



"Emulation" inspired by K. Wiley



*Jasmine Cruz, Ashton Edmeades and Walden Jones
Grady High School*

Fiscal Year 2018 Budget and Financial Policies

The following budget and administrative policies of the Atlanta Independent School System Board of Education guide the preparation and administration of the district's budgets.

Budget Operating Policy

The budgeting process is a year-round process involving all budget managers of the district. The major budget activities of planning, preparation, adoption, and implementation occur according to the planned budget schedule prepared by the Finance Department.

The planning activities include identifying and prioritizing educational needs and forecasting available resources to meet those needs. This segment requires intensive involvement of administrative, instructional, and operational staff.

Tentative school site budgets are based on the projected enrollment associated with the 40th day enrollment reports submitted to the Georgia Department of Education, instructional plans, estimated resources, contractual requirements, and anticipated inflation increases. All organizational units prepare their budgets during the fall and winter months of each year.

A district-wide consolidated expenditure budget is prepared and submitted to the Budget Commission by the Superintendent. After approval by the Board of Education, one public hearing is held a minimum of two weeks before adoption of the proposed budget. Following the budget hearing, changes can be made to reflect public input. The budget adoption at the next legislative meeting of the School Board is the final step.

Fund Balance and Reserve Policy

Reservation of fund balance is reported for amounts that are not available for appropriations or amounts that are legally restricted by outside parties for use for a specific purpose.

Encumbrances

Encumbrances that are outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

Budget Management

Monitoring of staffing and expenditures enables the Budget Center Manager to keep track of the rate at which funds are being expended. The rate of expenditures is important for cash flow purposes in order to ensure that the District has available assets to sustain daily operations.

Funding for Student Population Changes

The Department of Operation - Facilities provides enrollment data to the Budget Department once the enrollment information has been certified by the State of Georgia. The certification normally occurs as the result of 40th day enrollment information submitted to the State in October of each year. The total enrollment by grade, excluding Pre-Kindergarten, is used to calculate the positions earned via Atlanta Public Schools staffing formulas for each school.

Personnel Budget Reallocations

The school allotment guidelines, are used to determine instructional, school administrative, media, and pupil services positions in various programs throughout the District. This allocation provides the basis for the salary and required benefits information in the budget.

Accounting, Auditing, and Financial Reporting Policies

The District prepares monthly financial reports with variance analyses and explanations. An independent certified public accounting firm performs an annual audit and issues opinions on the district's financial statements.

Balanced Budget – General Fund

The budget development process incorporates estimates for revenues and expenditures where revenue estimates must be sufficient to cover all expenditure appropriations.

BASIS OF PRESENTATION FISCAL YEAR 2018 APPROVED BUDGET

Atlanta Public Schools uses the accrual and modified accrual basis of accounting. The district-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. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

In addition to the General Fund, the budget consists of special revenue, capital projects, proprietary funds and debt services. The special revenue fund consists of federal, lottery, state, and other special projects. The capital projects fund is primarily used for construction and renovation of school sites. The proprietary fund consists of the district's food services program. Debt services consist of long-term debt principal and interest.

General Fund - \$509,663,063 - This fund provides for day-to-day general operations for the school system and is funded by local, state, and federal revenue.

Fund 150 – \$259,255,333 – This fund consists of the consolidation of Title I and General Fund dollars.

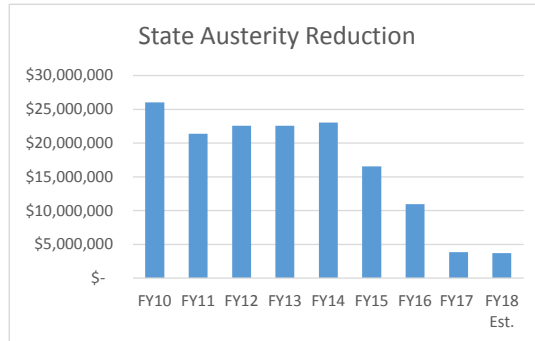
Special Revenue - Federal \$59,251,342 - This fund accounts for the federal categorical grants such as Title I, Title II, Title VI-B, and other federal funds that must be spent for the specific purposes identified in the grant agreements.

SPLOST/Capital Projects-\$125,965,698 – SPLOST supports the district's ongoing efforts to enhance educational opportunities for our students. SPLOST provides the resources to upgrade school campuses through addition and renovation construction projects. **Capital Projects** contains resources, including Special Purpose Local Option Sales Tax (SPLOST), a voter approved 1% sales tax used exclusively for acquiring school sites, constructing and equipping new school facilities, and renovating existing facilities.

Proprietary - School Nutrition \$31,878,511 - This fund accounts for the activities of the District's school breakfast and lunch programs, which are funded primarily by the United States Department of Agriculture and are passed through the Georgia Department of Education.

School Activity Funds - \$5,500,000 - School Activity Funds are bank accounts at individual schools under the control of school principals or club advisors. These funds are a combination of sums of money, that flow through in the form of school board funds, student-generated funds, receipts and disbursements related to athletics, and the myriad co-curricular and extracurricular events sponsored by school districts. These funds are not managed in our financial system of record, the schools use an exclusive ERP designed for school funds record keeping.

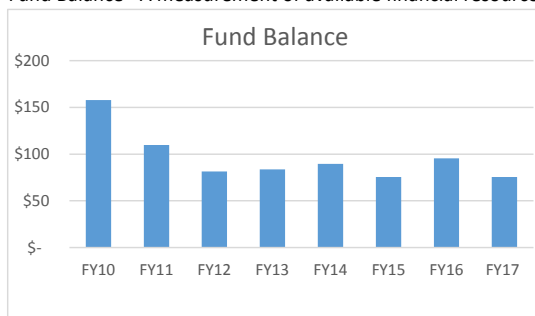
State Austerity - State imposed reduction to Quality Basic Education (QBE) Funding



Fiscal Year	Austerity Reduction
FY10	\$ 26,010,406
FY11	\$ 21,363,785
FY12	\$ 22,557,221
FY13	\$ 22,570,577
FY14	\$ 23,018,845
FY15	\$ 16,532,788
FY16	\$ 10,981,033
FY17	\$ 3,873,805
FY18 Est.	\$ 3,709,489

The State Austerity Reduction spiked in FY2010 due to the recession, which started in December 2007. In FY2017, the Governor's budget included the restoration of \$300 million from austerity reductions for local districts to use to restore instructional days, eliminate teach furloughs, and enhance teacher salaries. The Governor's FY2018 budget does not include a significant reduction, but has reached the lowest austerity level since 2010.

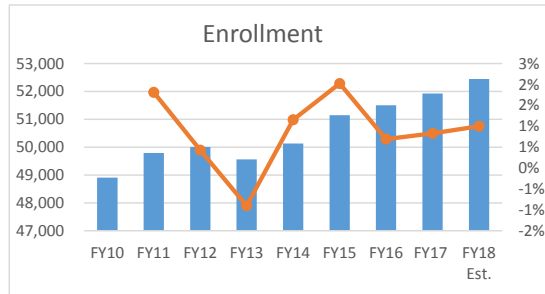
Fund Balance - A measurement of available financial resources defined as the difference between total assets and total liabilities



Fiscal Year	Fund Balance (millions)
FY10	\$ 158
FY11	\$ 110
FY12	\$ 81
FY13	\$ 84
FY14	\$ 90
FY15	\$ 75
FY16	\$ 95
FY17	\$ 75

The district is financially stable today because of responsible fiscal management. Atlanta Public Schools has been strategically managing the fund balance with board approved guidelines for usage. The state limits the max size of the savings account to 15% of annual revenue. APS has a practice of maintaining a fund balance of at least 7.5%

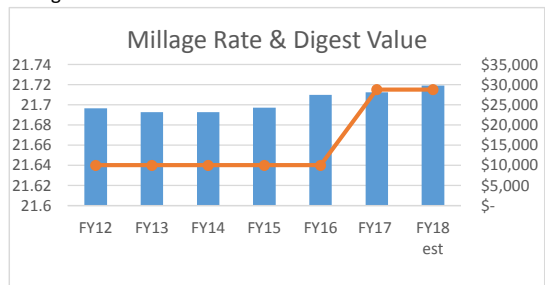
Student Enrollment - The number of students enrolled in Atlanta Public Schools during an official count or projection



Fiscal Year	Enrollment	% Increase
FY10	48,909	
FY11	49,796	2%
FY12	50,009	0%
FY13	49,558	-1%
FY14	50,131	1%
FY15	51,145	2%
FY16	51,500	1%
FY17	51,927	1%
FY18 Est.	52,446	1%

Enrollment continues to grow but at a relatively slow pace. The 2016-2017 enrollment count increased by only 427 students. The district is expected to continue to see minimal growth based on the current trends.

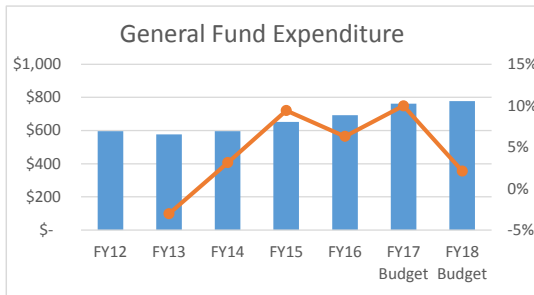
Millage Rate - The tax rate used to calculate ad valorem taxes. One mil equals \$1 for every \$1000 taxable property value



Fiscal Year	Millage Rate	Digest Value (millions)
FY12	21.64	\$ 24,161
FY13	21.64	\$ 23,181
FY14	21.64	\$ 23,160
FY15	21.64	\$ 24,259
FY16	21.64	\$ 27,427
FY17	21.715	\$ 28,093
FY18 est	21.715	\$ 29,778

Atlanta Public Schools increased the millage rate to 21.715 in FY2017, which will continue to be the rate in FY2018. One mil currently generates about \$24 million.

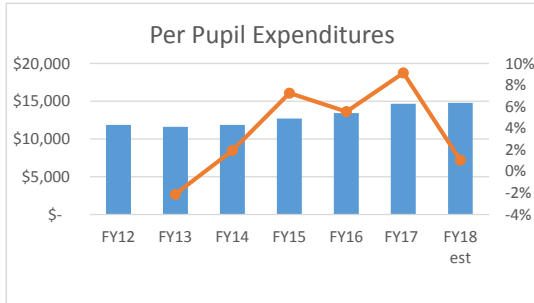
General Fund Expenditures - Account for total charges incurred, whether paid or unpaid for current expense



Fiscal Year	Expenditure (millions)	% Change
FY12	\$ 595	
FY13	\$ 577	-3%
FY14	\$ 595	3%
FY15	\$ 651	9%
FY16	\$ 692	6%
FY17 Budget	\$ 761	10%
FY18 Budget	\$ 777	2%

FY18 expenditures include a 2% salary increase for employees, a TRS rate increase, unfunded pension liability and increased state health insurance rates.

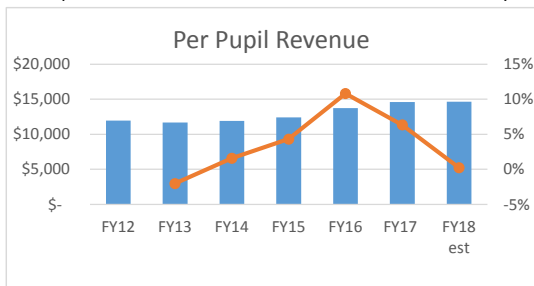
Per Pupil Expenditure - Total General Fund expenditures divided by total enrollment



Fiscal Year	Per Pupil Exp	% Change
FY12	\$ 11,893	
FY13	\$ 11,641	-2%
FY14	\$ 11,866	2%
FY15	\$ 12,727	7%
FY16	\$ 13,432	6%
FY17	\$ 14,660	9%
FY18 est	\$ 14,811	1%

The per pupil cost represents the average cost of educating a general fund student in Atlanta Public Schools. Per pupil expenditure has increased steadily since FY2013.

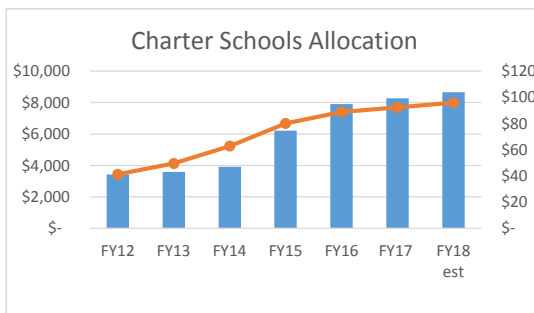
Per Pupil Revenue - Total General Fund revenue divided by total enrollment



Fiscal Year	Per Pupil Rev	% Change
FY12	\$ 11,944	
FY13	\$ 11,702	-2%
FY14	\$ 11,888	2%
FY15	\$ 12,401	4%
FY16	\$ 13,743	11%
FY17	\$ 14,616	6%
FY18 est	\$ 14,649	0%

Per pupil revenue growth has significantly declined since FY2016. The FY2018 growth is projected to be less than 1%. Stagnation of State QBE funding, driven by maintained austerity cuts and growth of the 5-mill share, has contributed to this trend.

