902	-	113,927,712
Land improvements	15,697,144	-	15,697,144	1,230,839	-	16,927,983
Equipment	4,039,563	-	4,039,563	1,081,333	-	5,120,896
Furniture & Fixtures	56,030	-	56,030	-	-	56,030
Vehicles	26,692,103	-	26,692,103	2,046,862	(229,422)	28,509,543
Charter Schools	6,473,810	(6,473,810)	-	-	-	-
Total Depreciable assets	1,063,496,490	(6,473,810)	1,057,022,680	114,972,231	(1,599,932)	1,170,394,979
Total at historical cost	1,273,362,786	(6,473,810)	1,266,888,976	231,922,130	(112,902,597)	1,385,908,509
Less Accumulated Depreciation						
Buildings	218,589,431	-	218,589,431	18,669,098	(1,320,622)	235,937,907
Building improvements	24,565,857	-	24,565,857	5,606,019	-	30,171,876
Land improvements	5,866,221	-	5,866,221	937,478	-	6,803,699
Equipment	2,699,189	-	2,699,189	380,915	-	3,080,104
Furniture & Fixtures	-	-	-	6,070	-	6,070
Vehicles	7,335,882	-	7,335,882	3,602,548	(229,422)	10,709,008
Charter Schools	2,328,280	(2,328,280)	-	-	-	-
Total accumulated depreciation	261,384,860	(2,328,280)	259,056,580	29,202,128	(1,550,044)	286,708,664
Governmental activities capital assets, net	1,011,977,926	(4,145,530)	1,007,832,396	202,720,002	(111,352,553)	1,099,199,845

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 24,233,507
Support Services	
Pupil Services	140,376
Educational Media	41,457
Business Administration	1,074,726
Maintenance and operation of facilities	109,514
Student transportation	3,602,548
Total	<u>\$ 29,202,128</u>

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. As of June 30, 2010, all the advance funds have been used to purchase capitalized assets.

The capital assets acquired through capital leases are as follows:

Asset	Governmental Activites
Buses	\$ 11,136,550
Less: Accumulated depreciation	<u>(3,565,292)</u>
Net Capital Assets	<u>\$ 7,571,258</u>

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
2011	4,831,055
2012	2,129,354
2013	2,129,354
2014	1,470,357
2015	1,470,357
2016-2020	<u>3,770,186</u>
Total minimum payments	15,800,663
Less: Amount representing interest	(1,802,167)
Present value of minimum payments	<u>\$ 13,998,496</u>

In FY2009, the School System increased its capitalization threshold from \$5,000 to \$50,000. Some assets purchased were less than the threshold and therefore are not reflected in the net capital assets shown above.

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, 2010, \$1,868,741 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:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Governmental activities	3-5%	\$19,461,875

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, 2010, \$64,580,000 of bonds is outstanding and is considered defeased.

I. Long-Term Obligations

Changes in long-term obligations during the fiscal year ended June 30, 2010, were as follows:

I. Long-term Obligations

	Beginning Balance	Change in Reporting Entity	Balance as restated (Note R)	Additions	Deductions	Ending Balance	Amounts Due within One Year
Governmental activities:							
Long-term debt							
Capital leases	\$ 18,157,127	\$ -	\$ 18,157,127	\$ -	\$ (4,158,631)	\$ 13,998,496	\$ 4,316,491
Capital leases - Charter Schools	98,261	(98,261)	-	-	-	-	-
Intergovernmental agreement- City of Atlanta	20,488,750	-	20,488,750	-	(1,026,875)	19,461,875	1,022,875
Education Reform Success, Inc (COPS)	9,565,000	-	9,565,000	-	(570,000)	8,995,000	595,000
Total long-term debt	<u>48,309,138</u>	<u>(98,261)</u>	<u>48,210,877</u>	<u>-</u>	<u>(5,755,506)</u>	<u>42,455,371</u>	<u>5,934,366</u>
Other long-term liabilities							
Notes payable - Charter Schools	1,526,661	(1,526,661)	-	-	-	-	-
Compensated absences	5,308,512	-	5,308,512	2,857,774	(2,362,673)	5,803,613	2,604,869
Contingent legal liabilities	5,752,655	-	5,752,655	-	(3,161,500)	2,591,155	-
Contingent liabilities - sales tax refund	-	-	-	2,526,157	-	2,526,157	2,526,157
Contingent liabilities - SPLOST refund	-	-	-	29,064,201	-	29,064,201	-
Workers' compensation	7,826,556	-	7,826,556	1,131,414	(2,575,931)	6,382,039	2,312,615
Total other long-term liabilities	<u>20,414,384</u>	<u>(1,526,661)</u>	<u>18,887,723</u>	<u>35,579,546</u>	<u>(8,100,104)</u>	<u>46,367,165</u>	<u>7,443,641</u>
Total long-term obligations	<u>\$ 68,723,522</u>	<u>\$ (1,624,922)</u>	<u>\$ 67,098,600</u>	<u>\$ 35,579,546</u>	<u>\$ (13,855,610)</u>	<u>\$ 88,822,536</u>	<u>\$ 13,378,007</u>

Note: The General Fund has been typically used to liquidate the liability for compensated absences, contingent liabilities and worker's compensation; however, the Capital Projects Fund will be used to liquidated the liability for the SPLOST and sales tax refund contingent liabilities.

At June 30, 2010, 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
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	1,293,514	176,843	1,264,500	736,419	700,000	266,972
2016-2020	3,521,358	248,827	6,587,000	2,523,595	3,950,000	877,106
2021-2025	-	-	6,354,000	837,909	1,815,000	113,148
2026-2027	-	-	962,125	34,194	-	-
Total Principal and Interest	\$ 13,998,496	\$ 1,802,167	\$ 19,461,875	\$ 7,542,811	\$ 8,995,000	\$ 2,591,468

J. Inter-fund Receivables and Payables

Inter-fund receivables and payables net balances as of June 30, 2010 are as follows:

	Due from other funds	Due to other funds
Governments Funds		
General Fund	\$ -	\$ 19,276,370
Capital Projects Fund	32,663,483	-
Title I Fund	-	18,279,802
Nonmajor Governmental Funds	11,034,442	3,519,436
Business- Type Fund		
Food Service Fund	-	2,622,317
	<u>\$ 43,697,925</u>	<u>\$ 43,697,925</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

Transfers within the governmental funds for the year ended June 30, 2010 are as follows:

	Transfers In	Transfers Out
Governmental funds:		
General Fund	\$ -	\$ (44,442,032)
Capital Projects Fund	43,477,054	-
Nonmajor Governmental Funds	1,187,093	(222,115)
	\$ 44,664,147	\$ (44,664,147)

Transfers are used to move local funds from the General Fund to the Capital Projects Fund to fund construction projects and are used to fund deficit fund balances in the Nonmajor governmental funds.

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 2009	\$ -	\$ 306,811	\$ (306,811)	\$ -
Fiscal year 2010	\$ -	\$ 519,930	\$ (519,930)	\$ -

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 2009	\$ 5,409,473	\$ 4,991,248	\$ (2,574,165)	\$ 7,826,556
Fiscal year 2010	\$ 7,826,556	\$ 1,131,414	\$ (2,575,931)	\$ 6,382,039

M. Nonmonetary Transactions

The School System received from the United States Department of Agriculture through the Georgia Department of Education approximately \$ 1,269,229 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 \$708,723 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.

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

Funding Policy

Employees of the School System who are covered by TRS are required to pay 5.25% 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 9.74% at June 30, 2010.

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

	2010	2009	2008
School System	\$ 30,148,987	\$ 30,872,725	\$ 29,935,263
Employees	16,253,647	16,655,525	16,153,799
	<u>\$ 46,402,634</u>	<u>\$ 47,528,250</u>	<u>\$ 46,089,062</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, 2009 is as follows:

Active employees	974
Inactive members	43
Retirees and beneficiaries	<u>2,362</u>
Total membership	<u>3,379</u>

Method Used to Value Investments

Investments are stated at fair value. Fair value of Plan assets at July 1, 2009 was \$101,315,675.

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 remaining amortization period is closed 16.5 years remaining as of July 1, 2009. 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, 2009 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 required contribution	\$43,584,939
Employer contributions made	\$45,500,000
Actuarial valuation date	7/1/2009
Actuarial cost method	Entry age normal
Amortization method	Level % of payroll
Actuarial assumptions:	
Investment rate of return	8.0% per year
Projected salary increases:	
Inflation	3.0% per year
Merit or seniority and productivity	4.5% per year
Post retirement benefit increases	N/A

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

Three-Year Trend Information is as follows:

Year	Annual Pension Cost (APC)	% of APC Contributed	Net Pension (Asset)/Obligation
2008	\$39,407,531	138%	(\$4,842,947)
2009	\$39,570,397	106%	(\$7,272,550)
2010	\$43,560,100	104%	(\$9,212,450)

Net Pension Asset - The School System's actuarially required contribution, pension cost, and increase in the beginning net pension asset for the year ended June 30, 2010, were computed as follows:

Actuarially required contribution	\$	43,584,939
Interest on net pension asset		(581,804)
ARC adjustment		556,965
Annual pension cost		<u>43,560,100</u>
Actual contributions made		<u>(45,500,000)</u>
Increase in net pension asset		1,939,900
Net pension asset, June 30, 2009		7,272,550
Net pension asset, June 30, 2010	\$	<u><u>9,212,450</u></u>

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

Actuarial Valuation Date	Actuarial Value of Assets* (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL use as a Percentage of Covered Payroll ((b-a)/c)
7/1/2009	\$112,295,208	\$644,788,188	\$532,492,980	17.42%	\$29,404,892	1810.90%

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

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

Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2009.

P. Post Employment Benefits

Georgia Retiree Health Benefit Fund

Plan Description. The Georgia School Personnel Post-employment Health Benefit Fund (School OPEB Fund) is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers eligible former employees of public school systems, libraries and regional educational

service agencies. The School OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the State Employees Health Insurance Plan administered by the Georgia Department of Community Health. The Official Code of Georgia Annotated (OCGA) assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Board of Community Health (Board). The Georgia Department of Community Health issues a publicly available financial report that includes financial statements and required supplementary information for the School OPEB Fund. That report may be obtained from the Georgia Department of Community Health at 2 Peachtree Street, Atlanta, Georgia 30303.

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

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

The employer contribution rates for the combined active and retiree plans for the fiscal year ended June 30, 2010, were as follows:

Certified Employees

July 2009-August 2009	18.534% of state-based salaries for August & September coverage
September 2009 - November 2009	14.492% of state-based salaries October – December coverage
December 2009 - June 2010	18.534% of state-based salaries for January – July coverage

Non-Certificated Employees \$162.72 per month

The School System’s contribution to the health insurance plans for the fiscal years ended June 30, 2010, June 30, 2009, and June 30, 2008 were \$ 38,330,627, \$30,600,143, \$34,489,793 respectively, and which equaled the required contribution/annual OPEB cost.

Q. Commitments and Contingencies

Construction Commitments

The School System has active construction projects as of June 30, 2010. The projects relate to construction and renovation of school buildings. At year-end, the School System’s commitments with contractors were \$40,462,711.

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 \$2,591,155.

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.

The School System is a recipient of SPLOST revenues. The Georgia Department of Revenues performs audits of vendors and refunds may become due. The School System believes its liability in this matter is \$2,526,157.

R. Restatements – Change in Accounting Entity

A component unit that provides benefit to outside parties does not qualify for blending pursuant to GASB Statement 14 paragraph 53b. Charter schools do not serve Atlanta Public Schools as an administrative entity. Rather, they provide benefits to students who reside with the Atlanta Public School’s district. Charter schools were previously included in the financial statements as blended component units. Upon calculation of these potential component units as discreetly presented, it was determined that they were not material to the reporting entity and thus are no longer included in the financial statements. Due to this change in accounting entity, a restatement of the June 30, 2009 net assets is required. June 30, 2009 net assets have been adjusted as shown below:

Governmental activities net assets as previously reported	\$ 1,287,267,432
Change in Reporting Entity - Charter schools:	
change in current assets and revenues	(8,515,326)
change in current liabilities and expenses	4,504,235
capital assets, net of accumulated depreciation	(4,145,530)
long-term debt	<u>1,624,922</u>
Governmental activities 2009 net assets restated	<u><u>\$ 1,280,735,733</u></u>

Additionally, due to this change in accounting entity, a restatement of the June 30, 2009 fund balance for non major governmental funds is required. June 30, 2009 fund balance has been adjusted as shown below:

NonMajor Governmental Funds

Fund Balance, June 30, 2009, as previously reported	\$ 16,158,202
Change in reporting entity - Charter Schools:	
change in assets and revenues	(8,515,326)
change in liabilities and expenditures	<u>4,504,235</u>
Fund Balance, June 30, 2009, restated	<u><u>\$ 12,147,111</u></u>

AETC was discretely presented for 2009. Due to a change in the contract and as determined by criteria in GASB 14, it is no longer a component unit. Due to this change in accounting entity a restatement of the June 30, 2009 net assets is required. June 30, 2009 net assets have been adjusted as shown on the next page:

Discretely presented component unit net assets as previously reported	\$ 7,066,847
Change in Reporting Entity - Component Unit - AETC	
change in assets and revenues	(7,435,264)
change in liabilities and expenses	757,780
Capital assets, net of accumulated depreciation	<u>(389,363)</u>
Discretely presented component unit 2009 net assets, restated	<u><u>\$ -</u></u>

S. New Accounting Pronouncements

GASB Statement (Statement No. 51) was implemented during the current fiscal year. GASB 51 was issued in June 2007 to reduce inconsistencies in financial reporting and provides needed guidance on how to identify, account for, and report intangible assets.

GASB 51 defines an intangible asset as an asset that possesses all of the following characteristics:

- Lack of physical substance;
- Nonfinancial in nature; and
- A useful life extending beyond a single reporting period.

GASB Statement 51 requires those intangible assets to follow the disclosure requirements of capital assets.

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, 2010, 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, 2010. The potential liability is deemed immaterial at this time to record to the School System’s financial statements. APS paid \$376,836 for current financial year remediation activities.

U. Subsequent Event

During the planning phase of Educational Local Option Sales Tax (ELOST) IV, it was discovered that the Atlanta Independent School System (APS) and Fulton County Schools had not certified the appropriate distribution of the ELOST III proceeds with the Georgia Department of Revenue. The School Districts have entered into a Memorandum of Understanding dated March 1, 2011, whereby APS will reimburse Fulton County Schools \$34,065,778, for collections from inception of the ELOST III through February 2011, over the remainder of the ELOST III for excess funds received by APS. The liability at June 30, 2010 is \$29,064,201. This amount is reflected as a liability on the governmental activities financial statements. Repayment will begin on August 15, 2011, continue on the 15th day of each consecutive month thereafter and conclude on July 15, 2012.

**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, 2010

	Budgeted Amounts			Variance with Final Budget (Over) Under
	Original (1)	Final (1) (2)	Actual	
REVENUES				
Local taxes	\$ 506,550,000	506,550,000	493,825,791	12,724,209
Sales tax Income	3,000,000	3,000,000	-	3,000,000
Investment earnings	2,000,380	2,000,380	230,484	1,769,896
Tuition charges	100,000	100,000	90,084	9,916
Facility rental fees	1,000,000	1,000,000	995,042	4,958
State revenues	131,300,000	131,300,000	107,237,545	24,062,455
Federal revenues	2,500,000	2,500,000	15,452,007	(12,952,007)
Charges for services	-	-	754,773	(754,773)
Other	50,000	50,000	7,191,940	(7,141,940)
Total revenues	646,500,380	646,500,380	625,777,666	20,722,714
EXPENDITURES				
Current:				
Instruction	413,203,137	396,796,992	365,086,188	31,710,804
Salary	286,966,787	272,966,787	311,117,688	(38,150,901)
Non-Salary	126,236,350	123,830,205	53,968,500	69,861,705
Support Services:				
Pupil services	21,525,377	21,302,412	19,336,072	1,966,340
Salary	19,492,161	18,875,929	12,746,790	6,129,139
Non-Salary	2,033,216	2,426,483	6,589,282	(4,162,799)
Improvement of instructional services	31,551,956	39,645,538	23,793,186	15,852,352
Salary	28,860,103	36,499,037	19,522,925	16,976,112
Non-Salary	2,691,853	3,146,501	4,270,261	(1,123,760)
Educational media	10,251,465	11,111,914	8,143,333	2,968,581
Salary	8,892,358	9,365,491	7,207,461	2,158,030
Non-Salary	1,359,107	1,746,423	935,872	810,551
General administration	12,177,366	15,789,776	10,681,778	5,107,998
Salary	8,058,405	9,023,549	6,344,197	2,679,352
Non-Salary	4,118,961	6,766,227	4,337,581	2,428,646
School administration	34,552,516	39,441,044	26,105,555	13,335,489
Salary	33,192,063	37,054,202	25,571,531	11,482,671
Non-Salary	1,360,453	2,386,842	534,024	1,852,818
Business administration	16,003,545	19,562,985	15,526,599	4,036,386
Salary	12,463,837	16,078,862	12,160,419	3,918,443
Non-Salary	3,539,708	3,484,123	3,366,180	117,943
Maintenance and operation of facilities	67,910,292	70,908,765	90,136,587	(19,227,822)
Salary	28,138,027	31,281,606	48,808,878	(17,527,272)
Non-Salary	39,772,265	39,627,159	41,327,709	(1,700,550)
Student transportation	12,843,908	16,965,728	31,154,180	(14,188,452)
Salary	7,981,830	11,453,028	28,365,288	(16,912,260)
Non-Salary	4,862,078	5,512,700	2,788,892	2,723,808
Central support	32,480,818	46,298,626	33,757,481	12,541,145
Salary	8,869,942	9,051,196	9,445,438	(394,242)
Non-Salary	23,610,876	37,247,430	24,312,043	12,935,387
Other support services	-	110,724	199,688	(88,964)
Salary	-	110,724	199,688	(88,964)
Non-Salary	-	-	-	-
Debt Service:	-	-	6,813,104	(6,813,104)
Principal	-	-	5,185,506	(5,185,506)
Interest	-	-	1,627,598	(1,627,598)
Total Expenditures	652,500,380	677,934,504	630,733,751	47,200,753
Excess (deficiency) of revenues over (under) expenditures	(6,000,000)	(31,434,124)	(4,956,085)	(26,478,039)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	1,224,378	(1,224,378)
Transfers out	-	(63,305,000)	(44,442,032)	(18,862,968)
Net change in fund balances	(6,000,000)	(94,739,124)	(48,173,739)	(46,565,385)
Fund Balance, Beginning of Year	157,900,956	157,900,956	157,900,956	-
FUND BALANCE, END OF YEAR	\$ 151,900,956	63,161,832	109,727,217	(46,565,385)

- (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
SPECIAL REVENUE FUND - TITLE I FUND
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget (Over) Under
Revenue				
Federal funds	\$ 81,489,513	\$ 87,477,490	\$ 44,339,053	\$ 43,138,437
Expenditures				
Current				
Instruction	31,648,363	42,108,169	22,831,413	19,276,756
Salary	19,189,479	16,407,810	12,917,112	3,490,698
Non-Salary	12,458,885	25,700,359	9,914,301	15,786,058
Support services				
Pupil services	5,041,196	7,522,963	11,720,537	(4,197,574)
Salary	3,129,555	4,937,142	9,480,906	(4,543,764)
Non-Salary	1,911,640	2,585,822	2,239,631	346,191
Improvement of instructional services	5,755,660	17,850,137	4,711,894	13,138,243
Salary	1,608,202	8,984,977	2,255,809	6,729,168
Non-Salary	4,147,458	8,865,160	2,456,085	6,409,075
General administration	1,405,990	2,923,859	1,519,132	1,404,727
Salary	135,363	1,013,496	418,803	594,693
Non-Salary	1,270,627	1,910,363	1,100,329	810,034
School administration	34,027,722	17,802,188	310,146	17,492,042
Salary	-	-	124,339	(124,339)
Non-Salary	34,027,722	17,802,188	185,807	17,616,381
Business administration	282,039	678,680	288,371	390,309
Salary	282,039	678,680	288,371	390,309
Maintenance and operation of facilities	-	-	1,500	(1,500)
Salary	-	-	1,500	(1,500)
Student transportation	797,732	1,744,985	608,003	1,136,982
Salary	-	-	1,053	(1,053)
Non-Salary	797,732	1,744,985	606,950	1,138,035
Central support	169,356	103,244	240,089	(136,845)
Salary	169,356	103,244	119,829	(16,585)
Non-Salary	-	-	120,260	(120,260)
Community services	2,361,455	3,280,358	2,107,968	1,172,390
Salary	1,059,348	1,031,625	1,049,573	(17,948)
Non-Salary	1,302,106	2,248,734	1,058,395	1,190,339
Total Expenditures	81,489,513	94,014,584	44,339,053	49,675,531
Deficiency of revenues under expenditures	-	(6,537,094)	-	(6,537,094)
Fund Balance, Beginning of Year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ (6,537,094)	\$ -	\$ (6,537,094)

Atlanta Independent School System
 Required Supplementary Information
 For the Fiscal Year Ended June 30, 2010

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)
1/1/2004	\$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%
7/1/2009	\$112,295,208	\$644,788,188	\$532,492,980	17.42%	\$29,404,892	1810.90%

**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

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

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 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.