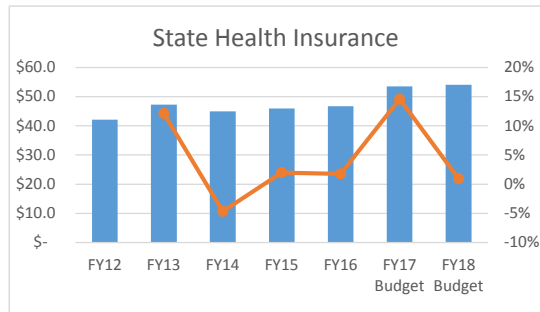
Charter Schools Allocation - Total allocation made to Charter Schools



Fiscal Year	Enrollment	Allocation (millions)
FY12	\$ 3,439	\$ 41
FY13	\$ 4,126	\$ 43
FY14	\$ 5,235	\$ 47
FY15	\$ 6,673	\$ 75
FY16	\$ 7,404	\$ 95
FY17	\$ 7,690	\$ 99
FY18 est	\$ 7,990	\$ 104

Atlanta Public Schools continues to see growth in its charter school allocation as the local tax digest grows and existing charter schools complete their grade-level build out. Charters also receive a portion of local revenue and fund balance which is not reflected in this chart.

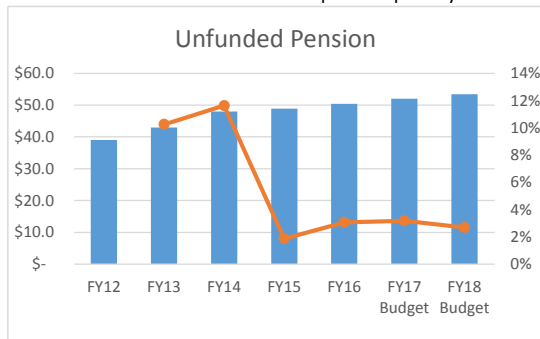
Health Insurance (Employer) - Total district's contributions to the State Health Plan



Fiscal Year	Employer Contr. (millions)	% Change
FY12	\$ 42.1	
FY13	\$ 47.2	12%
FY14	\$ 45.0	-5%
FY15	\$ 45.9	2%
FY16	\$ 46.7	2%
FY17 Budget	\$ 53.5	15%
FY18 Budget	\$ 54.0	1%

This amount is based on the number of employees who select to participate in the State Health Benefit Plan. It is also dependent on which plan is selected and the premium associated with that plan. In FY18, the rates for non-certified employees will once again increase with estimated costs of \$1.3 million.

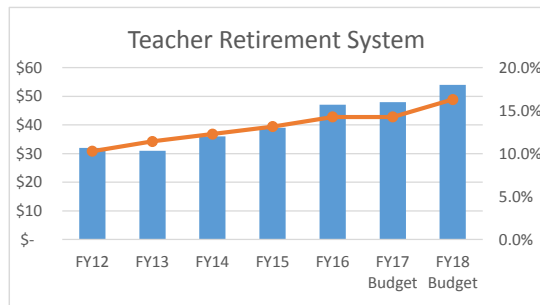
Unfunded Pension - Total unfunded pension paid by the district



Fiscal Year	Expenditure (millions)	% Change
FY12	\$ 39.0	
FY13	\$ 43.0	10%
FY14	\$ 48.0	12%
FY15	\$ 48.9	2%
FY16	\$ 50.4	3%
FY17 Budget	\$ 52.0	3%
FY18 Budget	\$ 53.4	3%

The pension liability payments are currently coming out of the General Fund and are approximately \$1,000 per student. The payment amounts could go as high as approximately \$1,400 per student in future years.

TRS (Employer) - Total district contribution to the Teach Retirement System



Fiscal Year	Employer Contr. (millions)	TRS Rate
FY12	\$ 32	10.3%
FY13	\$ 31	11.4%
FY14	\$ 36	12.3%
FY15	\$ 39	13.2%
FY16	\$ 47	14.3%
FY17 Budget	\$ 48	14.3%
FY18 Budget	\$ 54	16.3%

The district's contribution to TRS has been steadily increasing. For FY16, the rate increased from 13.2% to 14.3%. In FY18 the rate will increase again to 16.3%. The district can also expect an increase in its TRS contribution when there is an increase in the enrollment (staff increase) or an increase in salaries.

REVENUE SUMMARY



We can
CHANGE *the* **WORLD**
and make it a
BETTER PLACE.
It is in our **HANDS**
to make a
DIFFERENCE.

NELSON MANDELA

CLASSIFICATION OF REVENUES

The Atlanta Public Schools system receives revenue funding from three major sources- state sources, local sources, and federal sources. Each source is comprised of multiple items which are accounted for separately. State sources are derived mainly through Quality Basic Education (QBE) funds and local sources come mainly through property taxes. This section provides a breakout of revenue by source for APS for FY18.

Revenues are classified according to source:

State

Quality Basic Education Program (QBE) – The revenue provided to the District by the State of Georgia, which is allocated to the District based upon enrollment, program weights, teaching, and experience factors.

Local

Taxes levied on real and personal property are based upon assessed values as of January 1. The real estate tax is an excise tax on the privilege of selling property that is based upon the sale price of property. This tax is distributed by the Fulton and DeKalb County Commissioners' Offices based upon gross millage rates.

Other Sources of Revenue

- Tuition – Payments from non-resident students attending Atlanta Independent School System. This revenue represents the non-state reimbursed cost for education of each student.
- Investment Interest – Revenue earned from the District's short-term cash management activities.
- Indirect Costs Charges – Reimbursement from federal programs with an approved indirect cost rate.
- Rental of Facilities – Revenue produced from rental of facilities owned by the school district.
- Sale of School Assets – Proceeds from the sale of school property and/or equipment that is no longer serviceable.
- E-Rate – Is the commonly used name for the Schools and Libraries Program of the Universal Service Fund, which is administered by the Universal Service Administrative Company (USAC, a subsidiary of NECA) under the direction of the Federal Communications Commission (FCC).
- Lost and Damaged Reimbursements – Proceeds from payments for lost and/or damaged books and property.
- Intergovernmental Agreement – Revenues related to Intergovernmental Agreement with the City of Atlanta and Beltline Tax Allocation District (TAD).
- Other Local Sources – Represents funds from various sources such as transfers from other funds, field trip revenue, reimbursement from professional organizations, etc.

OVERVIEW OF APPROVED BUDGETS

Educating our students is priority one. Educating students is labor intensive. The District diligently manages and maintains a productive, positive educational environment that is responsive to a diversified student population. A large portion of the Atlanta Independent School System annual budget is expended for personnel costs.

	General Fund	Fund 150	Special Revenue Fund	Capital Projects Fund	School Nutrition Fund	Debt Service Fund	Student Activity Fund	Total All Funds
Estimated Beginning Fund Balances, July 1, 2017	\$ 94,937,683	\$ -	\$ -	\$ 19,120,482	\$ 9,700,982	\$ -	\$ -	\$ 123,759,147
Revenues:								
Local Revenues	\$ 545,545,423	\$ -	\$ 7,926,809	\$ 121,823,692	\$ 2,575,562	\$ -	\$ -	\$ 677,871,486
State Revenues	\$ 197,539,352	\$ -	\$ 5,977,050	\$ -	\$ 904,144	\$ -	\$ -	\$ 204,420,546
Federal Revenues	\$ -	\$ -	\$ 55,198,348	\$ 4,142,006	\$ 28,398,805	\$ -	\$ -	\$ 87,739,159
Other Local Revenues	\$ 13,493,197	\$ -	\$ 2,489,559	\$ -	\$ -	\$ -	\$ 5,500,000	\$ 21,482,756
Transfers	\$ (246,914,909)	\$ 259,255,333	\$ (12,340,424)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 509,663,063	\$ 259,255,333	\$ 59,251,342	\$ 125,965,698	\$ 31,878,511	\$ -	\$ 5,500,000	\$ 991,513,947
Total Available Resources	\$ 604,600,746	\$ 259,255,333	\$ 59,251,342	\$ 145,086,180	\$ 41,579,493	\$ -	\$ 5,500,000	\$ 1,115,273,094
Appropriations:								
Instruction	\$ 262,813,425	\$ 221,471,455	\$ 25,017,657	\$ -	\$ -	\$ -	\$ 5,500,000	\$ 514,802,538
Pupil Services	\$ 28,422,145	\$ 13,931,966	\$ 6,371,960	\$ -	\$ -	\$ -	\$ -	\$ 48,726,072
Improvement of Instructional Services	\$ 31,690,555	\$ 18,206,000	\$ 12,723,988	\$ -	\$ -	\$ -	\$ -	\$ 62,620,543
Educational Media Services	\$ 3,504,881	\$ 5,645,912	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ 9,270,793
Federal Administration	\$ 2,870	\$ -	\$ 5,168,748	\$ -	\$ -	\$ -	\$ -	\$ 5,171,618
General Administration	\$ 6,967,378	\$ -	\$ 3,897,444	\$ -	\$ -	\$ -	\$ -	\$ 10,864,822
School Administration	\$ 39,810,758	\$ -	\$ 174,788	\$ -	\$ -	\$ -	\$ -	\$ 39,985,546
Support Services - Business	\$ 7,701,832	\$ -	\$ 35,146	\$ -	\$ -	\$ -	\$ -	\$ 7,736,978
Maintenance and Operation	\$ 80,394,798	\$ -	\$ 1,238,269	\$ 26,170,102	\$ -	\$ -	\$ -	\$ 107,803,169
Student Transportation	\$ 31,906,574	\$ -	\$ 2,217,341	\$ -	\$ -	\$ -	\$ -	\$ 34,123,915
Support Services - Central	\$ 20,427,145	\$ -	\$ 591,025	\$ -	\$ -	\$ -	\$ -	\$ 21,018,170
Other Support Services	\$ 535,007	\$ -	\$ 783,329	\$ -	\$ -	\$ -	\$ -	\$ 1,318,336
School Nutrition Program	\$ 376,521	\$ -	\$ 911,648		\$ 31,878,511	\$ -	\$ -	\$ 33,166,680
Construction & Capital Expenditures	\$ -	\$ -	\$ -	\$ 92,635,596	\$ -	\$ -	\$ -	\$ 92,635,596
Operating Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Outlays	\$ 2,758,273	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,758,273
Debt Services	\$ 800,000	\$ -	\$ -	\$ 7,160,000	\$ -	\$ -	\$ -	\$ 7,960,000
Total Appropriations	\$ 518,112,162	\$ 259,255,333	\$ 59,251,342	\$ 125,965,698	\$ 31,878,511	\$ -	\$ 5,500,000	\$ 999,963,046
Estimated Ending Fund Balance, June 30, 2018	\$ 86,488,584	\$ -	\$ -	\$ 19,120,482	\$ 9,700,982	\$ -	\$ -	\$ 115,310,048
Total Appropriations & Ending Fund Balance	\$ 604,600,746	\$ 259,255,333	\$ 59,251,342	\$ 145,086,180	\$ 41,579,493	\$ -	\$ 5,500,000	\$ 1,115,273,094