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, 2010

	Special Revenue Funds					Capital Projects Fund	
	Title II	Title VI-B	Lottery	Other Federal Programs	Other Special Projects	Education Reform Success	Total
Assets:							
Restricted cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,825	\$ 2,825
Due from other governments	857,289	1,820,079	-	1,908,711	1,626,341	-	6,212,420
Due from other funds	-	-	229,420	-	10,805,022	-	11,034,442
Total Assets	<u>\$ 857,289</u>	<u>\$ 1,820,079</u>	<u>\$ 229,420</u>	<u>\$ 1,908,711</u>	<u>\$ 12,431,363</u>	<u>\$ 2,825</u>	<u>\$ 17,249,687</u>
Liabilities:							
Accounts payable	\$ 121,913	\$ 21,999	\$ 8,017	\$ 119,918	\$ 661,967	\$ -	\$ 933,814
Salaries and benefits payable	169,964	550,487	189,752	18,236	29,343	-	957,782
Due to other funds	565,412	1,247,593	-	1,706,431	-	-	3,519,436
Due to other governments	-	-	3,935	-	-	-	3,935
Total Liabilities	<u>857,289</u>	<u>1,820,079</u>	<u>201,704</u>	<u>1,844,585</u>	<u>691,310</u>	<u>-</u>	<u>5,414,967</u>
Fund Balances(Deficits):							
Reserved for federal programs	-	-	-	64,126	-	-	64,126
Reserved for local programs	-	-	-	-	-	2,825	2,825
Unreserved/designated for local programs	-	-	27,716	-	11,740,053	-	11,767,769
Total Fund Balance	<u>-</u>	<u>-</u>	<u>27,716</u>	<u>64,126</u>	<u>11,740,053</u>	<u>2,825</u>	<u>11,834,720</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 857,289</u>	<u>\$ 1,820,079</u>	<u>\$ 229,420</u>	<u>\$ 1,908,711</u>	<u>\$ 12,431,363</u>	<u>\$ 2,825</u>	<u>\$ 17,249,687</u>

Atlanta Independent School System
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue Funds					Component Unit	
	Title II	Title VI-B	Lottery	Other Federal	Other Special	Capital Project Fund	
				Programs	Projects	Education Reform	Total
						Success	
REVENUES							
State	\$ -	\$ 209,427	\$ 2,418,744	\$ 60,817	\$ 1,016,254	\$ -	\$ 3,705,242
Federal	5,925,656	11,939,956	49,432	4,757,164	-	-	22,672,208
Other	-	-	-	1,067,111	10,430,329	-	11,497,440
Total Revenues	<u>5,925,656</u>	<u>12,149,383</u>	<u>2,468,176</u>	<u>5,885,092</u>	<u>11,446,583</u>	<u>-</u>	<u>37,874,890</u>
EXPENDITURES							
Current							
Instruction	2,611,482	6,873,061	2,351,212	2,167,355	1,779,056	-	15,782,166
Support services							
Pupil services	1,294,006	2,254,095	311,363	577,491	740,506	-	5,177,461
Improvement of instructional services	1,682,211	1,749,588	-	2,201,510	5,308,895	-	10,942,204
Educational media	-	-	-	2,377	-	-	2,377
General administration	3,500	90,664	-	169,134	601,159	-	864,457
School administration	15,291	-	-	-	1,078,243	-	1,093,534
Business administration	-	91,012	-	2,047	24,572	1,575	119,206
Maintenance and operation of facilities	-	-	-	2,978	9,875	-	12,853
Student transportation	-	1,069,749	-	184,408	90,923	-	1,345,080
Central support	319,166	21,214	-	-	1,540,560	-	1,880,940
Other support services	-	-	-	432,984	534,010	-	966,994
Debt Service							
Principal	-	-	-	-	-	570,000	570,000
Interest	-	-	-	-	-	394,987	394,987
Total Expenditures	<u>5,925,656</u>	<u>12,149,383</u>	<u>2,662,575</u>	<u>5,740,284</u>	<u>11,707,799</u>	<u>966,562</u>	<u>39,152,259</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(194,399)	144,808	(261,216)	(966,562)	(1,277,369)
OTHER FINANCING SOURCES(USES)							
Transfers in	-	-	222,115	-	-	964,978	1,187,093
Transfers out	-	-	-	(222,115)	-	-	(222,115)
Total Other Financing Sources(Uses)	<u>-</u>	<u>-</u>	<u>222,115</u>	<u>(222,115)</u>	<u>-</u>	<u>964,978</u>	<u>964,978</u>
Net change in Fund Balances	-	-	27,716	(77,307)	(261,216)	(1,584)	(312,391)
Fund Balances, Beginning of Year as restated	-	-	-	141,433	12,001,269	4,409	12,147,111
FUND BALANCES, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,716</u>	<u>\$ 64,126</u>	<u>\$ 11,740,053</u>	<u>\$ 2,825</u>	<u>\$ 11,834,720</u>

Atlanta Independent School System
All Special Revenue Funds Combined
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget (Over) Under
REVENUES				
Local revenues	\$ -	-	1,067,111	(1,067,111)
State revenues	3,333,795	3,825,699	3,705,242	120,457
Federal revenues	114,938,918	125,939,712	67,011,261	58,928,451
Other local revenues	6,268,189	17,001,778	10,430,329	6,571,449
Total revenues	124,540,902	146,767,189	82,213,943	64,553,246
EXPENDITURES				
Current:				
Instruction	45,411,019	67,342,527	38,613,579	28,728,948
Salary	30,218,407	29,954,477	24,750,811	5,203,666
Non-Salary	15,192,613	37,388,050	13,862,768	23,525,282
Support Services:				
Pupil services	7,978,273	12,545,496	16,897,998	(4,352,502)
Salary	4,630,775	7,933,972	13,161,440	(5,227,468)
Non-Salary	3,347,497	4,611,525	3,736,558	874,967
Improvement of instructional services	16,422,700	42,097,355	15,654,098	26,443,257
Salary	7,162,594	17,016,668	5,374,649	11,642,019
Non-Salary	9,260,106	25,080,687	10,279,449	14,801,238
Educational media	-	2,476	2,377	99
Salary	-	2,421	2,377	44
Non-Salary	-	55	-	55
General administration	16,081,251	5,126,117	2,383,589	2,742,528
Salary	1,704,101	2,495,079	781,945	1,713,134
Non-Salary	14,377,150	2,631,038	1,601,644	1,029,394
School administration	36,528,732	18,412,475	1,403,680	17,008,795
Salary	27,857	10,237	124,339	(114,102)
Non-Salary	36,500,875	18,402,238	1,279,341	17,122,897
Business administration	297,530	703,740	406,002	297,738
Salary	297,500	678,680	396,837	281,843
Non-Salary	30	25,060	9,165	15,895
Maintenance and operation of facilities	61,340	55,808	14,353	41,455
Salary	-	12,300	2,055	10,245
Non-Salary	61,340	43,508	12,298	31,210
Student transportation	2,455,414	6,528,824	1,953,083	4,575,741
Salary	717,772	3,375,818	844,025	2,531,793
Non-Salary	1,737,642	3,153,006	1,109,058	2,043,948
Central support	569,265	2,759,716	2,121,029	638,687
Salary	244,356	659,139	244,026	415,113
Non-Salary	324,909	2,100,577	1,877,003	223,574
Other support services	5,063,759	6,269,259	966,994	5,302,265
Salary	355,876	355,876	132,994	222,882
Non-Salary	4,707,883	5,913,383	834,000	5,079,383
Community Services	2,361,455	3,280,358	2,107,968	1,172,390
Salary	1,059,348	1,031,625	1,049,573	(17,948)
Non-Salary	1,302,106	2,248,734	1,058,395	1,190,339
Nutrition	5,046	-	-	-
Salary	-	-	-	-
Non-Salary	5,046	-	-	-
Debt Service:	765	765	-	765
Total Expenditures	133,236,549	165,124,917	82,524,750	82,600,167
Excess (deficiency) of revenues over (under) expenditures	(8,695,647)	(18,357,728)	(310,807)	(18,046,921)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	222,115	(222,115)
Transfers out	-	-	(222,115)	222,115
Net change in fund balances	(8,695,647)	(18,357,728)	(310,807)	(18,046,921)
Fund Balance, Beginning of Year	12,142,702	12,142,702	12,142,702	-
FUND BALANCE, END OF YEAR	\$ 3,447,055	(6,215,026)	11,831,895	(18,046,921)

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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget (Over) Under
Revenue				
Federal funds	\$ 8,109,057	\$ 7,774,606	\$ 5,925,656	\$ 1,848,950
Expenditures				
Current				
Instruction	2,811,869	4,615,817	2,611,482	2,004,335
Salary	2,811,869	4,227,642	2,359,324	1,868,318
Non-Salary	-	388,175	252,158	136,017
Support services				
Pupil services	-	-	1,294,006	(1,294,006)
Salary	-	-	1,294,006	(1,294,006)
Non-Salary	-	-	-	-
Improvement of instructional services	4,911,601	5,400,199	1,682,211	3,717,988
Salary	2,341,902	2,772,223	127,033	2,645,190
Non-Salary	2,569,699	2,627,976	1,555,178	1,072,798
General administration	-	-	3,500	(3,500)
Salary	-	-	3,500	(3,500)
Non-Salary	-	-	-	-
School administration	-	-	15,291	(15,291)
Salary	-	-	-	-
Non-Salary	-	-	15,291	(15,291)
Central support	385,587	561,156	319,166	241,990
Salary	75,000	97,713	116,905	(19,192)
Non-Salary	310,587	463,443	202,261	261,182
Total Expenditures	<u>8,109,057</u>	<u>10,577,172</u>	<u>5,925,656</u>	<u>4,651,516</u>
Excess (deficiency) revenues over(under) expenditures	-	(2,802,566)	-	(2,802,566)
Fund Balance, Beginning of Year	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ (2,802,566)</u>	<u>\$ -</u>	<u>\$ (2,802,566)</u>

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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget (Over) Under
Revenue				
State revenue	\$ -	\$ -	\$ 209,427	\$ (209,427)
Federal revenue	20,571,757	21,678,391	11,939,956	9,738,435
Total Revenue	<u>20,571,757</u>	<u>21,678,391</u>	<u>12,149,383</u>	<u>9,529,008</u>
Expenditures				
Current				
Instruction	5,382,107	11,336,428	6,873,061	4,463,367
Salary	4,696,751	5,934,383	5,079,068	855,315
Non-Salary	685,356	5,402,045	1,793,993	3,608,052
Support services				
Pupil services	2,090,031	3,517,561	2,254,095	1,263,466
Salary	1,116,584	1,779,623	938,555	841,068
Non-Salary	973,447	1,737,938	1,315,540	422,398
Improvement of instructional services	1,539,803	3,023,543	1,749,588	1,273,955
Salary	1,412,803	2,484,038	1,589,079	894,959
Non-Salary	127,000	539,505	160,509	378,996
General administration	10,645,734	153,360	90,664	62,696
Salary	198,950	153,360	90,664	62,696
Non-Salary	10,446,784	-	-	-
Business administration	-	-	91,012	(91,012)
Salary	-	-	91,012	(91,012)
Non-Salary	-	-	-	-
Maintenance and operation of facilities	-	11,300	-	11,300
Salary	-	11,300	-	11,300
Non-Salary	-	-	-	-
Student transportation	914,082	3,690,628	1,069,749	2,620,879
Salary	717,772	3,375,818	842,972	2,532,846
Non-Salary	196,310	314,810	226,777	88,033
Central support	-	22,500	21,214	1,286
Salary	-	-	-	-
Non-Salary	-	22,500	21,214	1,286
Total Expenditures	<u>20,571,757</u>	<u>21,755,320</u>	<u>12,149,383</u>	<u>9,605,937</u>
Excess (deficiency) of revenues over (under) expenditures	-	(76,929)	-	(76,929)
Fund Balance, Beginning of Year	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ (76,929)</u>	<u>\$ -</u>	<u>\$ (76,929)</u>

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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget (Over) Under
Revenue				
State Revenue	\$ 2,722,707	\$ 2,578,848	\$ 2,418,744	\$ 160,104
Federal Revenue	-	-	49,432	(49,432)
Total Revenue	<u>2,722,707</u>	<u>2,578,848</u>	<u>2,468,176</u>	<u>110,672</u>
Expenditures				
Current				
Instruction	2,188,279	2,485,594	2,351,212	134,382
Salary	2,036,904	1,183,897	2,265,919	(1,082,022)
Non-Salary	151,375	1,301,697	85,293	1,216,404
Support services				
Pupil services	475,000	361,822	311,363	50,459
Salary	99,645	361,822	311,363	50,459
Non-Salary	375,355	-	-	-
Improvement of instructional services	55,000	-	-	-
Salary	30,000	-	-	-
Non-Salary	25,000	-	-	-
School administration	4,428	-	-	-
Salary	-	-	-	-
Non-Salary	4,428	-	-	-
Total Expenditures	<u>2,722,707</u>	<u>2,847,416</u>	<u>2,662,575</u>	<u>184,841</u>
Deficiency of revenues under expenditures	-	(268,568)	(194,399)	(74,169)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	222,115	(222,115)
Net change in fund balance	-	(268,568)	27,716	(296,284)
Fund Balance, Beginning of Year	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ (268,568)</u>	<u>\$ 27,716</u>	<u>\$ (296,284)</u>

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget (Over) Under
	Original	Final		
Revenue				
Local revenue	\$ -	\$ -	\$ 1,067,111	(1,067,111)
State revenue	-	-	60,817	(60,817)
Federal revenue	4,768,591	9,009,225	4,757,164	4,252,061
Total Revenue	4,768,591	9,009,225	5,885,092	3,124,133
Expenditures				
Current				
Instruction	1,424,885	2,815,268	2,167,355	647,913
Salary	696,368	1,373,929	1,145,020	228,909
Non-Salary	728,517	1,441,339	1,022,335	419,004
Support services				
Pupil services	371,277	828,638	577,491	251,147
Salary	284,991	606,464	523,623	82,841
Non-Salary	86,286	222,174	53,868	168,306
Improvement of instructional services	2,517,283	4,298,366	2,201,510	2,096,856
Salary	1,291,439	1,623,048	790,848	832,200
Non-Salary	1,225,844	2,675,318	1,410,662	1,264,656
Educational media	-	2,421	2,377	44
Salary	-	2,421	2,377	44
Non-Salary	-	-	-	-
General administration	157,660	272,036	169,134	102,902
Salary	106,290	155,523	122,089	33,434
Non-Salary	51,370	116,513	47,045	69,468
Business administration	-	5,000	2,047	2,953
Salary	-	-	410	(410)
Non-Salary	-	5,000	1,637	3,363
Maintenance and operation of facilities	23,000	5,167	2,978	2,189
Salary	-	-	-	-
Non-Salary	23,000	5,167	2,978	2,189
Student transportation	89,433	364,851	184,408	180,443
Salary	-	-	-	-
Non-Salary	89,433	364,851	184,408	180,443
Central support	-	9,000	-	9,000
Salary	-	-	-	-
Non-Salary	-	9,000	-	9,000
Other Support Services	187,876	819,376	432,984	386,392
Salary	187,876	187,876	18,984	168,892
Non-Salary	-	631,500	414,000	217,500
Total Expenditures	4,771,414	9,420,123	5,740,284	3,679,839
Excess(deficiency) revenues over(under) expenditures	(2,823)	(410,898)	144,808	(555,706)
OTHER FINANCING (USES)				
Transfers out	-	-	(222,115)	222,115
Fund Balance, Beginning of Year	141,433	141,433	141,433	-
FUND BALANCE, END OF YEAR	\$ 138,610	\$ (269,465)	\$ 64,126	\$ (333,591)

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget (Over) Under
	Original	Final		
Revenue				
State Revenue	\$ 611,088	\$ 1,246,851	\$ 1,016,254	\$ 230,597
Other Local Revenue	6,268,189	17,001,778	10,430,329	6,571,449
Total Revenue	<u>6,879,277</u>	<u>18,248,629</u>	<u>11,446,583</u>	<u>6,802,046</u>
Expenditures				
Current				
Instruction	1,955,516	3,981,251	1,779,056	2,202,195
Salary	787,036	826,816	984,368	(157,552)
Non-Salary	1,168,480	3,154,435	794,688	2,359,747
Support services				
Pupil services	769	314,512	740,506	(425,994)
Salary	-	248,921	612,987	(364,066)
Non-Salary	769	65,591	127,519	(61,928)
Improvement of instructional services	1,643,353	11,525,110	5,308,895	6,216,215
Salary	478,248	1,152,382	611,880	540,502
Non-Salary	1,165,105	10,372,728	4,697,015	5,675,713
Educational media	-	55	-	55
Salary	-	-	-	-
Non-Salary	-	55	-	55
General administration	3,871,867	1,776,862	601,159	1,175,703
Salary	1,263,498	1,172,700	146,889	1,025,811
Non-Salary	2,608,369	604,162	454,270	149,892
School administration	2,496,582	610,287	1,078,243	(467,956)
Salary	27,857	10,237	-	10,237
Non-Salary	2,468,725	600,050	1,078,243	(478,193)
Business administration	15,491	20,060	24,572	(4,512)
Salary	15,461	-	17,044	(17,044)
Non-Salary	30	20,060	7,528	12,532
Maintenance and operation of facilities	38,340	39,341	9,875	29,466
Salary	-	1,000	555	445
Non-Salary	38,340	38,341	9,320	29,021
Student transportation	654,167	728,360	90,923	637,437
Salary	-	-	-	-
Non-Salary	654,167	728,360	90,923	637,437
Central support	14,322	2,063,816	1,540,560	523,256
Salary	-	458,182	7,292	450,890
Non-Salary	14,322	1,605,634	1,533,268	72,366
Other Support Services	4,875,883	5,449,883	534,010	4,915,873
Salary	168,000	168,000	114,010	53,990
Non-Salary	4,707,883	5,281,883	420,000	4,861,883
Nutrition	5,046	-	-	-
Salary	-	-	-	-
Non-Salary	5,046	-	-	-
Debt Service	765	765	-	765
Total Expenditures	<u>15,572,101</u>	<u>26,510,302</u>	<u>11,707,799</u>	<u>14,802,503</u>
Excess (deficiency)revenues over(under) expenditures	(8,692,824)	(8,261,673)	(261,216)	(8,000,457)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Net change in fund balance	(8,692,824)	(8,261,673)	(261,216)	(8,000,457)
Fund Balance, Beginning of Year	<u>12,001,269</u>	<u>12,001,269</u>	<u>12,001,269</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,308,445</u>	<u>\$ 3,739,596</u>	<u>\$ 11,740,053</u>	<u>\$ (8,000,457)</u>

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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget (Over) Under
Revenue				
Sales tax revenue	\$ 114,883,635	\$ 212,997,063	\$ 95,443,229	\$ 117,553,834
Investment Income	-	-	179,734	(179,734)
Other local revenue	23,318,822	69,693,487	3,391,894	66,301,593
Total Revenue	<u>138,202,457</u>	<u>282,690,550</u>	<u>99,014,857</u>	<u>183,675,693</u>
Expenditures				
Current				
Instruction	90,297	130,297	105,062	25,235
Salary	-	-	7,512	(7,512)
Non-Salary	90,297	130,297	97,550	32,747
Support services				
General administration	578,821	965,812	698,423	267,389
Salary	-	28,040	-	28,040
Non-Salary	578,821	937,772	698,423	239,349
Business administration	74,300	1,074,300	-	1,074,300
Salary	-	913,550	-	913,550
Non-Salary	74,300	160,750	-	160,750
Maintenance and operation of facilities	94,537	399,537	150,356	249,181
Salary	-	-	40,395	(40,395)
Non-Salary	94,537	399,537	109,961	289,576
Student transportation	104,517	3,604,517	3,149,717	454,800
Salary	-	-	-	-
Non-Salary	104,517	3,604,517	3,149,717	454,800
Central support	3,614,174	24,977,174	11,520,936	13,456,238
Salary	-	-	-	-
Non-Salary	3,614,174	24,977,174	11,520,936	13,456,238
Capital outlays	133,645,811	251,538,913	139,770,104	111,768,809
Salary	-	-	-	-
Non-Salary	133,645,811	251,538,913	139,770,104	111,768,809
Total Expenditures	<u>138,202,457</u>	<u>282,690,550</u>	<u>155,394,598</u>	<u>127,295,952</u>
Excess (deficiency) revenues over(under) expenditures	-	-	(56,379,741)	56,379,741
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	43,477,054	(43,477,054)
Net change in fund balance	-	-	(12,902,687)	12,902,687
Fund Balance, Beginning of Year	149,787,729	149,787,729	149,787,729	-
FUND BALANCE, END OF YEAR	<u>\$ 149,787,729</u>	<u>\$ 149,787,729</u>	<u>\$ 136,885,042</u>	<u>\$ 12,902,687</u>

Atlanta Independent School System
 Combining Statement of Changes in Assets and Liabilities
 Agency Fund
 For the year ended June 30, 2010

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2010</u>
Assets:				
Cash and cash equivalents	\$ <u>881,840</u>	\$ <u>1,656,568</u>	\$ <u>1,637,194</u>	\$ <u>901,214</u>
 Liabilities:				
Due to local schools and student groups	\$ <u>881,840</u>	\$ <u>1,656,568</u>	\$ <u>1,637,194</u>	\$ <u>901,214</u>

Quality Basic Education Programs – Program Expenditures

General Fund Quality Basic Education Programs:

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 Revenues

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, 2010

DESCRIPTION	ALLOTMENTS FROM GEORGIA DEPARTMENT OF EDUCATION (1)		ELIGIBLE QBE PROGRAM COSTS		TOTAL
		SALARIES	OPERATIONS		
Direct Instructional Programs					
1011 Kindergarten Program	\$ 20,375,965	\$ 21,810,553	\$ -	\$ 21,810,553	
1061 Kindergarten Program-Early Intervention Program	3,933,193	2,788,275	-	2,788,275	
1021 Primary Grades (1-3) Program	47,283,913	61,334,269	27,154,584	88,488,853	
1071 Primary Grades-Early Intervention (1-3) Program	8,398,658	20,836,294	-	20,836,294	
1051 Upper Elementary Grades (4-5) Program	20,392,208	16,134,809	3,361,806	19,496,615	
1091 Upper Elem Grades-Early Intervention (4-5) Program	5,809,341	7,400,638	-	7,400,638	
1031 Middle Grades (6-8) Program	783,080	-	-	-	
1081 Middle School (6-8) Program	30,452,290	44,546,581	2,558,102	47,104,683	
1041 High School General Education (9-12) Program	28,403,161	54,636,199	4,128,294	58,764,493	
3011 Vocational Laboratory (9-12) Program	6,327,956	5,985,878	590,936	6,576,814	
Students with Disabilities					
2021 Category I	1,639,995	37,740,477	2,706,500	40,446,977	
2031 Category II	2,746,664	1,863,360	-	1,863,360	
2041 Category III	15,091,129	3,703,867	1,070,535	4,774,402	
2051 Category IV	2,954,716	-	-	-	
2011 Category V	339,932	-	-	-	
2111 Gifted Student - Category VI	7,239,682	8,863,969	20,288	8,884,257	
2211 Remedial Education Program	2,240,518	2,375,510	155,274	2,530,784	
5071 Alternative Education Program	2,458,530	1,460,825	2,437,031	3,897,856	
1351 English Speakers of Other Languages (ESOL)	2,329,512	4,148,507	82,856	4,231,363	
TOTAL DIRECT INSTRUCTIONAL PROGRAMS	\$ 209,200,443	\$ 295,630,011	\$ 44,266,206	\$ 339,896,217	
1310 Media Center Program	6,161,639	8,743,561	926,244	9,669,805	
1210 Staff and Professional Development	1,119,982	2,895,355	898,523	3,793,878	
TOTAL QBE FORMULA FUNDS	\$ 216,482,064	\$ 307,268,927	\$ 46,090,973	\$ 353,359,900	
1100 Twenty days additional Instruction		842,572	-	842,572	
1320 Pupil Transprtation		12,022,584	7,149,643	19,172,227	
1445 On behalf		708,723	-	708,723	
1450 Indirect costs - Central Admin.		85,119,735	47,104,502	132,224,237	
1455 Indirect costs - School Admin.		41,042,537	534,887	41,577,424	
1457 Indirect costs - Facilities M&O		20,051,338	40,557,780	60,609,118	
1500 Nurses		149,754	-	149,754	
		\$ 467,206,170	\$ 141,437,785	\$ 608,643,955	

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

ATLANTA INDEPENDENT SCHOOL SYSTEM

Lottery Programs
Schedule of Expenditures by Object
For the Year Ended June 30, 2010

	Pre-Kindergarten Program	
Salaries	\$	2,200,986
Employee benefits		376,296
Professional and Technical Services		9,419
Employee travel		3,753
Materials and supplies		72,121
		<hr/>
	\$	2,662,575
		<hr/> <hr/>

ATLANTA INDEPENDENT SCHOOL SYSTEM
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2010

<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 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 Elementary	21,355,321	26,443,062	409,388	26,443,062	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	427,372,400	4,706,515	427,372,400	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	108,752,542	107,703,755	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					
	<u>20,511,000</u>	<u>20,511,000</u>	<u>1,455,487</u>	<u>9,754,495</u>	Ongoing
	<u>\$ 1,080,762,392</u>	<u>\$ 1,026,684,238</u>	<u>\$ 115,323,932</u>	<u>\$ 571,273,712</u>	

- (1) The School System's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.
- (2) The School System's current estimate of total cost for the projects. Includes all cost from project inception to completion.
- (3) The voters of Fulton and Dekalb Counties approved the imposition of a 1% sales tax to fund the above projects and retire associated debt. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.
- (4) The School System's amounts expended in prior years related to the above projects.

ATLANTA INDEPENDENT SCHOOL SYSTEM
SCHEDULE OF STATE REVENUE
FISCAL YEAR ENDED JUNE 30, 2010

<u>AGENCY/FUNDING</u>	<u>GOVERNMENTAL FUND TYPES</u>		<u>TOTAL</u>
	<u>GENERAL FUND</u>	<u>OTHER NONMAJOR GOVERNMENTAL FUNDS</u>	
GRANTS			
Bright from the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	\$ -	\$ 2,418,744	\$ 2,418,744
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	10,608,386	-	10,608,386
Kindergarten Program - Early Intervention Program	1,913,523	-	1,913,523
Primary Grades (1-3) Program	24,462,046	-	24,462,046
Primary Grades - Early Intervention (1-3) Program	4,050,672	-	4,050,672
Upper Elementary Grades (4-5) Program	10,569,709	-	10,569,709
Upper Elementary Grades - Early Intervention (4-5) Program	2,896,175	-	2,896,175
Middle Grades (6-8) Program	378,301	-	378,301
Middle School (6-8) Program	15,670,712	-	15,670,712
High School General Education (9-12) Program	14,603,935	-	14,603,935
Vocational Laboratory (9-12) Program	3,215,997	-	3,215,997
Students with Disabilities - All Categories	11,671,890	-	11,671,890
Gifted Student - Category VI	3,610,980	-	3,610,980
Remedial Education Program	1,151,019	-	1,151,019
Alternative Education Program	1,262,240	-	1,262,240
English Speakers of Other Languages (ESOL)	1,213,481	-	1,213,481
Media Center Program	3,164,315	-	3,164,315
20 Days Additional Instruction	977,162	-	977,162
Staff and Professional Development	572,604	-	572,604
Indirect Cost			
Central Administration	2,448,405	-	2,448,405
School Administration	7,410,956	-	7,410,956
Facility Maintenance and Operations	7,305,012	-	7,305,012
Categorical Grants			
Pupil Transportation			
Regular	3,327,952	-	3,327,952
Nursing Services	729,974	-	729,974
Mid-term Adjustment Hold-Harmless	416,181	-	416,181
Austerity Reduction	(27,663,516)	-	(27,663,516)
Other State Programs			
Career, Technical and Agriculture	-	155,585	155,585
Charter Schools- APS	-	420,000	420,000
Georgia Council for the Arts (ACE)	-	13,021	13,021
Health Insurance	561,914	-	561,914
CTAE M.E. Support	-	3,164	3,164
Preschool Handicapped Program	-	209,427	209,427
Residential Treatment Centers Grant	560,711	-	560,711
Teacher's Retirement	146,809	-	146,809
Vocational Supervisors	-	60,817	60,817
Adult Education	-	194,209	194,209
Adult Literacy Project	-	230,275	230,275
	<u>\$ 107,237,545</u>	<u>\$ 3,705,242</u>	<u>\$ 110,942,787</u>

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 - 5

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

Revenue Capacity Information

6 - 8

These tables contain information to help the reader assess the School System's two most significant revenue sources: property taxes and sales taxes.

Debt Capacity

These tables present information that may assist the reader in analyzing the affordability of the School System's current levels of outstanding debt and the School System's ability to issue additional debt in the future. As of June 30, 2010, there is no debt to report.

Operating Information

9 - 13

These tables contain service indicators that can inform ones' understanding how the information in the School System's financial statements relates to the services the School System provides and the activities it performs. Employee by function data is not included.

Demographic and Economic Information

14 - 19

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 nine years of information.

ATLANTA INDEPENDENT SCHOOL SYSTEM
Net Asset by Component
Last Nine 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>	Restated <u>2009</u>	<u>2010</u>
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	959,621,519	1,056,744,474
Restricted	2,482,792	-	-	3,988,606	26,478,370	106,980,587	182,517,605	152,371,189	111,943,417
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>168,743,024</u>	<u>128,194,970</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>1,280,735,732</u>	<u>1,296,882,861</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	-	-	-
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>	484,935	1,972,799	2,038,487
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>	484,935	1,972,799	2,038,487
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	959,621,519	1,056,744,474
Restricted	2,482,792	-	-	3,988,606	26,478,370	106,980,587	182,517,605	152,371,189	111,943,417
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>170,715,823</u>	<u>130,233,457</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>1,282,708,531</u>	<u>1,298,921,348</u>

Source: Atlanta Independent School System Financial Reports
for previous years and fiscal year ended June 30, 2010

Note: GASB 34 implemented in 2002, only nine years presented.

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

Fiscal Year Ended June 30,	2002	2003	2004	2005	2006	2007	2008	Restated 2009	2010
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	427,131,947	438,036,127
Pupil Services	22,627,253	21,649,868	21,890,649	24,009,140	29,201,941	20,424,786	36,915,697	36,130,943	37,303,898
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	38,598,585	40,427,290
Educational Media Services	12,360,619	7,615,931	6,746,870	7,087,158	11,326,263	8,112,792	11,637,527	9,220,728	8,394,083
General Administration	10,924,016	13,622,969	21,539,082	18,908,200	22,244,328	22,613,568	18,659,059	15,698,105	14,110,681
School Administration	30,642,476	25,948,073	24,230,800	23,247,406	36,313,409	25,103,296	34,558,215	26,425,185	28,239,428
Business Administration	8,337,982	6,452,828	5,482,136	6,685,755	12,973,297	14,960,540	11,483,553	24,150,131	15,327,591
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	90,747,017
Pupil Transportation	17,000,163	16,678,855	15,189,582	14,678,214	21,658,991	19,865,342	42,709,556	53,662,233	39,593,169
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	48,566,805
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	3,707,098	3,350,291
Enterprise Operations	977,215	-	-	-	-	-	-	-	-
Employee Benefits	237,108	249,094	-	-	-	-	-	-	-
Interest	-	-	690,836	538,613	1,855,674	1,031,588	1,788,213	2,295,941	2,022,585
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	764,304,432	766,118,965
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	23,222,029
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	23,222,029
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	786,057,253	789,340,994
Program Revenues									
Governmental Activities									
Charges for Services									
Instruction	-	-	-	-	-	1,004,517	114,350	140,047	90,084
School Administration	-	-	-	-	2,097,124	-	-	-	-
Maintenance and Operations	-	-	-	-	-	1,067,404	-	1,246,236	995,042
Enterprise Operations	-	-	-	-	-	-	3,749,416	767,347	754,773
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	108,327,712	110,873,809
Pupil Services	4,209,345	4,428,193	6,558,788	8,414,003	7,400,136	14,951,701	18,133,132	20,282,835	14,470,057
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	20,193,588	27,647,132
Educational Media Services	1,723,159	121,737	30,954	182,646	1,491,330	2,424,655	3,745,884	2,899,356	1,404,768
General Administration	2,084,660	2,648,088	3,756,784	4,151,612	4,516,383	3,336,077	3,104,288	5,788,541	3,705,087
School Administration	448,209	2,097,074	381,845	238,704	355,600	6,065,020	3,498,951	5,874,998	6,841,227
Business Administration	-	-	-	366,225	1,115,379	1,102,416	9,106,449	3,933,403	2,925,304
Maintenance and Operations	56,963	222,320	58,967	27,511	261,388	8,740,838	9,262,487	17,293,612	15,521,798
Pupil Transportation	806,645	1,046,705	379,673	1,409,015	1,960,211	5,206,251	5,337,639	8,537,786	8,286,759
Support Services-Central	735,268	108,992	754,227	1,105,539	104,874	984,451	660,429	7,680,398	9,984,164
Community Services	2,762,298	3,597,754	-	-	-	65,551	226,806	2,811,038	2,116,177
Support Services-Other	564,776	-	2,524,240	1,444,714	677,385	7,365,780	1,307,102	-	-
Enterprise Operations	-	-	-	-	-	-	-	12,691	-
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	205,789,588	205,616,181
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	1,836,912
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	21,442,603
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	23,279,515
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	229,030,273	228,895,696