General Fund Revenue

By Revenue Detail

Source	Function	Object	Revenue Detail	FY '18 Proposed	FY '17 Amended	FY '16 Amended
Local				-	1,630,000	14,000,000
Local	1190	40		1,500,000	-	-
Local	1910	10		-	-	-
Local	1995	100		300,000	-	-
Local	5200	881		12,340,424	-	-
Federal	4830	10	Army - Fed Military Reimb	1,000,000	1,000,000	1,000,000
Local	1110	110	Current Real - Fulton	465,157,685	438,214,797	488,622,471
Local	1110	116	Motor Vehicle - Fulton	6,000,000	6,000,000	-
Local	1110	118	Public Utility - Fulton	14,420,000	14,000,000	-
Local	1110	120	Misc Tax Rev - Fulton	-	-	-
Local	1110	140	Current Real - Dekalb	24,586,460	23,415,676	-
Local	1110	142	Current Personal - Dekalb	672,705	640,671	-
Local	1110	146	Motor Vehicle - Dekalb	750,000	750,000	-
Local	1110	148	Public Utility - Dekalb	630,000	600,000	-
Local	1110	190	Alternate Ad Valorem - Fulton	400,000	400,000	-
Local	1110	195	Alternate Ad Valorem - Dekalb	10,000	10,000	-
Local	1110	214	Prior Year - Fulton	4,000,000	4,000,000	3,000,000
Local	1110	219	PY Public Utility Taxes - Fulton	-	-	-
Local	1110	220	PY Public Utility Taxes - Dekalb	-	-	-
Local	1110	244	Prior Year - Dekalb	1,000,000	1,000,000	-
Local	1110	313	Interest - Fulton	2,000,000	2,000,000	2,000,000
Local	1110	343	Interest - Dekalb	100,000	100,000	-
Local	1121	10	Intangible Recording-SupCt Fulton	5,000,000	5,000,000	3,000,000
Local	1121	20	Real Estate Transfer-SupCt Fulton	3,000,000	3,000,000	2,000,000
Local	1191	0	Other Tax - TAVT Fulton	14,420,000	14,000,000	-
Local	1191	1	Other Tax - TAVT Dekalb	618,000	600,000	-
Local	1310	0	Tuition From Individuals	-	-	-
Local	1500	10	Income From Investments	1,280,573	1,030,000	1,000,000
Local	1500	99	Interest Expense	-	-	-
Local	1910	20	Maintenance Fees-Lease/Rental	1,326,711	1,288,069	1,000,000
Local	1950	30	GBI Fees-Revenue In	30,000	30,000	-
Local	1990	10	Reimb Fed Indirect Cost	2,000,000	2,000,000	3,200,000
Local	1995	0	Other Local Revenues	1,500,000	1,500,000	3,000,000
Local	1995	12	Administrative Refunds	-	-	-
Local	1995	15	Security Service Revenue	51,500	50,000	-
Local	1995	17	Field Trip Revenue	1,859,986	1,800,000	-
Local	1995	18	Scrap Metal Receipts	-	-	-
Local	1995	30	Child Supt Handling Fees Grnsh	-	-	-
Local	1995	99	Misc Inc - Oth Local Rev	-	-	-
Other	5200	10	Transfrs In - Internal Sch Nut	-	-	-
Other	5200	20	Transfrs Out - Internal Sch Nut	-	-	-
Other	5300	0	Sale Comp - Loss Fixed Asset	250,000	250,000	-
Other	5300	10	Insurance Reimbursement	-	-	-
Other	5300	20	Sale Sch Property Equip	-	-	-
Other	5995	0	Other Sources	-	10,000,000	595,000
Other	5995	200	Security	600,000	669,128	361,305
Other	5995	210	Professional Learning	150,000	150,000	-
Other	5995	220	Technology	65,000	68,995	36,575
Other	5995	240	Transportation	360,000	360,000	207,976

General Fund Revenue

By Revenue Detail

Source	Function	Object	Revenue Detail	FY '18 Proposed	FY '17 Amended	FY '16 Amended
Other	5995	250	Facilities	500,000	500,000	211,160
Other	5995	901	ERATE Reimbursements	3,500,000	3,500,000	500,000
State	3120	0	Tot QBE Form Earnings	300,239,001	289,301,253	179,700,000
State	3122	0	QBE Allotment-Op Costs	22,175,689	21,237,043	-
State	3124	0	QBE Contra Acct-Austerity	(3,709,489)	(3,875,833)	-
State	3125	0	Tot State Categorical Grants	7,907,245	4,612,891	2,100,000
State	3140	0	QBE Contra Acct-Debit	(131,334,180)	(120,254,761)	-
State	3800	0	Other Grants from GA DOE	2,261,086	2,776,689	744,006
	1110	215		-	-	-
Other	9999	999	Budget Offset Revenue Account	-	27,923,470	-
General Fund Revenue Total				\$ 768,918,396	\$ 761,278,088	\$ 706,278,493

EXPENDITURE SUMMARY



We can
CHANGE *the* **WORLD**
and make it a
BETTER PLACE.
It is in our **HANDS**
to make a
DIFFERENCE.

NELSON MANDELA

CLASSIFICATION OF EXPENDITURES

The State Department of Education and the Governmental Accounting Standards Board (GASB), requires that the accounts of Atlanta Public Schools are organized and operated on a fund basis. Each fund is an independent fiscal and accounting entity, and is considered a separate reporting entity, with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. Fund accounting is designed to demonstrate legal compliance, greater accountability, and to assist financial management by segregating transactions related to certain government functions or activities.

Some of the main funds currently used in Atlanta Public Schools are:

General Fund

This fund is the school system's primary operating fund. The General Fund is used to account for all financial transactions of the School System except those required to be accounted for in another fund. Ad Valorem taxes and State QBE funding represent the major revenue sources for the General Fund.

Debt Service Fund

This fund is sometimes called the Bond Sinking Fund. It services all debts, mainly principal and interest payments, created as a result of a bond issue. The major revenue sources for this fund are Ad Valorem taxes and transfer from SPLOST proceeds as approved by the School Board.

Grants & Special Revenues Fund

This fund is used to account for the proceeds of specific revenue sources (other than Fiduciary Fund or Capital Programs Fund) that are legally restricted to specified purposes. The major revenue source is money received from the federal government for special programs such as Title I, Title II-A, Title VI-B, etc.

Capital Programs Fund

The Capital Programs Fund accounts for resources which are used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and purchasing specific types of long-term assets such as school buses and school computers. The major revenue source is proceeds from sales tax (SPLOST) as approved by Fulton voters.

School Nutrition Program Fund

This fund is used to account for the United States Department of Agriculture (USDA) approved School Nutrition Program. The intent of the school system is that the costs of the School Nutrition Service Fund be financed or recovered primarily through Federal resources and users' charges. In Atlanta Public Schools, the School Nutrition Program Fund is a self-supported program.

All Funds by Program

Program	Program Description	General Fund	Fund 150	Special Revenue	Capital Projects	School Nutrition	Program Total
1084	Early Intervention Program	\$1,535,584	\$14,886,636				\$16,422,220
1101	School Administration	\$37,903,650	\$17,717,501				\$55,621,151
1200	Classroom Instruction	\$1,655,224	\$8,223,417				\$9,878,641
1202	Kindergarten	\$4,407,744	\$15,713,056				\$20,120,800
1203	Substitutes	\$4,058,000					\$4,058,000
1204	Substitutes	\$190,968	\$542,763				\$733,731
1205	Core Teacher (1)	\$2,900,548	\$9,895,987				\$12,796,535
1206	Core Teacher (2)	\$2,815,238	\$10,151,918				\$12,967,155
1207	Core Teacher (3)	\$2,900,548	\$10,962,365				\$13,862,913
1208	Core Teacher (4)	\$2,388,686	\$9,469,436				\$11,858,122
1209	Core Teacher (5)	\$2,687,272	\$9,085,540				\$11,772,812
1215	Remedial Education	\$767,792	\$4,123,897				\$4,891,689
1218	Other Entities	\$43,250					\$43,250
1220	Textbooks	\$6,646,704					\$6,646,704
1225	Summer School	\$944,802					\$944,802
1228	Commencement Exercises	\$301,779					\$301,779
1229	Evening School	\$51,122	\$44,460				\$95,582
1230	Reading/Language Arts	\$4,900,253	\$9,384,126				\$14,284,378
1235	Foreign Language	\$3,457,731	\$6,914,815				\$10,372,546
1237	ESOL/Bilingual	\$2,917,264	\$3,113,823				\$6,031,087
1243	Mathematics	\$4,878,950	\$9,810,677				\$14,689,626
1248	Science	\$4,386,930	\$9,723,608				\$14,110,538
1255	Social Science	\$4,238,435	\$9,042,885				\$13,281,320
1261	Athletics and Intramural	\$3,343,894	\$405,224				\$3,749,118
1264	Art	\$1,279,653	\$4,564,097				\$5,843,751
1266	Physical Ed. Elementary	\$2,952,350	\$7,932,041				\$10,884,391
1267	Music	\$938,413	\$4,103,422				\$5,041,835
1268	Fine Arts	\$751,892					\$751,892
1269	Band	\$341,241	\$1,400,794				\$1,742,035
1270	Orchestra	\$341,241	\$554,517				\$895,757
1271	Performing Arts	\$597,172	\$1,194,343				\$1,791,515
1276	Turnaround Partnerships	\$24,916,391					\$24,916,391
1277	JROTC (Army)	\$1,193,563	\$2,966,386				\$4,159,948
1279	Charter Schools	\$104,357,300					\$104,357,300
1280	Residential Facilities (MOE)	\$940,000					\$940,000
1299	Early Learning	\$1,612,421					\$1,612,421
1301	Exceptional Children (MOE)	\$15,355,243	\$37,363,510				\$52,718,752
1303	Gifted and Talented	\$6,044,309	\$6,270,302				\$12,314,612
1305	Gifted and Talented Summer Program	\$164,418					\$164,418
1309	School Social Workers	\$1,186,702	\$2,784,033				\$3,970,736
1310	Health	\$1,159,467	\$1,949,291				\$3,108,758
1503	Expanded Day/Special Project	\$106,017					\$106,017
1505	Media Services	\$2,247,273	\$5,409,999				\$7,657,271
1506	Professional Development	\$898,688					\$898,688
1507	Teaching and Learning	\$1,578,234					\$1,578,234
1509	Psychologists	\$1,008,443	\$1,931,096				\$2,939,539
1510	Counseling	\$2,625,868	\$8,467,530				\$11,093,399
1512	Office of Student Services	\$388,819					\$388,819
1513	Testing and Assessment	\$1,540,441					\$1,540,441
1514	Turnaround Balanced Assessment	\$500,000					\$500,000
1597	Parental Involvement/Comm Alliances	\$0					\$0
1598	Student Programs and Services	\$1,976,868	\$3,661,202				\$5,638,070

All Funds by Program

Program	Program Description	General Fund	Fund 150	Special Revenue	Capital Projects	School Nutrition	Program Total
1603	SEL	\$981,377					\$981,377
1615	Chief School Officer	\$1,179,490					\$1,179,490
1616	CRCT Remediation	\$3,510,729					\$3,510,729
1617	Advanced School Turnaround	\$570,647					\$570,647
1618	Turnaround Extended Learning	\$4,169,999					\$4,169,999
1620	Turnaround High Quality PLC	\$282,363					\$282,363
1621	Turnaround Instructional Coach	\$124,348					\$124,348
1622	Turnaround Non-Academic	\$2,301,399					\$2,301,399
1623	Turnaround Reading and Math Coach	\$2,891,842					\$2,891,842
1624	Turnaround SEL	\$280,792					\$280,792
1629	Exceptional Children - Admin (MOE)	\$4,400,299					\$4,400,299
1630	Turnaround Targeted PD	\$217,030					\$217,030
1631	Turnaround Leader	\$96,450					\$96,450
1632	Turnaround Teacher	\$398,247					\$398,247
1634	Leadership Development	\$1,051,000					\$1,051,000
1642	Records Center	\$495,186					\$495,186
1646	Learning Technologies	\$1,736,824					\$1,736,824
1674	West Region	\$395,157					\$395,157
1675	South Region	\$324,661					\$324,661
1676	East Region	\$314,933					\$314,933
1678	Office of High Schools	\$1,337,320					\$1,337,320
1681	Research and Evaluation	\$1,134,836					\$1,134,836
1693	Student Placement and Appeals	\$305,374					\$305,374
1697	Signature Programming-IB	\$1,563,579	\$4,531,187				\$6,094,766
1698	School Discipline	\$389,196					\$389,196
2126	Crest Education			\$99,862			\$99,862
2127				\$1,666,000			\$1,666,000
2128	CREATE Teacher Residency			\$128,000			\$128,000
2129				\$193,436			\$193,436
2245	3M Foundation			\$1,806			\$1,806
2282	Residential Treatment Center Grant	\$535,007					\$535,007
2288	District Wide Resources	\$1,244,800					\$1,244,800
2301	SHAPE grant -			\$6,047			\$6,047
2302	DBHDD			\$11,364			\$11,364
2306	DFCS Second Step			\$345,963			\$345,963
2308	GOSA Innovation Fund Grant			\$113,750			\$113,750
2325	Before/After School Care			\$818			\$818
2326	Career Academy	\$335,668					\$335,668
2327	Athletic Program			\$320,000			\$320,000
2328	CTAE - Apprenticeship	\$43,790					\$43,790
2339	MOWR grant	\$202,690					\$202,690
2343	School Improvement G-Funds FY15 (Douglass)			\$372,404			\$372,404
2344	Title I-A School Improvement 1003G- Douglass (even year)			\$719,000			\$719,000
2353	Coke Extended School - Bethune			\$10,797			\$10,797
2355	Comcast Foundation - West Manor			\$7,508			\$7,508
2360	Xanadu - Gifted Program			\$2,458			\$2,458
2361	Adult Literacy Program			\$1,813			\$1,813
2367	Play It Smart - The National Football Foundation			\$150,000			\$150,000
2368	Heads Up Ath.			\$50,000			\$50,000
2400	Title I-A, Improving Academic Achievement			\$2,914,408			\$2,914,408
2401	Title I-A School Improvement (odd year)			\$104,652			\$104,652
2404	Title VI-B Federal Preschool			\$280,420			\$280,420