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

Fiscal Year Ended June 30, <i>Net (Expense)/Revenue</i>	2002	2003	2004	2005	2006	2007	2008	Restated 2009	2010
Governmental Activities									
Instruction	(147,538,427)	(190,430,043)	(233,971,599)	(262,144,400)	(216,896,434)	(227,196,067)	(273,252,407)	(318,664,187)	(327,072,234)
Pupil Services	(18,417,908)	(17,221,675)	(15,331,861)	(15,595,137)	(21,801,805)	(5,473,085)	(18,782,565)	(15,848,107)	(22,833,841)
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)	(18,404,997)	(12,780,158)
Educational Media Services	(10,637,460)	(7,494,194)	(6,715,916)	(6,904,512)	(9,834,933)	(5,688,137)	(7,891,643)	(6,321,372)	(6,989,315)
General Administration	(8,839,356)	(10,974,881)	(17,782,298)	(14,756,588)	(17,727,945)	(19,277,491)	(15,554,771)	(9,909,564)	(10,405,594)
School Administration	(30,194,267)	(23,850,999)	(23,848,955)	(23,008,702)	(33,860,685)	(19,038,276)	(31,059,264)	(20,550,187)	(21,398,201)
Business Administration	(8,337,982)	(6,452,828)	(5,482,136)	(6,319,530)	(11,857,918)	(13,858,124)	(2,377,104)	(20,216,730)	(12,402,287)
Maintenance and Operations	(61,141,635)	(58,674,100)	(61,295,698)	(48,293,773)	(59,836,970)	(48,063,172)	(80,130,092)	(69,944,826)	(74,230,177)
Pupil Transportation	(16,193,518)	(15,632,150)	(14,809,909)	(13,269,199)	(18,058,136)	(13,467,461)	(36,718,870)	(45,124,446)	(31,306,410)
Support Services-Central	(25,256,485)	(23,295,242)	(28,375,655)	(25,098,479)	(26,660,063)	(24,102,242)	(32,239,516)	(31,118,464)	(38,582,641)
Other Support Services	(451,869)	(2,518,258)	2,524,240	1,021,413	(106,503)	5,098,747	226,806	(3,707,098)	(3,350,291)
Non-Instructional Services	(116,720)	-	-	-	-	79,272	(8,023,207)	2,811,038	2,116,177
Enterprise Operations	-	-	-	-	-	-	3,749,416	780,038	754,773
Interest	(977,215)	-	(690,836)	(538,613)	(1,855,674)	(1,031,588)	(1,788,213)	(2,295,941)	(2,022,585)
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)	(558,514,843)	(560,502,784)
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	57,486
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	57,486
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)	(557,026,979)	(560,445,298)
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	498,921,379
Property Taxes Levied for Debt Services	-	-	-	-	-	1,036,250	1,153,847	1,262,460	1,271,739
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	63,438,076
Other Taxes	-	-	-	-	1,979,560	-	-	-	-
Federal and Other State Aid not Restricted to Specific Programs	-	-	-	-	9,411,373	-	1,347,241	4,328,538	1,306,947
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	230,484
Miscellaneous	6,789,405	5,935,088	3,786,290	5,900,535	6,316,574	15,129,339	6,855,522	15,296,550	10,583,834
Gain on Sale of Assets	-	-	-	-	2,505,987	3,129,377	-	528,432	897,453
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	616,422,668	576,649,912
Business-Type Activities									
Interest and Investment Earnings	-	-	-	-	59,711	(9,535)	-	-	8,202
Transfers	-	-	1,592,485	1,796,292	1,036,966	16,416,074	9,400,000	-	-
Other	-	-	-	-	-	79,445	-	-	-
Total Business-Type Activities	-	-	1,592,485	1,796,292	1,096,677	16,485,984	9,400,000	-	8,202
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	616,422,668	576,658,114
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	57,907,825	16,147,128
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	65,688
Total Primary Government	100,884,194	78,137,898	50,974,024	56,387,426	65,825,441	207,844,654	71,410,574	59,395,689	16,212,816

Source: Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2010

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 nine years presented.
 In fiscal year 2010, sales tax decreased as compared to the previous four years due to sales tax refund/repayment.

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

Fiscal Year Ended June 30,	<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>Restated</u> <u>2009</u>	<u>2010</u>
General Fund										
Reserved	15,826,687	16,933,754	11,938,879	11,159,630	7,325,684	13,692,102	21,785,030	20,198,038	72,359,684	33,799,205
Unreserved	61,608,320	38,418,253	62,084,468	37,292,448	68,098,575	73,372,473	91,809,975	131,566,427	85,541,272	75,928,012
Total General Fund	<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>157,900,956</u>	<u>109,727,217</u>
All Other Governmental Funds										
Reserved	57,281,761	156,758,830	80,968,852	70,077	70,078	22,216,154	103,139,827	168,623,662	149,939,551	136,951,993
Unreserved, reported in:										
Capital Project Funds	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	25,073,172	22,558,744	18,027,458	17,571,631	11,868,263	12,177,524	12,652,472	14,193,822	11,995,289	11,767,769
Total All Other Governmental Funds	<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>161,934,840</u>	<u>148,719,762</u>
Total	<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>319,835,796</u>	<u>258,446,979</u>

**Source: Atlanta Independent School System Financial Report
for previous years and fiscal year ended June 30, 2010**

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

Fiscal Year Ended June 30,	2001	2002	2003	2004	2005	2006	2007	2008	Restated 2009	2010
Revenues										
Local Taxes	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	493,825,791
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	95,443,229
State Revenues	214,552,078	190,093,723	177,702,841	152,497,189	137,310,665	141,640,201	151,924,389	163,747,188	129,106,908	110,942,787
Federal Revenues	58,428,717	44,949,186	57,560,015	63,594,376	65,118,135	66,535,863	71,658,231	71,651,548	70,336,278	82,463,268
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	410,218
Facility Rental Fees	-	472,438	436,094	709,320	876,965	949,298	-	1,604,301	1,246,236	995,042
Tuition Charges	-	176,055	30,800	45,748	11,707	243,698	-	114,350	140,047	90,084
Charges for Other Services	-	-	-	-	-	904,128	2,071,921	3,749,416	767,348	754,773
Other	-	24,324,599	11,875,018	9,545,822	9,578,369	15,066,259	15,884,882	13,512,915	23,817,861	22,081,274
Total Revenues	721,047,529	684,505,852	685,246,164	679,515,841	679,013,079	718,104,604	793,523,197	845,903,950	843,495,386	807,006,466
Expenditures										
Current Expenditures										
Instruction	335,112,602	353,337,682	387,299,503	405,869,137	395,383,620	358,003,139	405,189,908	373,703,960	394,246,196	403,804,829
Support Services										
Pupil Services	20,966,352	22,590,159	21,612,774	21,853,555	23,972,046	28,296,328	23,654,225	33,795,599	35,859,316	36,234,070
Improvement of Instructional Services	25,957,684	49,379,326	32,991,181	21,181,874	20,071,788	31,811,061	31,501,828	38,823,821	38,318,666	39,447,284
Educational Media	9,151,192	12,351,085	7,601,608	6,738,907	7,080,214	11,128,439	9,119,001	10,507,784	9,081,715	8,145,710
General Administration	16,253,607	10,683,333	13,026,341	13,504,910	9,832,227	15,066,526	15,833,120	17,134,640	15,572,414	13,763,790
School Administration	25,319,655	30,642,476	35,456,730	24,230,800	23,525,692	35,579,029	28,207,534	32,147,765	26,227,397	27,509,235
Business Services	16,210,243	8,337,982	6,452,828	5,482,136	6,795,841	12,959,536	15,632,317	23,625,597	17,182,008	15,934,176
Maintenance & Operation of Facilities	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	90,301,296
Student Transportation	20,044,651	16,088,475	14,295,463	13,022,959	12,815,478	19,331,040	17,344,114	37,822,559	51,723,141	36,256,980
Central Support	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	47,399,446
Community Services	72,905	3,214,167	8,582,226	526,684	220,262	-	-	983,284	3,676,062	-
Nutrition	-	-	-	-	-	-	-	49,014	12,500	-
Other	2,861,537	681,496	141,088,759	169,069,406	-	796,364	2,386,576	-	-	3,274,650
Food Services Operation	24,379,053	-	-	-	-	-	-	-	-	-
Other Operations of Non-Instructional Services	15,376	-	-	-	-	48,270	-	7,974,781	-	-
Employee Benefits	103,857	-	-	-	-	-	-	-	-	-
Enterprise Operations	7,579,712	-	-	-	-	-	-	-	-	-
Other Uses	57,968,892	78,153,025	-	-	107,635,321	78,371,573	-	-	-	-
Capital Outlays	-	-	-	-	-	-	56,735,237	67,911,787	151,389,516	139,770,104
Debt Service Interest	2,045,429	977,215	-	690,836	538,613	403,266	-	1,788,213	2,295,941	5,755,506
Capital Lease Principal	2,600,000	10,225,534	8,417,826	6,066,632	4,386,236	2,700,668	3,840,761	2,387,590	6,800,416	2,022,585
Advance Refunding Escrow	110,501,066	37,991,609	-	-	-	-	-	-	-	-
Total Expenditures	768,190,018	721,839,094	765,135,174	780,292,860	687,093,174	681,004,041	698,327,196	762,699,192	880,199,535	869,619,661
Excess / (Deficiency) of Revenues over (under) Expenditures	(47,142,489)	(37,333,242)	(79,889,010)	(100,777,019)	(8,080,095)	37,100,563	95,196,001	83,204,756	(36,704,149)	(62,613,195)
Other Financing Sources (Uses)										
Proceeds from Capital Leases	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	1,224,378
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	83,207,278	42,589,027	2,482,792	18,158,072	18,128,500	19,874,172	27,635,695	25,307,215	34,055,410	44,664,147
Transfers out	(83,207,278)	(42,589,027)	(2,482,792)	(19,750,557)	(19,924,792)	(19,874,172)	(44,051,769)	(34,707,215)	(34,055,410)	(44,664,147)
Total Other Financing Sources/(Uses)	6,178,613	4,112,800	5,943,857	14,629,773	10,079,523	7,079,682	3,427,908	11,509,104	932,980	1,224,378
Extraordinary Items	-	-	-	-	-	-	(1,981,811)	-	-	-
Net Change in Fund Balances	(40,963,876)	(33,220,442)	(73,945,153)	(86,147,246)	1,999,428	44,180,245	96,642,098	94,713,862	(35,771,169)	(61,388,817)
Fund Balance at Beginning of Year	312,346,296	279,890,024	258,964,810	185,019,657	115,423,338	116,292,413	166,928,634	263,570,733	355,606,965	323,846,887
Prior Period Corrections	-	-	-	-	-	498,296	-	-	-	-
Change in accounting practice	-	-	-	-	-	-	-	-	-	(4,011,091)
FUND BALANCE AT END OF YEAR	271,382,420	246,669,582	185,019,657	98,872,411	117,422,766	160,970,954	263,570,733	358,284,596	319,835,796	258,446,979
RECORDED FUND BALANCE AT END OF YEAR	271,320,694	246,669,582	185,019,657	98,872,411	117,422,766	160,970,954	263,570,733	358,284,596	319,835,796	258,446,979
Debt service as a percentage of noncapital expenditures	15.08%	6.92%	1.11%	0.87%	0.72%	0.46%	0.60%	0.60%	1.26%	1.08%