All Funds by Program

Program	Program Description	General Fund	Fund 150	Special Revenue	Capital Projects	School Nutrition	Program Total
2405	Career Education (MOE)	\$2,844,346	\$4,947,993				\$7,792,339
2406	Title VI-B Federal Preschool - Disproportionality			\$39,210			\$39,210
2407	Title I Homeless Set Aside			\$93,698			\$93,698
2409	Title I N&D			\$175,296			\$175,296
2411	Title I Prvt Equit			\$82,940			\$82,940
2413	Title II-A Improving Teacher Quality			\$2,387,135			\$2,387,135
2417	Title III A - Limited English Proficient (odd year)			\$144,736			\$144,736
2423	Title II-A Improving Teacher Quality (odd year)			\$2,157,903			\$2,157,903
2425	Adult Education Corrections 0 -8			\$69,340			\$69,340
2428	Adult Education Adult Literacy Grades 0-8			\$554,840			\$554,840
2432	Perkins			\$24,997			\$24,997
2433	CTE - Perkins IV-Reserve-Carryover			\$31,264			\$31,264
2436	Adult Education Staff Development			\$23,000			\$23,000
2437	IDEA Capacity Building Grant			\$75,587			\$75,587
2438	Title VI-B IDEA Flow Through			\$8,359,543			\$8,359,543
2444	Title IV-B - 21st Century - Scott (even year)			\$335,518			\$335,518
2445	Title IV CCLCS Scott Odd			\$55,047			\$55,047
2450	Title III-A Immigrant - Even			\$13,328			\$13,328
2451	Title IV-B - 21st Century - Cleveland (odd even)			\$315,000			\$315,000
2456	Title IV-B - 21st Century - Cleveland (odd year)			\$183,869			\$183,869
2468	Education for Homeless Children & Youth FY15			\$51,584			\$51,584
2471	CTAE - Supervision	\$27,165					\$27,165
2472	Vocational Education - Program Improvement			\$578,534			\$578,534
2477	Title III A - Limited English Proficient (Even Yrs)			\$257,444			\$257,444
2478	Education for Homeless Children & Youth FY14			\$93,698			\$93,698
2486	Title I-A, Improving Academic Achievement (even year)			\$15,917,108			\$15,917,108
2487	Title I-A School Improvement (even year)			\$2,486,402			\$2,486,402
2490	Title IV-B - 21st Century - Dobbs (even year)			\$288,460			\$288,460
2491	Title IV-B - 21st Century - Dobbs (odd year)			\$79,454			\$79,454
2506	Pre K - Summer Transition			\$70,097			\$70,097
2509	Pre-K Start Up			\$40,000			\$40,000
2514	Pre-K Lottery			\$5,953,885			\$5,953,885
2549	APS Archives			\$3,133			\$3,133
2552	CTAE - Extended Day	\$212,097					\$212,097
2561	Pre-School Handicapped State	\$615,080					\$615,080
2565	Math & Science Charter Schools	\$51,258					\$51,258
2574	Adult Literacy Private Sector			\$7,494			\$7,494
2575	Adult Education State Administration			\$212,274			\$212,274
2577	Head Start Collaborative			\$714,541			\$714,541
2578	Valedictorian/Salutatorian			\$4,811			\$4,811
2580	Head Start - Special Education			\$30,603			\$30,603
2581	Head Start - Special Education - Even			\$40,000			\$40,000
2622	Charter School Facilities	\$574,000					\$574,000
2649	Early College			\$21,884			\$21,884
2661	Alliance 4 A Healthier Generation			\$11,312			\$11,312
2679	Cooperative Teachers - Supervision			\$17,464			\$17,464
2685	Adult Education Adult Literacy 938-2			\$173,670			\$173,670
2728	Title VI-B IDEA Flow Through - Disproportionality			\$1,632,924			\$1,632,924
2811	Turner - Carver Arts			\$670			\$670
2814	BMMemScholar			\$325			\$325
2817	Fine Arts - Turner			\$17,982			\$17,982
2818	Charitable Giving-City of Atlanta			\$19			\$19

All Funds by Program

Program	Program Description	General Fund	Fund 150	Special Revenue	Capital Projects	School Nutrition	Program Total
2819	Douglass Facility Grant			\$13,121			\$13,121
2820	Northside Youth Lacrosse (North Atlanta HS)			\$16,440			\$16,440
2823	Grady HS Facility Grant			\$4,173			\$4,173
2831	Annie E. Casey			\$40,000			\$40,000
2836	Smith ES			\$4,998			\$4,998
2840	ROTC Military Ball			\$11,000			\$11,000
2843	NAHS Foundation			\$12,000			\$12,000
2845	Buckhead Baseball - NAHS			\$8,018			\$8,018
2891	UPS Grant - Fickett Elementary			\$35,922			\$35,922
2901	E Rivers Education Foundation			\$15,086			\$15,086
2913	CTAE Stem Signature			\$2,615			\$2,615
2914	CTAE Golf			\$74,589			\$74,589
2917	ECET2			\$308			\$308
2921	Rockefeller Philanthropy Advisors - NoVo Foundation			\$86,267			\$86,267
2922	Project Lead The Way			\$95,027			\$95,027
2927	Kellogg Foundation Rollins Center			\$83,333			\$83,333
2933	CASEL			\$30,000			\$30,000
2935	NIJ West End			\$1,182,055			\$1,182,055
2936	E. Rivers			\$33,678			\$33,678
2937	National Math and Science			\$3,269			\$3,269
2940	TAS Strategy Eval			\$300,000			\$300,000
2941	Walton Dash			\$200,000			\$200,000
2943	BTW Scholarship			\$11,000			\$11,000
6213	Vending - Districtwide			\$31,124			\$31,124
6520	Security	\$2,375,964					\$2,375,964
6521	Safety	\$8,123,247					\$8,123,247
6619	Student Transportation Services	\$21,417,182					\$21,417,182
6620	Transportation (TBD)	\$4,641,827					\$4,641,827
6632	Warehouse Services	\$490,976					\$490,976
6644	Deputy Superintendent - Operations	\$445,008					\$445,008
6645	Operational Contingency	\$826,960					\$826,960
6691	CLL Building Operations	\$131,856					\$131,856
6700	Facilities Services	\$1,690,956					\$1,690,956
6701	Building Operations	\$6,927,623					\$6,927,623
6703	Utilities	\$18,984,061					\$18,984,061
6704	Fleet Maintenance and Operations	\$838,858					\$838,858
6705	Carpentry, Masonry, Roofs, etc.	\$956,289					\$956,289
6706	Electrical	\$932,068					\$932,068
6707	Field Program Administration	\$4,184,686					\$4,184,686
6710	Grounds and Pest Control	\$1,930,106					\$1,930,106
6711	HVAC/Facility Systems & Equipment	\$5,719,299					\$5,719,299
6712	Painting	\$670,360					\$670,360
6713	Plumbing	\$844,132					\$844,132
6714	Program Administration	\$1,560,467					\$1,560,467
6716	Custodial Support	\$8,091,352					\$8,091,352
6720	Facilities Planning and Construction	\$282,080					\$282,080
6789	HVAC Renovation Project				\$10,237,000		\$10,237,000
6790	SPLOST IV- Admin				\$2,633,596		\$2,633,596
6792	Capital Outlay Projects				\$24,970,102		\$24,970,102
6793	Construction Renovation				\$79,765,000		\$79,765,000
6794	Capital - North Atlanta High School B				\$7,160,000		\$7,160,000
6796	Upgrading Security & Safety Systems				\$1,200,000		\$1,200,000

All Funds by Program

Program	Program Description	General Fund	Fund 150	Special Revenue	Capital Projects	School Nutrition	Program Total
6920	District Leases	\$800,000					\$800,000
6990	School Nutrition Services					\$31,878,511	\$31,878,511
6991	Fresh Fruit and Vegetables I			\$162,459			\$162,459
6992	Fresh Fruit and Vegetables II			\$749,189			\$749,189
7502	Charter School Administration			\$1,873,911			\$1,873,911
7512	AES			\$1,140,888			\$1,140,888
7513	APS - School Travel			\$3,985			\$3,985
7515	APS - Student Incentives			\$1,265			\$1,265
7546	District Priorities			\$35,000			\$35,000
7549	Human Resources Professional Development			\$23,366			\$23,366
7552	Office of Professional Learning			\$1,225			\$1,225
7630	Purchasing & Supply Services	\$620,326					\$620,326
7631	Risk Management and Benefits	\$2,824,669					\$2,824,669
7635	Budget Department	\$1,063,864					\$1,063,864
7638	Accounting	\$2,192,637					\$2,192,637
7641	Financial Services	\$904,676					\$904,676
7650	Employee Benefits	\$4,000,000					\$4,000,000
7651	Unfunded Pension	\$53,400,000					\$53,400,000
7666	Payroll	\$931,598					\$931,598
7890	Parking Fees Collection			\$33,202			\$33,202
7891	Building Repairs			\$50,000			\$50,000
7892	Superintendent's Office			\$110,000			\$110,000
8004	HR Operations	\$5,939,756					\$5,939,756
8008	Teacher Contingencies	\$336,000					\$336,000
8009	Teacher Induction			\$171			\$171
8201	Board Misc			\$11,500			\$11,500
8202	CSO Misc			\$20,000			\$20,000
8203	OHS Misc			\$25,000			\$25,000
8204	Governance Training			\$20,000			\$20,000
8205	Communications Misc			\$12,000			\$12,000
8206	Curriculum and Instruction Misc			\$10,000			\$10,000
8207	Charter School Transition	\$100,000					\$100,000
8208	Employee Recognition			\$40,000			\$40,000
8209	Sunshine HR			\$931			\$931
8251	Deputy Superintendent	\$662,119					\$662,119
8252	Partnerships and Development	\$473,942					\$473,942
8255	Family Engagement	\$580,391					\$580,391
8256	Chief Engagement Officer (TBD)	\$1,388,631					\$1,388,631
8501	Internal Compliance	\$647,093					\$647,093
8502	Superintendent	\$1,170,376					\$1,170,376
8623	Clarity Upgrade Grant			\$21,276			\$21,276
8627	Buckhead Life Church			\$34,239			\$34,239
8699	Board of Education	\$692,200					\$692,200
9001	AETC-Atlanta Telecom Collaborative	\$107,574					\$107,574
9004	Communications and Public Engagement	\$1,411,223					\$1,411,223
9251	AETC Communications			\$120,000			\$120,000
9252	AETC - Legal			\$181,508			\$181,508
9253	Legal Services	\$3,600,287					\$3,600,287
9554	Operational Technology	\$8,889,072					\$8,889,072
9555	Shared Services	\$486,175					\$486,175
9644	IT Security	\$1,020,079					\$1,020,079
9645	Information Application	\$4,331,877					\$4,331,877

All Funds by Program

Program	Program Description	General Fund	Fund 150	Special Revenue	Capital Projects	School Nutrition	Program Total
9646	School Based Application	\$1,850,151					\$1,850,151
9647	Information Services	\$8,417,387					\$8,417,387
9648	IT Policy and Governance	\$1,354,112					\$1,354,112
9650	IT Virtual Schools	\$1,062,640					\$1,062,640
9660	Accounting Information	\$335,638					\$335,638
TBD	Special Revenue (TBD)			\$947,672			\$947,672
Fund Total		\$518,123,624	\$259,243,877	\$59,251,339	\$125,965,698	\$31,878,511	\$994,463,046

GENERAL FUND



We can
CHANGE *the* **WORLD**
and make it a
BETTER PLACE.
It is in our **HANDS**
to make a
DIFFERENCE.

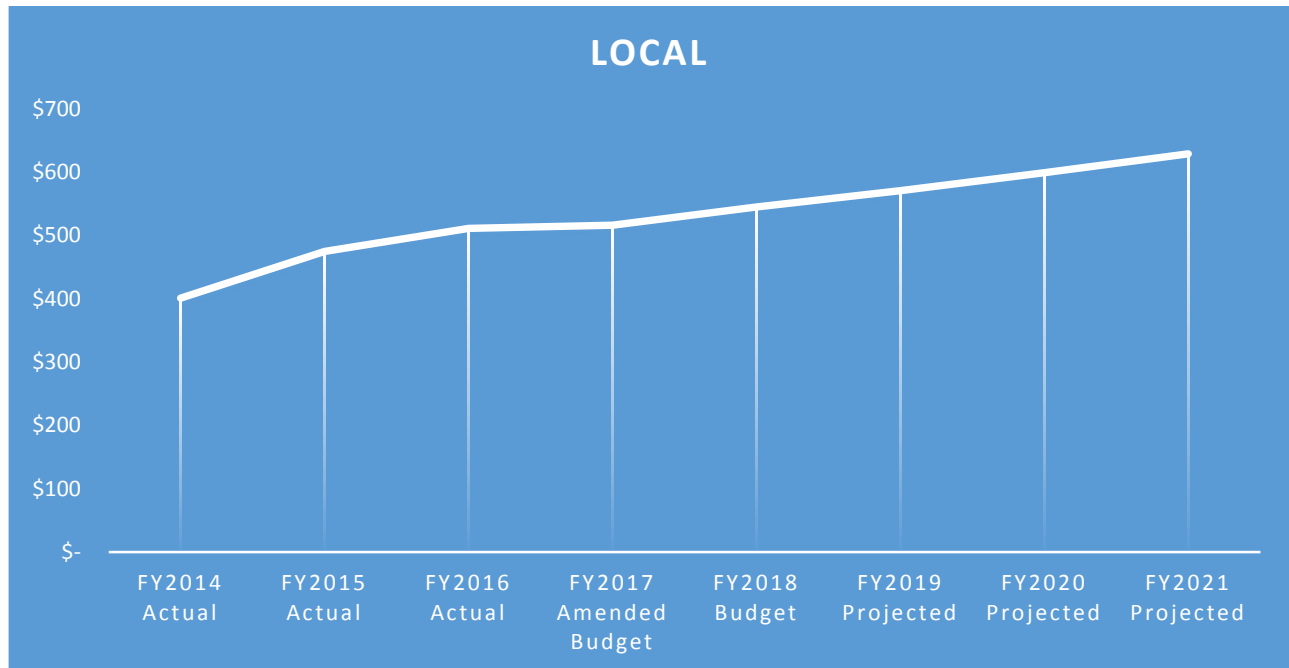
NELSON MANDELA

GENERAL FUND COMPARISON FISCAL YEAR 2016 – 2017

Local Tax Revenue

Real property and personal property, recorded as local taxes, are the primary revenue sources for the Atlanta Independent School System. The local tax revenue is projected at \$545 million and will be used to support the Fiscal Year 2018 general fund.

Taxes levied on real and personal property are based upon assessed values as of January 1. The real estate transfer tax, which is based upon the sales price of property, is an excise tax on the privilege of selling property. This tax is distributed by the Fulton and DeKalb County Tax Commissioners' Offices based upon gross millage rates.

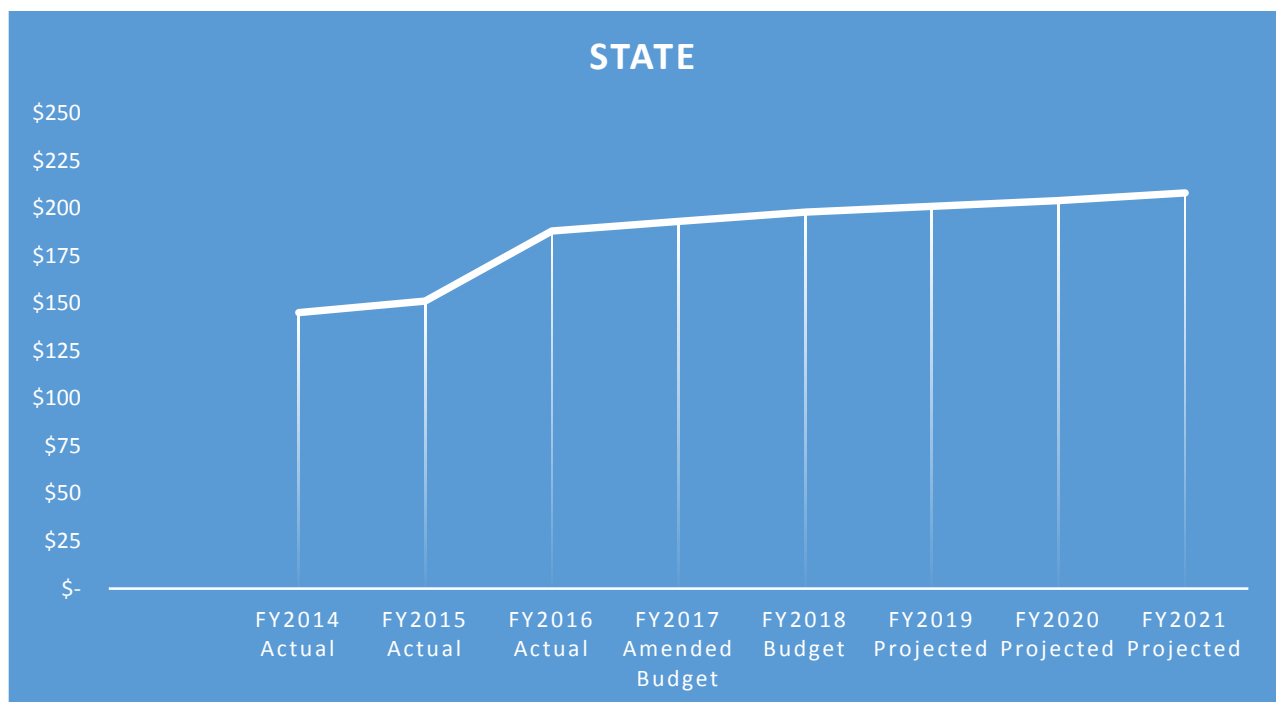


State Revenue

The Atlanta Independent School System receives minimum education funding from the state through the Quality Basic Education (QBE) program. State funding normally consists of support for the QBE program and categorical aid for specialized programs and initiatives. The Atlanta Independent School System is budgeted to receive \$198 million in state funding in fiscal year 2018.

Quality Basic Education Program – The revenue provided by the State of Georgia is allocated to the District based upon enrollment, program weights, teaching, and experience factors.

State Grants – This fund contains resources which are state awarded grant funds.



Other Sources of Revenue

Revenue of \$13 million from various sources is projected to support the fiscal year 2018 operation of the Atlanta Independent School System. These sources include tuition, investment income, fees from rental of facilities, sale of school assets, and reimbursements for lost and damaged assets.

Tuition – Payments from non-resident students attending Atlanta Independent School System. This revenue represents the non-state reimbursed cost for education of each student.

Investment Interest – Revenue earned from the District's short-term cash management activities.

Indirect Costs Charges – Reimbursement from federal programs with an approved indirect cost rate.

Rental of Facilities – Revenue produced from rental of facilities owned by the school district.

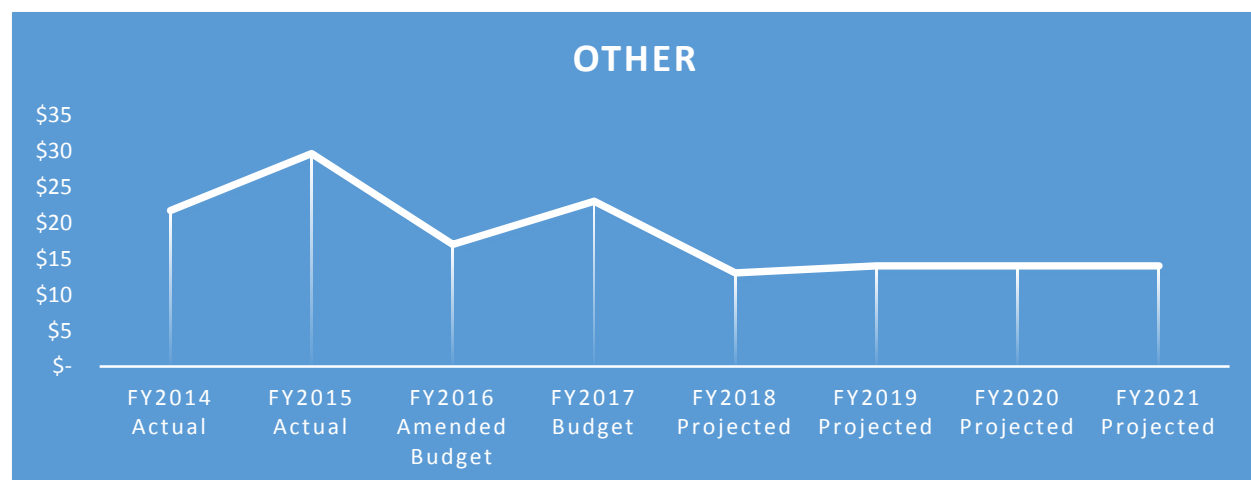
Sale of School Assets – Proceeds from the sale of school property and/or equipment that is no longer serviceable.

E-Rate – The commonly used name for the Schools and Libraries Program of the Universal Service Fund, which is administered by the Universal Service Administrative Company (USAC, a subsidiary of NECA) under the direction of the Federal Communications Commission (FCC).

Lost and Damaged Reimbursements – Proceeds from payments for lost and/or damaged books and property.

Intergovernmental Agreement – Revenues related to Intergovernmental Agreement with the City of Atlanta and Beltline Tax Allocation District (TAD).

Other Local Sources – Represents funds from various sources such as transfers from other funds, field trip revenue, reimbursement from professional organizations, etc.



Expenditure Overview

The Expenditure Overview reflects the total budget for each fund by program, or unit of the organization. The summary shows a three-year history of actual expenditures, two previous operating year's budget, and the current FY2018 budget. The purpose of the overview is to allow readers to see, at a glance, the total budget, by fund and program, for all of Atlanta Public Schools.

General Fund Expenditures by Object

The Atlanta Board of Education approved parameters for the Fiscal Year 2018 budget that directed the District to focus on such areas as achieving equitable distribution of resources, funding pension obligations and prioritizing special education and achievement in math and literacy. In addition, the transition to the new operating model led to the commitment to push more flexible money for staffing and programming to the school and cluster levels.

The Atlanta Public Schools dedicates 68.3% of the budget to employee salaries and related benefits. The staffing is guided by a district-wide staffing formula.

Descriptions

Salaries – Regular salary costs related to personnel positions, overtime, temporary employees, supplemental pay, etc.

Benefits – Expenditures associated with health insurance, retirement plans, life insurance, workers' compensation, etc.

Professional Services – Services performed only by persons or firms with specialized skills and knowledge.

Purchased Property Services – Expenditures for repair and maintenance; rental of land, buildings, or equipment, etc.

Other Purchased Services – Expenditures for communications, travel, and insurance other than employee benefits. The fiscal year 2014 charter school funding was reclassified from Other Uses to Other Purchased Services in fiscal year 2015 and 2016.

Supplies & Materials – Expenditures for textbooks, instructional materials, office and custodial supplies, computer software, transportation and maintenance supplies, reference materials, etc.

Property – Expenditures associated with land or building acquisition, land improvements, purchase and lease of equipment, etc.

Other – Expenditures associated with registration fees, professional dues, etc.

Other Uses – Includes expenditures such as transfers to other funds, sale of capital certain capital assets and other expenditures that require budgetary or accounting controls.

General Fund Expenditures by Function

The general fund expenditures are grouped into seven functions. These functions mirror those used for state reporting. In fiscal year 2017 more than 68% of the expenditures were in the regular instructional program of the District.

Descriptions

Instruction – Instruction includes activities dealing with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities.

Pupil Services – Activities designed to assess and improve the well-being of students and to supplement the teaching process. Activities include guidance, counseling, testing, attendance, social work, health services, etc. Also include supplemental payments for additional duties such as coaching or supervising extracurricular activities.

Staff Services – Activities which are designed primarily for assisting instructional staff in planning, developing and evaluating the process of providing challenging learning experiences for students. These activities include curriculum development, techniques of instruction, child development and understanding, staff training and professional development. Activities concerned with directing, managing and operating educational media centers. Included are school libraries, audio-visual services and educational television.

School Administrative Services – Activities concerned with overall administrative responsibility for school operations. Included are activities of principals, assistant principals, full time department chairpersons and clerical staff.

Maintenance and Operations – Activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition and state of repair. This includes the activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools. Property insurance expenditures are recorded in this function.

General Administrative Services – Activities concerned with establishing and administering policy for operating the Local Units of Authority (LUA). These include the activities of the members of the Board of Education. Local activities in interpretation of the laws and statutes and general liability situations are charged here, as are the activities of external auditors. Also recorded here are activities performed by the superintendent, administrative support personnel and deputy, associate, or assistant superintendent having overall administrative responsibility. Activities concerned with the fiscal operation of the LUA, including budgeting, financial and property accounting, payroll, inventory control, internal auditing and managing funds. Also included are purchasing, warehouse and distribution operations, and printing, publishing and duplicating operations. Central Office activities other than general administration and business services. Included are personnel services, data processing services, strategic planning including research, development and evaluation on a system-

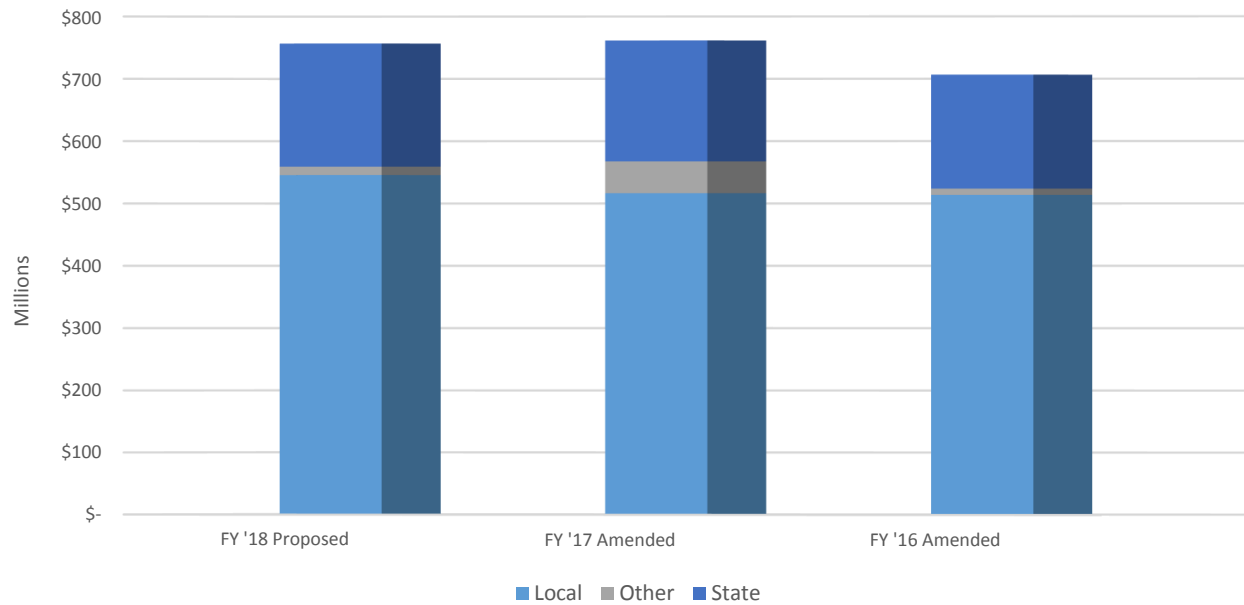
wide basis; and public relations activities, such as writing, editing and other preparation necessary to disseminate information to students, staff and the general public. All other support services not properly classified elsewhere in the 2000 series.