Source: Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2010

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 EXPENDITURES BY FUNCTION
Last Ten Fiscal Years
Schedule 5**

Fiscal Year	Instruction ₁	Pupil Services	School and Admin. Services	Business Services ₂	Capital Outlay	Other ₃	Total	total current expenditures % of change from prior year	total capital outlay % of change from prior year	total expenditures % of change from prior year
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	385,984,855	20,045,172	36,636,052	133,410,584	-	42,590,714	618,667,377	5.83%	0.00%	4.54%
2010	⁴ 397,022,707	19,336,072	36,787,333	136,817,366	-	40,770,273	630,733,751	2.41%	0.00%	1.95%

Source: Atlanta Independent School System Financial Reports for previous years and fiscal year ended June 30, 2010

Notes:
1 Instruction includes Improvement of Instructional Services and Educational Media.
2 Business Services includes Business Administration , Maintenance and Facilities and Student Transportation.
3 Other includes Central Support, Community Services, Other Operations, Principal and Interest.
4 Expenditures for Charter Schools were reclassified to Instruction in fiscal year 2010.

**ATLANTA INDEPENDENT SCHOOL SYSTEM
GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS**
Schedule 6

<u>Fiscal Year</u>	<u>Taxes</u>	<u>State Grants</u>	<u>Federal Grants</u>	<u>Other</u>	<u>Total</u>	<u>% of total</u>			
						<u>Local</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
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%
2010	493,825,791	107,237,545	15,452,007	9,262,323	625,777,666	79%	17.14%	2.47%	1.48%

Source: Atlanta Independent School System Financial Reports
for previous years and fiscal year ended June 30, 2010

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

Fiscal Year Ended	Residential Property	Commercial Property	Industrial Property	Other Property₁	Less Tax-Exempt Property₂	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%
June 30, 2010	12,749,326,810	11,746,535,282	806,421,455	1,542,422,321	2,831,876,995	24,012,828,873	33.63%

Source: Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report
 For the Year Ended June 30, 2010

Notes:
 1 Other Property consist of Historical, Agricultural, Conservation, Utility, Motor Vehicle, Heavy Equipment, Timber, Motor Homes, etc.
 2 Tax Exempt Property consist of Basic Homestead, Elderly, Disabled Veteran, Freeport, etc.
 3 Assessed values are established by the Fulton & DeKalb Counties Board of Tax Assessors on January 1 of each year at 40% of the market value as required by State Law.
 4 The City of Atlanta changed from a December 31 fiscal year to a June 30 fiscal year in 2006.

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

Fiscal Year Ended	City Direct Rates						Overlapping Rates					
	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			Total
									County Levy (3)	County Bond Levy	Georgia State Levy	
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	10.58
June 30, 2008 (4)	7.12	21.64	0.50	1.18	0.05	30.49	0.83	5.00	10.28 (3)	0.60	0.25	10.59
June 30, 2009 (4)	7.12	21.64	0.50	1.18	0.05	30.49	0.83	5.00	10.28 (3)	0.00	0.25	10.53
June 30, 2010 (4)	10.24	21.64	0.50	1.20	0.05	33.63	1.00	5.00	10.28 (3)	0.00	0.25	10.53

Sources: December 2002 -June 2010 Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report For the Year Ended June 30, 2010
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, 2009 AND NINE YEARS AGO
Schedule 9**

2009₁

<u>Tax Payer</u>	<u>Type of Business</u>	<u>Taxable Assessed Value₁</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Development Authority of Fulton	Government	\$ 505,772,282	1	2.21%
Georgia Power Company	Utility Service	222,362,604	2	0.97%
Bell South	Communications Service	197,316,319	3	0.86%
Coca-Cola Company	Marketing and Manufacturing	166,718,521	4	0.73%
Post Apartment Homes	Residential Real Estate	148,085,301	5	0.65%
BF ATL, LLC	Commercial Real Estate	135,349,360	6	0.59%
Sun Trust Plaza Association	Commercial Real Estate	103,661,410	7	0.45%
Georgia Pacific Company	Pulp and Paper Manufacturing	98,028,880	8	0.43%
IEP Peachtree, LLC	Unclassified	91,879,110	9	0.40%
Hines One Atlantic Center LP	Commercial Real Estate	86,807,370	10	0.38%
Total		<u>\$ 1,755,981,157</u>		<u>7.67%</u>

2000

<u>Tax Payer</u>	<u>Type of Business</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Bell South	Communication Service	\$ 286,831,346	1	2.06%
Coca-Cola Company	Marketing and Manufacturing	153,553,900	2	1.10%
AT&T	Communication Service	152,203,166	3	1.09%
Georgia Power Company	Utility Service	141,211,989	4	1.01%
Post Apartment Homes	Residential Real Estate	102,632,380	5	0.74%
Georgia Pacific Company	Pulp and Paper Manufacturing	87,939,530	6	0.63%
CSC Associates	Commercial Real Estate	79,021,340	7	0.57%
One Ninety One Peachtree Association	Commercial Real Estate	76,173,610	8	0.55%
Overseas Partners	Commercial Real Estate	66,264,020	9	0.48%
Sumito Life Realty, Inc.	Commercial Real Estate	63,874,410	10	0.46%
Total		<u>\$ 1,209,705,691</u>		<u>8.69%</u>

Sources:

2009 - Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report for the Year Ended June 30, 2010.

2000 - Statistical section of the City of Atlanta, Georgia Comprehensive Annual Financial Report for the Year Ended June 30, 2007.

Notes:

1. 2009 Based on Net Assessed Value of \$22,924,256,395.
2. Development Authority of Fulton does not pay taxes but does temporarily hold property for others who pay taxes.

**ATLANTA INDEPENDENT SCHOOL SYSTEM
PROPERTY TAX LEVIES AND COLLECTIONS
LAST NINE 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%
June 30, 2010	264,371,198	257,062,077	97.24%	-	257,062,077	97.24%

Source: Statistical section of the City of Atlanta, Georgia 2009 Comprehensive Annual Financial Report
For the Year Ended June 30, 2010

- 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, 2010
Schedule 11**

	<u>TOTAL RATE</u>	<u>MAINTENANCE AND OPERATION</u>	<u>DEBT SERVICE</u>
Atlanta Public Schools	21.69	21.64	0.05
Clayton County Schools	20.00	20.00	0.00
Cobb County Schools	18.90	18.90	0.00
DeKalb County Schools	22.90	22.90	0.00
Douglas County Schools	24.10	20.00	4.10
Fulton County Schools	17.50	17.15	0.35
Gwinnett County Schools	20.55	19.25	1.30
Rockdale County Schools	21.00	21.00	0.00

Source: Atlanta Public School Board Docs , school approved budgets, county commisioners, and county online news.

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

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

Tax Year	Maintenance and Operations	Sinking Bond Fund	Total Levy	Comments
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	22.060	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	21.784	Decrease of 0.276 mills
2003	21.46	0.11	21.569	Decrease of 0.215 mills
2004	20.42	0.10	20.524	Decrease of 1.05 mills
2005	20.42	0.10	20.524	No change from 2004
2006	22.64	0.054	22.694	Increase of 2.17 mills
2007	22.64	0.054	22.694	No change from 2006
2008	21.64	0.054	21.694	Decrease of 1.000 mills
2009	21.64	0.054	21.694	No change from 2008
2010	21.64	0.054	21.694	No change from 2009

Sources: Atlanta Public Schools June 2010 Tax Levy Board Resolution for tax year 2010
Georgia Department of Revenue for tax years 2000-2009