Transportation Services – Activities concerned with the conveyance of students to and from school and trips to school activities. These activities include supervision of student transportation, vehicle operation, servicing and maintenance, bus monitoring and traffic direction. Transportation insurance expenditures are charged to this function.



General Fund

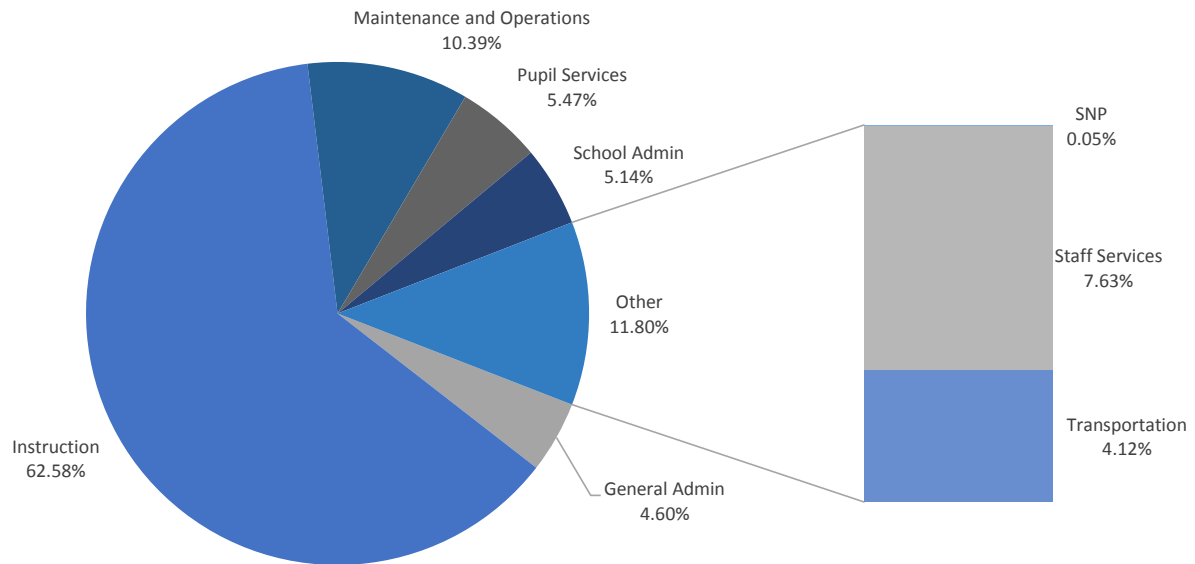
By Source Type



Resource	FY '18 Proposed		FY '17 Amended		FY '16 Amended		% Change
Local	\$	545,545,423	\$	516,391,144	\$	513,622,471	5.65%
State	\$	197,539,352	\$	193,797,282	\$	182,544,006	1.93%
Other	\$	13,493,197	\$	51,089,662	\$	10,112,016	-73.59%
Transfers	\$	12,340,424	\$	-	\$	-	
Grand Total	\$	768,918,396	\$	761,278,088	\$	706,278,493	

General Fund

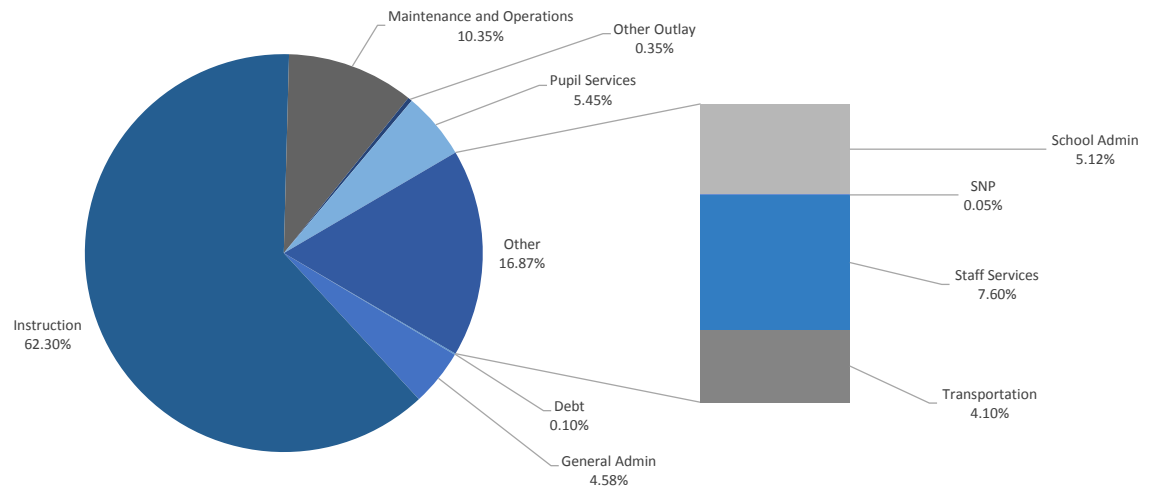
By Function



Function	Function Name	FY '18 Proposed
1000	Instruction	\$ 484,284,880
2100	Pupil Services	\$ 42,354,111
2210	Staff Services	\$ 49,896,555
2220	Staff Services	\$ 9,150,793
2230	Federal Grant Admin	\$ 2,870
2300	General Admin	\$ 6,967,378
2400	School Admin	\$ 39,810,758
2500	General Admin	\$ 7,701,832
2600	Maintenance and Operations	\$ 80,394,798
2700	Transportation	\$ 31,906,574
2800	General Admin	\$ 20,427,145
2900	General Admin	\$ 535,007
3100	SNP	\$ 376,521
4000	Maintenance and Operations	\$ 47,325
5000	Other Outlay	\$ 2,710,948
5100	Debt	\$ 800,000
Grand Total		\$ 777,367,495

General Fund

By Object



Object Group	FY '18 Proposed
Salaries	\$ 340,380,341
Employee Benefits	\$ 170,232,761
Operating Transfer to Non-General Fund	\$ 2,710,948
Other Salaries	\$ 18,423,666
Purchased Pro and Tech Services	\$ 52,222,244
Purchased Property Services	\$ 19,475,254
Other Purchased Services	\$ 119,132,702
Supplies	\$ 51,063,314
Property	\$ 615,173
Other Objects	\$ 3,111,093
Grand Total	\$ 777,367,495

SPECIAL REVENUE



We can
CHANGE *the* **WORLD**
and make it a
BETTER PLACE.
It is in our **HANDS**
to make a
DIFFERENCE.

NELSON MANDELA

SPECIAL REVENUE ALLOCATIONS

Atlanta Public Schools receives valuable supplemental funding for instructional programs provided by grants from various outside agencies and organizations, including state and federal agencies, and private organizations. The below grant information represents an early estimate of the grant programs expected for FY2018.

This document does not list all grants that the Atlanta Public Schools may pursue during the year, nor does it represent the total amount that will be awarded by the grantors during Fiscal Year 2017-2018. As the State provides final allocations, the Board will be presented with updated grant budget proposals. Final revised grant budgets, as approved and amended by the State and other grantors are presented in the monthly board report.

All grant proposals are tentative pending final approval by the grantors.

Special Revenue Funds

Special Revenue Funds are used to account for those funds that are restricted to specific purposes. Most of the federal, state, and local grants that the district receives are accounted for in the special revenue fund and must be spent and accounted for according to the specific grant requirements. Should the funding for most of these programs be eliminated, it is likely that the services would also be eliminated unless another funding source is identified.

With personnel expenditures continuing to increase, primarily due to the rise in employer benefit costs, particularly healthcare, a possible challenge for the upcoming year, FY2018, is that some grant programs may have to reduce services and programs. This could potentially have a major impact on the district's ability to provide the same level of services and programs and/or sustain current programs.

Following is a brief description of the various types of grants included in this section.

Federal Grants

Federal grants are mostly allocated through the Georgia Department of Education to the school district. Title I, which provides remedial education, is one of our largest federal programs. Another major federal program is Title VIB for exceptional children.

1116(b).

Title I –A, Improving the Academic Achievement of the Disadvantage (402)

This grant is used to provide federal funds through the Georgia Department of Education to LEAs and public schools with high numbers or percentages of poor children to help ensure that all children meet challenging State academic content and student achievement standards.

Title I-A, School Improvement (402)

This grant is used for schools identified for school improvement, corrective action, and restructuring for activities under section 1116(b).

Striving Readers Comprehensive Literacy (402)

This grant is used to improve reading performance of students from birth through twelve and requires schools to develop literacy plans to better implement the Common Core Georgia Performance standards, Georgia Early Learning standards, Georgia Pre-K standards, and Head Start standards. These funds will assist schools in leveraging print and technology resources for students instruction and engagement, provide teachers with professional learning based on their identified needs, foster implementation of research-based models of tiered instruction, and provide useful student assessment protocols.

School Improvement 1003g Grants (402)

The School Improvement 1003g Grant (SIG) funding will help successfully implement the following initiatives: increase student achievement to meet student's academic needs; build teacher and principal effectiveness to meet staff members' professional needs, and improve the school environment to meet students' social emotional needs.

Special Education – VIB Flow Through (404)

This grant is used to assist school systems with the excess cost of special education and related services as prescribed by the Individuals with Disabilities Education Act (IDEA) as authorized by Congress. Related services include audiology, assistive technology, occupational therapy, physical therapy, speech therapy, special transportation, orientation and mobility, nursing services, interpreting services and transition services.

Special Education Federal Preschool (404)

This grant is used to implement the Individuals with Disabilities Education Act; specifically, to provide special education and related services to preschool children with disabilities, ages three through five.

High Cost Fund Pool (404)

This grant is used to assist local school systems in covering the direct special education instructional costs of children with disabilities who meet the criteria established in IDEA 2004 and the system plan for GHCF.

CTE – Perkins IV Grants – Program Improvement (406)

This grant is used to develop, implement, and maintain programs for middle and high school students interested in specific careers.

CTE – Perkins Plus IV Grants (406)

This grant provides funding for career and technical education utilizing guidelines and regulations given by federal and state agencies. The grant is for registration fees for CTE End of Pathway assessments.

Title II-A, Improving Teacher Quality (414)

This grant is used to increase the academic achievement of all students by helping schools and school districts improve teacher and principal quality and ensure that all teachers are highly qualified.

Education for Homeless Children and Youth (432)

This grant is used to assist students who are homeless and in transition while attending Atlanta Public Schools. The assistance comes in the form of tutoring, afterschool programs, assistance with immunizations, transportation, enrollment, school supplies, uniforms, etc.

Title II-A, Limited English Proficient (460)

This grant is used to ensure that Limited English Proficient (LEP) students or English language learners, including immigrant students, develop English proficiency and meet the same academic achievement standards that all other students are expected to meet.

21st Century (462)

This program supports the creation of community learning centers that provide academic enrichment opportunities during non-school hours for children, particularly students who attend high-poverty and low-performing schools. The program helps students meet state and local student standards in core academic subjects, such as reading and math; offers students a broad array of enrichment activities that can complement their regular academic programs; and offers literacy and other educational services to the families of participating children.

Fresh Fruits and Vegetables Program (478)

This grant is used to create healthier school environments by providing healthier food choices: Expand the variety of fruits and vegetables children experience, increase children's fruit and vegetable consumption, and make a difference in children's diets to impact their present and future health. This program is seen as a catalyst for change in efforts to combat childhood obesity by helping children learn more healthful eating habits. The Fresh Fruits and Vegetables Program introduce school children to a variety of produce that they otherwise might not have had the opportunity to sample.

Prekindergarten Program (560)

This grant is used to provide children, who are 4 years of age on September 1st of the enrollment year, with the learning experiences they need to prepare for Kindergarten. APS's Prekindergarten Curriculum focuses on Language and Literacy, Mathematical Thinking, Scientific Thinking, Social Studies, The Arts, Personal and Social Development and Physical Development and Health.

Miscellaneous Grants and Donations (580 - 589)

This item represents other local grants such as Georgia SHAPE School Nutrition, Second Step Program, Governor's Office of Student Achievement, Alliance for a Healthier Generation and NIJ.

State Grants

State Grants include State Department of Education grants such as Career Technology, Charter Schools - Facilities, Pre-school Handicapped State grant, etc.

Preschool Handicapped State Grant

This grant provides state funding for services to preschool children with disabilities, ages three and four. The funding formula is currently based on birth cohorts, rather than child counts.

Residential Treatment Centers

This grant serves students who have severe mental health diagnoses which have prevented them from attending public school while in residential placement.

CTAE – Agriculture Education/Extended Day/Year

This grant provides funding to support extended day/year salary supplements for Agriculture and Environmental Science teachers who perform additional duties beyond the regular school day/year. The state grant supplements duties associated with Short Term Adult Agribusiness Education projects and leadership activities associated with the Future Farmers of America.

CTE - Youth Apprenticeship

This grant provides funding to support opportunities for students in all Atlanta Public Schools High Schools to participate in a structured combination of school and work-based learning. Youth Apprenticeship utilizes guidelines and regulations given by federal and state agencies.

CTE - Extended Day

This grant provides funding to support extended day/year salary supplements for teachers who perform additional duties beyond the regular school year.

CTE - Industry Certification

This grant promotes high quality instruction in various Career and Technical Education programs by providing recognition to schools which have outstanding programs of instruction. Each school will be provided a set of criteria which must be met in order for the program to be declared as “certified”.

CTAE – Supervision

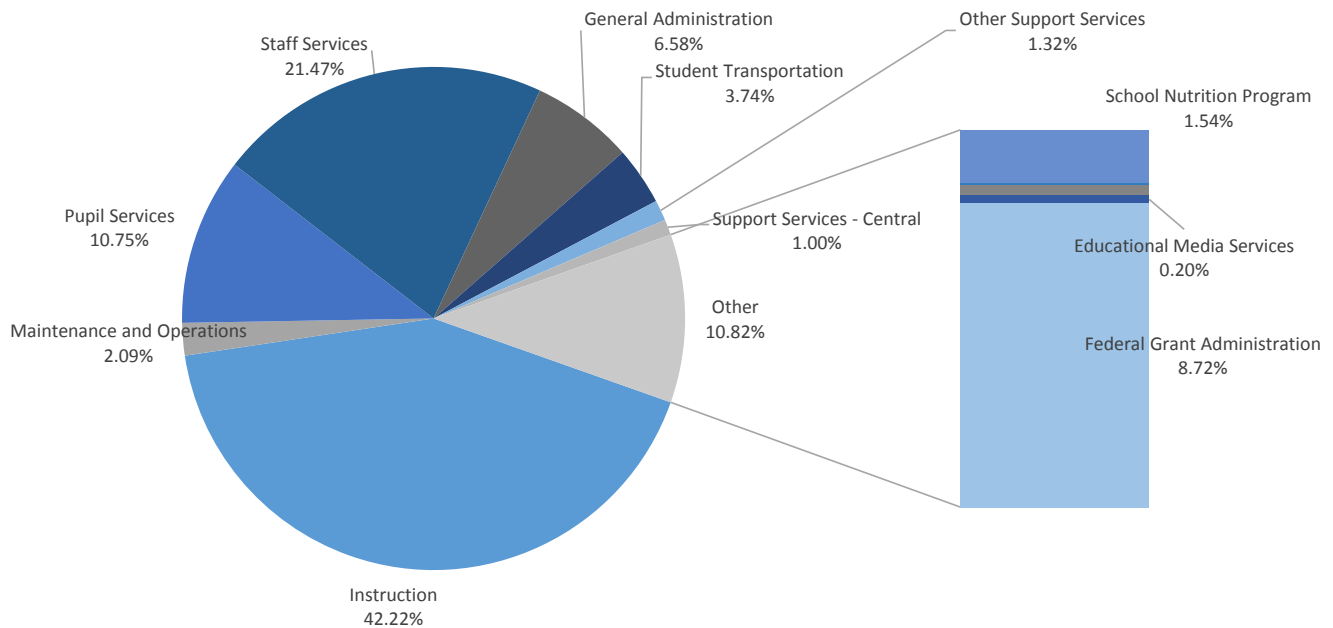
This grant provides funding for the base salaries and benefits for vocational administrators.

Charter Facilities Grant

This grant can be used to purchase real property, construct school facilities, purchase or lease school facilities, purchase vehicles to transport students to and from the charter school, and renovate, repair, and maintain the school facility.

Special Revenue

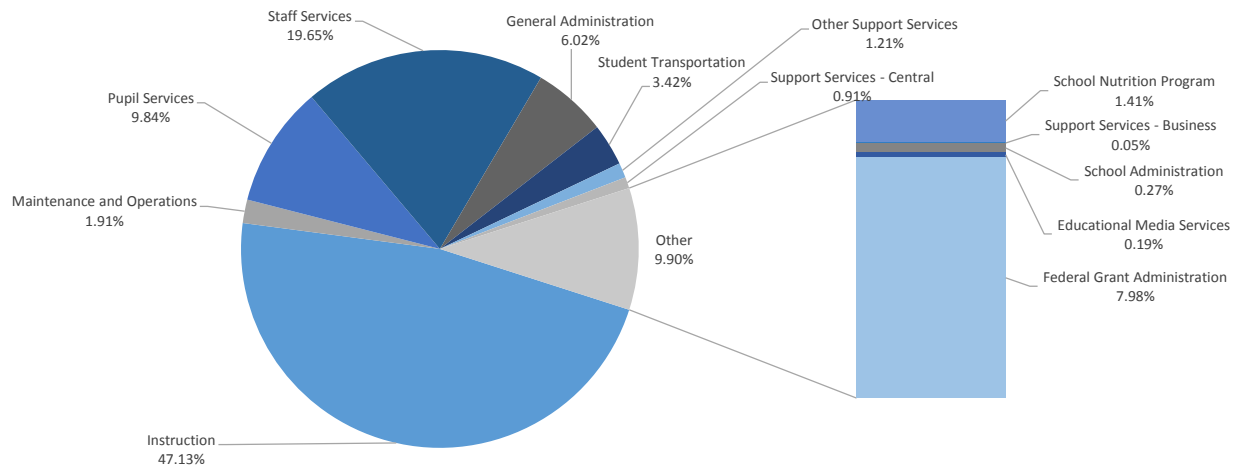
By Function



Function	Function Name	FY '18 Proposed
1000	Instruction	\$ 25,017,657
2100	Pupil Services	\$ 6,371,960
2210	Staff Services	\$ 12,723,988
2220	Educational Media Services	\$ 120,000
2230	Federal Grant Administration	\$ 5,168,748
2300	General Administration	\$ 3,897,444
2400	School Administration	\$ 174,788
2500	Support Services - Business	\$ 35,146
2600	Maintenance and Operations	\$ 1,238,269
2700	Student Transportation	\$ 2,217,341
2800	Support Services - Central	\$ 591,025
2900	Other Support Services	\$ 783,329
3100	School Nutrition Program	\$ 911,648
Grand Total		\$ 59,251,342

Special Revenue

By Object



Object Group	FY '18 Proposed	
Salaries	\$	23,467,426
Employee Benefits	\$	7,197,422
Purchased Pro and Tech Services	\$	10,426,566
Purchased Property Services	\$	210,653
Other Purchased Services	\$	3,803,423
Supplies	\$	13,122,994
Property	\$	2,291
Other Objects	\$	1,020,566
Grand Total	\$	59,251,342

CAPITAL PROJECTS



We can
CHANGE *the* **WORLD**
and make it a
BETTER PLACE.
It is in our **HANDS**
to make a
DIFFERENCE.

NELSON MANDELA

FISCAL YEAR 2017 CAPITAL PROJECTS BUDGET OVERVIEW

Capital Project

A capital project is a long-term investment project that provides benefits to an organization over a period of time after the investment has been made. Capital projects consist of new construction, expansion, renovation, or replacement project for existing facilities. Projects can also consist of purchasing major equipment to improve an organization's capacity to effectively meet desired needs.

Examples of capital expenditures:

- Land acquisition
- Software, hardware and infrastructure
- Purchase of equipment and buildings
- Construction
- Heaters, ventilation, and air conditioning
- Painting
- Upgrading to security and safety systems

Steps in the capital planning process:

- Identify capital needs, timing, costs, and means of financing capital projects
- Prepare financial analysis to identify capacity to take on new projects
- Set priorities on projects
- Prepare a document that will clearly show proposed projects, priorities, schedule of completion, and methods of funding
- Approve the capital projects request by the organization's governing body, and adoption of the capital project budgets
- Periodically review capital projects to ensure objectives and goals are met on a timely basis

Capital Budgeting

Capital budgeting is the process used to determine whether an organization's long term investments are worth pursuing. Budgeting for capital is important because the monetary investments will impact an organization for several years.

Atlanta Independent School System's Capital Projects Budgetary Strategy:

- Make certain Capital budget requests are aligned to the Atlanta Independent School System's Strategic Objectives
- Identify funding availability to efficiently and effectively meet the organization's capital needs
- Use Facility's Build Smart Master Plan as a guiding tool to help identify and track Atlanta Independent School System's Facilities immediate and future needs
- Assign urgency factors to projects to identify a project's level of importance
- Ensure a Comprehensive Capital Management Strategy is reflected in the Build smart Plan, which encompasses projected changes in technology, demographics, population, and city development.
- Establish a spending policy that will allow the organization to accurately fund proposed projects

Capital Projects Fund

Transfer from prior years' general fund reserves that are approved by the Board of Education.

Capital projects that are funded by general fund reserves are construction, renovation, major maintenance, technology upgrades, equipment, land, and building purchases

SPLOST (Special Purpose Local Option Sales Tax)

Voter approved sales tax revenue proceeds, which does not exceed a period of time for five years. Atlanta Independent School System receives SPLOST proceeds from Fulton County and DeKalb County.

Capital projects funded by SPLOST proceeds are specifically identified in Referendum.

Fulton County SPLOST Activities:

- Upgrading security/safety issues at all schools
- Providing athletic fields and play fields improvements to support the physical education and athletic programs.
- Providing staff development and instructional support facilities

DeKalb County SPLOST Activities:

- Construction, renovations, modifications, additions, and priorities deemed priorities set forth in the Build Smart Master Facilities Plan.

Administrative Regulation – Capital Assets

Atlanta Independent School System Chief Financial Officer shall establish guidelines and procedures to appropriately account for and classify eligible capital asset property, aligned with Government Accounting Standards Board (GASB) Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments and GASB Statement 42, Accounting and Reporting for Impairment of Capital Assets and for Insurance Recoveries, GASB Statement 49, Accounting and Financial Reporting for Pollution Remediation Obligations, and GASB Statement 51, Accounting and Financial Reporting for Intangible Assets.

A fixed asset is property that meets all of the following requirements:

1. Is tangible or intangible and ready for its intended use.
2. Used in the operation of the school system's activities.
3. Has a useful life greater than one reporting period (one fiscal year).
4. Is of significant value.

Capitalization for Fixed Assets

Fixed assets may be acquired through donation, purchase, capital lease or may be self-constructed. Based on the type of acquisition, the following valuation guidelines should be used:

- Donated property will be the fair market value at the time of the donation.

- Purchased property shall be the “historical” initial cost, plus the trade-in value of any old asset given up, plus all costs related to placing the new asset into operation. Costs could include, but not limited to, the following:
 - Freight charges
 - Legal and title fees
 - Closing costs
 - Appraisal and negotiation fees
 - Surveying fees
 - Land-preparation costs
 - Demolition costs
 - Relocation costs
 - Architect and accounting fees
 - Insurance premiums and interest costs during construction

Self-constructed property will include all costs of the actual construction. When a capital asset is acquired, the funding source will be identified as either a governmental fund, proprietary fund or component unit.

The minimum thresholds to be used in the determination of whether to capitalize or expense an item are the following:

Class of Fixed Asset	Significant Value
Machinery & Equipment; Furnishings; Vehicles	\$ 50,000 or more
Buildings	\$ 50,000 or more
Building Improvements	\$ 50,000 or more
Land	Any Amount
Land Improvements	\$ 50,000 or more
Software	\$1,000,000 or more
Intangible Assets	\$1,000,000 or more

The capitalization threshold is applied to individual units of fixed assets rather than to groups. For example, 50 desks at \$1,000 each would not be capitalized even though the total of \$50,000 meets the threshold.

Land

Land acquired by purchase is recorded at cost to include the amount paid for the land itself and any other costs. Land acquired by gift or bequest is recorded at the fair market value at the date of acquisition. When the land is acquired along with erected buildings, total cost is allocated between the land and buildings with value proportionate at the date of acquisition. Land is not a depreciable asset. Land will be capitalized, regardless of cost.