**ATLANTA INDEPENDENT SCHOOL SYSTEM
SCHOOL BUILDINGS, ACREAGE AND CAPACITY**

June 30, 2010

Schedule 13

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

Elementary Schools	Acres	Sq.Ft.	Planning Capacity	SF per Student	Original Construction	Renovation	Actual Age (2010 basis)	Effective Age Basis	Effective Age (2010 basis)
1 Adamsville	4.9	84,961	540	157	1970	2001	40	2001	9
2 Beecher Hills	9.5	43,791	378	116	1959	1999	51	1999	11
3 Benteen	4.0	68,440	432	158	1957	2000	53	2000	10
4 Bethune	4.5	70,151	594	118	1949	1999	61	1999	11
5 Bolton Academy	4.0	83,286	648	129	2003		7	2003	7
6 Boyd	19.7	72,313	414	175	1971		39	1971	39
7 Brandon	10.0	86,138	630	137	1947	1994	63	1994	16
8 Brandon Primary	9.8	57,112	450	127	1954	2009	56	2009	1
9 Burgess-Peterson	8.3	85,518	612	140	2004		6	2004	6
10 Capitol View	4.0	47,831	414	116	1929	2004	81	2004	6
11 Cascade	10.0	70,286	450	156	1995		15	1995	15
12 Centennial Place	5.0	63,850	468	136	1998		12	1998	12
13 Connally	3.7	90,440	720	126	1975	2000	35	2000	10
14 Cleveland	4.8	67,513	486	139	1996		14	1996	14
15 Continental Colony	8.7	81,360	558	146	1963	1994	47	1994	16
16 Cook	2.6	85,856	522	164	2000		10	2000	10
17 Deerwood Academy	21.0	82,261	648	127	2004		6	2004	6
18 Dobbs	19.6	86,300	648	133	2003		7	2003	7
19 Dunbar	5.3	92,496	360	257	1969	2009	41	2009	1
20 East Lake	2.7	79,378	414	192	1949	1994	61	1994	16
21 Fain	8.0	65,000	504	129	1987		23	1987	23
22 Fickett	12.0	78,341	702	112	1972	1994	38	1994	16
23 Finch	3.8	94,423	684	138	2005		5	2005	5
24 Garden Hills	8.0	80,566	558	144	1938	2003	72	2003	7
25 Gideons	4.5	75,323	594	127	1958	2000	52	2000	10
26 Grove Park	7.0	83,808	522	161	1967	2000	43	2000	10
27 Heritage Academy	7.0	80,997	612	132	2002		8	2002	8
28 Herndon	6.5	85,046	576	148	2002		8	2002	8
29 Hope	2.4	57,369	504	114	2002		8	2002	8
30 Humphries	8.2	65,274	468	139	1940	1998	70	1998	12
31 Hutchinson	8.5	67,953	594	114	1956	1994	54	1994	16
32 Jackson	12.5	97,041	612	159	1967	1994	43	1994	16
33 Jackson Primary	7.2	48,666	360	135	1959	2008	51	2008	2
34 Jones, M. A.	7.5	90,848	630	144	2005		5	2005	5
35 Kimberly	7.2	73,316	594	123	1958	1999	52	1999	11
36 Lin, Mary	2.3	56,942	432	132	1930	1994	80	1994	16
37 Miles	15.0	82,014	648	127	2003		7	2003	7
38 Morningside	5.2	105,847	648	163	1930	1994	80	1994	16
39 Parkside	8.3	78,671	558	141	2001		9	2001	9
40 Perkerson	9.0	79,517	504	158	1994		16	1994	16
41 Peyton Forest	25.0	66,236	450	147	1968	1999	42	1999	11
42 Rivers	8.0	81,721	432	189	1950	1999	60	1999	11
43 Scott	8.0	77,536	576	135	1951	2002	59	2002	8
44 Slater	13.0	79,342	576	138	1952	2002	58	2002	8
45 Smith, Sarah	10.3	66,582	540	123	1952	1994	58	1994	16
46 Smith Intermediate	6.2	73,394	396	185	2009		1	2009	1
47 Springdale Park	4.5	63,650	450	141	2009		1	2009	1
48 Stanton, D. H.	6.0	71,480	594	120	1959	2000	51	2000	10
49 Stanton, F. L.	5.2	62,930	306	206	1928	2000	82	2000	10
50 Thomasville Heights	11.2	89,475	738	121	1971	2001	39	2001	9
51 Toomer	10.6	66,593	504	132	1967	1998	43	1998	12
52 Towns	8.9	68,766	522	132	1963	2000	47	2000	10
53 Usher	14.0	90,570	648	140	1969	2003	41	2003	7
54 Venetian Hills	9.3	60,313	432	140	1954	1994	56	1994	16
55 West Manor	10.8	42,474	288	147	1956	2000	54	2000	10
56 White	8.0	63,603	576	110	1964	1999	46	1999	11
57 Whitefoord	2.3	62,712	468	134	1928	1994	82	1994	16
58 Woodson	4.1	86,596	486	178	1971	1998	39	1998	12
Elementary School Totals	477.5	4,320,216	30,672	143	1971		39	1999	11

**ATLANTA INDEPENDENT SCHOOL SYSTEM
SCHOOL BUILDINGS, ACREAGE AND CAPACITY**

June 30, 2010

Schedule 13

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

Middle Schools		Acres	Sq.Ft.	Planning Capacity	SF per Student	Original Construction	Renovation	Actual Age (2010 basis)	Effective Age Basis	Effective Age (2010 basis)
1	Brown	15.6	139,918	1,014	138	1928	2001	82	2001	9
2	Bunche	42.3	114,500	884	130	1979	2001	31	2001	9
3	Coan	16.1	166,269	1,066	156	1967	2003	43	2003	7
4	Harper-Archer	18.1	206,374	1,144	180	1963	2002	47	2002	8
5	Inman	4.2	134,042	780	172	1923	2005	87	2005	5
6	Kennedy	5.0	228,028	1,092	209	1970	2004	40	2004	6
7	King M.L.	6.5	192,300	1,040	185	1973	2003	37	2003	7
8	Long	15.6	141,210	936	151	1958	2006	52	2006	4
9	Parks	5.8	79,440	546	145	1966	1996	44	1996	14
10	Price	19.0	152,791	1,014	151	1954	2002	56	2002	8
11	Sutton	12.5	144,737	1,040	139	1960	2006	50	2006	4
12	Sylvan	13.0	114,788	780	147	1949		61	1949	61
13	Turner	9.5	122,279	832	147	1950	1999	60	1999	11
14	Young	15.0	158,377	1,014	156	1951	2009	59	2009	1
Middle School Totals		198.2	2,095,053	13,182	158	1957		54	1999	11
High Schools		Acres	Sq.Ft.	Planning Capacity	SF per Student	Original Construction	Renovation	Actual Age (2010 basis)	Effective Age Basis	Effective Age (2010 basis)
1	BEST	15.1	233,421	1,400	167	2009		1	2009	1
2	Carver	35.4	261,460	1,586	165	1920	2005	90	2005	5
3	Crim	17.9	190,624	1,014	188	1940	2007	70	2007	3
4	Douglass	32.0	291,912	2,028	144	1968	2004	42	2004	6
5	Forrest Hill	5.8	68,756	650	106	2008		2	2008	2
6	Grady	19.5	211,888	1,326	160	1924	2005	86	2005	5
7	Jackson, Maynard	25.0	249,872	1,508	166	1985		25	1985	25
8	King, C.S.	27.2	232,321	1,400	166	2009		1	2009	1
9	Mays	70.4	310,369	1,664	187	1981		29	1981	29
10	North Atlanta	17.5	278,470	1,560	179	1951	1994	59	1994	16
11	South Atlanta	50.2	258,840	1,404	184	1973	2008	37	2008	2
12	Therrell	35.2	229,326	1,430	160	1960		50	1960	50
13	Washington	21.1	252,182	1,664	152	1924	2005	86	2005	5
High School Totals		372.3	3,069,441	18,634	163	1966		44	1998	12

**ATLANTA INDEPENDENT SCHOOL SYSTEM
DEMOGRAPHIC STATISTICS
LAST NINE FISCAL YEARS
Schedule 14**

<u>Fiscal Year Ended ₁</u>	<u>Population ₂</u>	<u>Personal Income (thousands of dollars) ₃</u>	<u>Per Capita Personal Income ₄</u>	<u>Median Age ₅</u>	<u>School Enrollment ₆</u>	<u>Unemployment Rate ₇</u>
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%
December 31, 2005	442,100	173,159	34,825	34.7	50,188	5.9%
June 30, 2006	451,600	184,186	35,846	34.7	49,924	5.3%
June 30, 2007	451,600	184,186	35,846	34.7	49,707	4.5%
June 30, 2008	461,956	196,683	36,309	32.0	51,377	5.9%
June 30, 2009	477,300	198,580	37,744	35.0	48,093	10.3%
June 30, 2010	480,700	199,747	27,380	34.4	48,696	10.3%

- Sources:**
- 1** For years ended December 31, 2002-June 30, 2009, Statistical section of the City of Atlanta, Georgia 2009 Comprehensive Annual Financial Report For the Year Ended June 30, 2009
 - 2** Atlanta Regional Commission- 2009 Atlanta City population estimate, regional snapshots, population & housing data.
 - 3** U.S. Department of Commerce, Bureau of Economic Analysis- 2009 Advance Metropolitan Statistical Area (MSA) Income summary. Atlanta MSA includes Atlanta
 - 4** U.S. Census Bureau, 2009 American Community Survey, 1 year estimates, per capita income. Data includes Atlanta MSA
 - 5** U.S. Census Bureau, 2009 American Community Survey, 1 year estimates, selected population profile; data limited to households. Data includes Atlanta MSA.
 - 6** Georgia Department of Education; Enrollment by grade level report as of March, 2010 count.
 - 7** Georgia Department of Labor; Unemployment data (monthly not seasonally adjusted) in Atlanta MSA for June, 2010.

- 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
Principal Employers
JUNE 30, 2009 AND NINE YEARS AGO
Schedule 15

<u>2009</u> ¹			
<u>Employer</u>	<u>Type Of Business</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Allied Barton Security Services	Security Services	4,058	2.11%
International Business Machine Corp.	Technology Services	3,739	1.94%
The Coco-Cola Company	Marketing and Manufacturing	3,020	1.57%
Accenture LLP	Consulting	2,100	1.09%
Turner Broadcasting System, Inc.	Media/Entertainment	1,868	0.97%
Cable News network	Media	1,792	0.93%
Air Service Corp	Transportation	1,386	0.72%
AT & T Services Inc.	Telecommunication	1,172	0.61%
Tenet Health System , Inc.	Healthcare	1,164	0.60%
Georgia-Pacific Corporation	Pulp and Paper Manufacturing	1,139	0.59%
Total		<u>21,438</u>	<u>11.13%</u>

<u>2000</u> ¹			
<u>Employer</u>	<u>Type Of Business</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>

Source: Statistical section of the City of Atlanta, Georgia 2010 Comprehensive Annual Financial Report

Note: 1. Current year data and fiscal year 2000 data was not available

**ATLANTA INDEPENDENT SCHOOL SYSTEM
GENERAL FUND PER PUPIL COST
LAST TEN FISCAL YEARS
Schedule 16**

<u>Fiscal Year</u> ⁴	<u>Expenditures</u> ¹	<u>Active Enrollment</u> ²	<u>Cost Per Pupil Enrolled</u>	<u>Average Daily Attendance</u> ³	<u>Cost Per Pupil Attended</u>
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	10,784	48,720	11,017
2008	591,778	48,532	12,194	44,935	13,170
2009	618,667	48,093	12,864	51,449	12,025
2010	630,734	48,696	12,953	52,368	12,044

- Sources: **1** Atlanta Independent School System Financial Reports for fiscal year ended June 30, 2010 (amounts expressed in thousands).
2 GA Department of Education ,Enrollment by Grade report for FY2010. Enrollment based on the March count of each fiscal year.
3 APS Average Daily attendace report as of June 30, 2010.
4 Fiscal years 2001-2009 - Statistical section of the 2009 Atlanta Board of Education CAFR.

**ATLANTA INDEPENDENT SCHOOL SYSTEM
SCHOOL BREAKFAST PROGRAM
LAST TEN FISCAL YEARS
MEALS SERVED**
Schedule 17

Fiscal Year	Total	Free	Reduced	Paid
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
2010	3,077,775	2,822,180	77,739	177,856

Source: Atlanta Public School Nutrition Department

ATLANTA INDEPENDENT SCHOOL SYSTEM
SCHOOL LUNCH PROGRAM
LAST TEN FISCAL YEARS
MEALS SERVED
 Schedule 18

<u>Fiscal Year</u>	<u>Total</u>	<u>Free</u>	<u>Reduced</u>	<u>Paid</u>
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
2010	5,835,665	4,968,698	223,230	643,737

Source: Atlanta Public School Nutrition Department

**ATLANTA INDEPENDENT SCHOOL SYSTEM
NUMBER OF SCHOOLS
LAST TEN FISCAL YEARS**
Schedule 19

<u>Fiscal Year</u>	<u>Total</u>	<u>Elementary</u>	<u>Middle</u>	<u>High</u>
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
2010	96	55	18	23

Source: Atlanta Public Schools - Web Page - Fast Facts