Land Improvements

Land Improvements may include such items as site work, sewer systems, parking lots, outdoor lighting, covered walkways, tennis courts, running tracks, grandstands, soccer fields, and baseball or softball fields.

Buildings

Buildings will be recorded at either their acquisition or construction cost. If a building is acquired through purchase, the capitalized cost should include the purchase price and other incidental expenses associated with acquisition. If a building is constructed, the capitalized cost should include all construction costs such as architect payments, contractor payments, engineering fees, and miscellaneous expenses. Cost to furnish the building such as furniture and equipment will not be included in the building's capitalized cost. The constructed building will be capitalized upon completion of the project when it is deemed ready for its intended use. All the major component units of the building, such as HVAC, plumbing system, sprinkler systems, and elevators may be included in the capitalized cost of the building.

Building Additions

Building additions can be defined as self-standing structures or extensions to a pre-existing building. The costs of the additions will include all construction costs. Building additions will be capitalized separately and depreciated over the remaining useful life of the original structure, not over the useful life of the addition itself.

Building Improvements

- Component Units (HVAC, plumbing systems, sprinkler system, elevators, etc.):
When building component units are replaced, the new component unit will be capitalized separately and each old component will be disposed removing it from the Asset Management system. However, if the original component unit was included in the original construction cost, it will not be removed since it was not a separately valued component. The new component unit will be depreciated over the remaining useful life of the building.
- Major Renovations or Alterations:
Any major renovations or alterations within an existing building will be recorded at their construction costs and capitalized separately. These renovations or alterations will be depreciated over the remaining useful life of the original structure.
- Repairs:
Costs deemed to be for maintenance or repairs will be expensed in the current period regardless of amount.

Construction in Process

This includes all construction costs for buildings, building additions, building improvements or land improvements that are not complete and ready for their intended use by the end of the current fiscal year.

Machinery & Equipment; Furnishings; Vehicles

Costs to purchase machinery, equipment, vehicles or furnishings that are \$50,000 or more per item and have an average life of more than one year will be capitalized.

Works of Art and Historical Treasures

The District's works of art and historical treasures will not be capitalized.

Leased Assets

Operating leases will be capitalized if one or more of the following criteria are met and the chance of cancellation is low:

- Ownership is transferred by the end of the lease term.
- The lease contains a bargain purchase option.
- The lease term is greater than or equal to 75 percent of the asset's service life.
- The present value of the minimum lease payment is greater than or equal to ninety percent (90%) of the fair market value of the asset at the inception of the lease.

Capital lease items are capitalized at the beginning of the lease period, regardless of when the title transfers. Capital leases are recorded at net present value of lease payments.

Depreciation for Fixed Assets

Fixed assets will be depreciated over the estimated useful life of the asset. Factors that assist in determining an asset's estimated useful life include the following:

- Assets present condition
- Use of the asset
- Construction type
- Industry or historical standards on how long an asset is expected to meet service demands.
- The length of the agreement or contract under which the asset was obtained, such as a capital lease.

Depreciation will be calculated using the straight-line method. The District will record depreciation expense on all capital assets, except for land. Depreciation will be calculated over the estimated useful life of the asset. The District will use the following estimations of the useful lives for assets:

Class of Fixed Asset	Estimated Useful Life
Land	n/a
Land Improvements	10 to 20 years
Buildings	20 to 50 years
Building Improvements	10 to 30 years
Furniture and Fixtures	3 to 15 years
Vehicles	5 to 8 years
Equipment	3 to 15 years

Disposition or Removal for Fixed Assets

Assets may be removed from the Asset Management system for various reasons. Reasons for the removal of an asset may include, but are not limited to, the following:

- Donated
- Exchanged
- Demolished
- Damaged beyond repair
- Sold
- Surplus
- Theft
- Obsolescence

When fixed assets are sold or otherwise disposed of, the Asset Management system should be relieved of the cost of the asset and the associated accumulated depreciation. The appropriate depreciation will be taken the year of the disposal. Losses should be included in general government-type expenses; gains should be reported as general revenue.

Impairment for Fixed Assets

The District shall evaluate annually prominent events or changes in circumstances affecting assets to determine whether an impairment of a capital asset has occurred. If a permanently impaired asset will continue to be used by the Atlanta Independent School System, the organization must determine the amount of impairment for purposes of reporting for any assets with a net book value of \$100,000 or more.

Measurement of the impairment will be dependent on the District's continued use of the asset.

- If the asset will no longer be used by the District, the lower of carrying value or fair value should be reported and disclosure should be made of the amount of the impaired assets that are idle at fiscal year-end.
- If the asset will continue to be used by the District, the asset should be written down based on nature of impairment and a loss reported.

How the impairment loss is reported depends on whether the impairment is considered a program expense in the Statement of Activities or an operating expense in the Statement of Revenues, Expenses, and Changes in Fund Net Assets, a special item, or an extraordinary item. If the loss is reported as a program expense in the Statement of Activities, it should be reported as a direct expense of the program that uses or used the impaired capital asset.



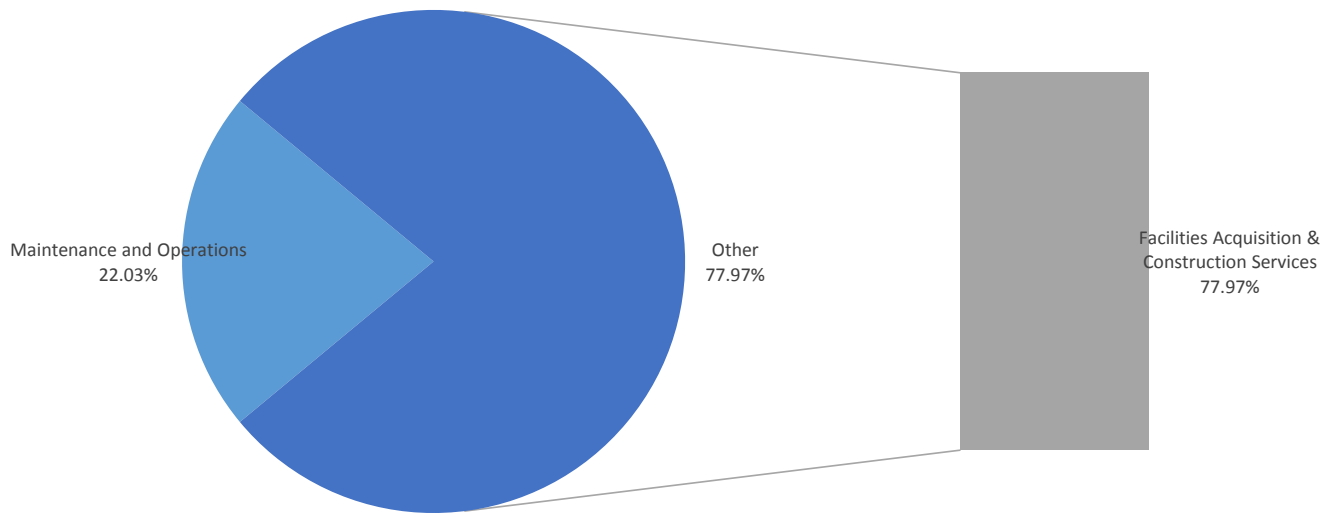
Boyd Elementary School prior to the \$11 million renovation project, funded through SPLOST IV.



The newly renovated Boyd Elementary School

Capital (SPLOST)

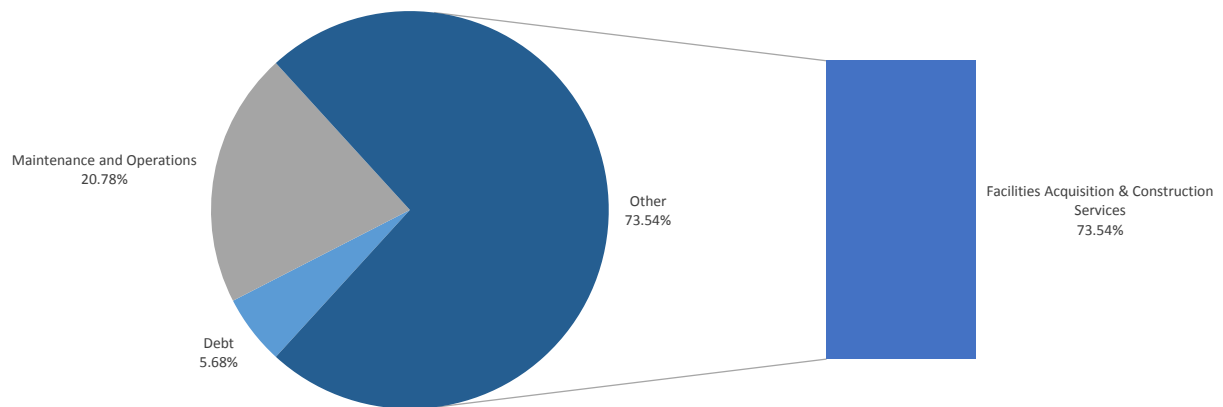
By Function



Function	Function Name	FY '18 Proposed	
2600	Maintenance and Operations	\$	26,170,102
5100	Debt	\$	7,160,000
Grand Total		\$	33,330,102

Capital (SPLOST)

By Object



Object Group	FY '18 Proposed	
Salaries	\$	614,169
Employee Benefits	\$	189,427
Purchased Pro and Tech Services	\$	7,895,000
Purchased Property Services	\$	26,170,102
Property	\$	83,937,000
Grand Total	\$	118,805,698

SCHOOL NUTRITION



We can
CHANGE *the* **WORLD**
and make it a
BETTER PLACE.
It is in our **HANDS**
to make a
DIFFERENCE.

NELSON MANDELA

Local School Wellness Plan



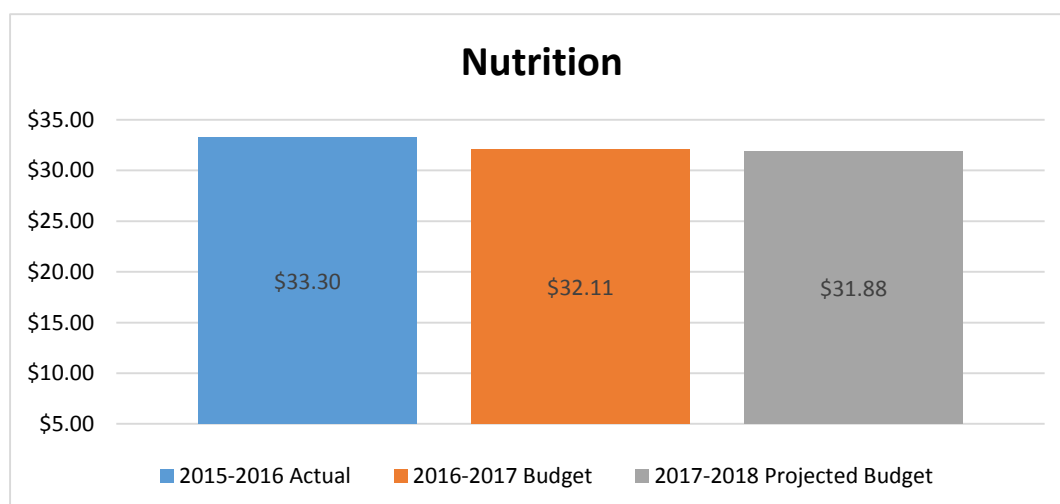
The Atlanta Board of Education promotes student success and healthy schools by supporting wellness, good nutrition, and regular physical activity as a part of the total learning environment. The Board supports a healthy environment where children learn and participate in positive dietary and lifestyle practices. Schools contribute to the basic health status of children by facilitating learning through the support and promotion of good nutrition and

physical activity. Improved health optimizes student academic performance potential and ensures student achievement.

Balance is essential for any Wellness Policy. Key areas include:

- Nutrition Education
- Physical activity
- Other school-based activities that are designed to promote student wellness.

In FY2016 Atlanta Public Schools (APS) Local School Wellness Plan evaluations were completed for each school site that participates in the National School Lunch Program. Evaluations assess implementation of wellness goals set for nutrition, physical fitness, Farm to School, etc. and further evaluates compliance of the APS Board Approved wellness policy as reported at the school level. Overall, schools in compliance with APS Board Approved wellness policy standards ranged from 80.2% to 92.6% compliance (n=65-75 of 82 total schools). The percentage of schools that reported accomplishing 75-100% wellness goals established in September of 2015 by their Local School Wellness Council was 67.9% (n=55 of 82 schools). For the FY2016-2017 school year, the APS Nutrition Department and the APS District Wellness Council continue to work with APS school sites to address the reported needs assessed and barriers faced with the goal of increasing compliance and achievement of wellness goals within the District.



STUDENT ACTIVITY



We can
CHANGE *the* **WORLD**
and make it a
BETTER PLACE.
It is in our **HANDS**
to make a
DIFFERENCE.

NELSON MANDELA

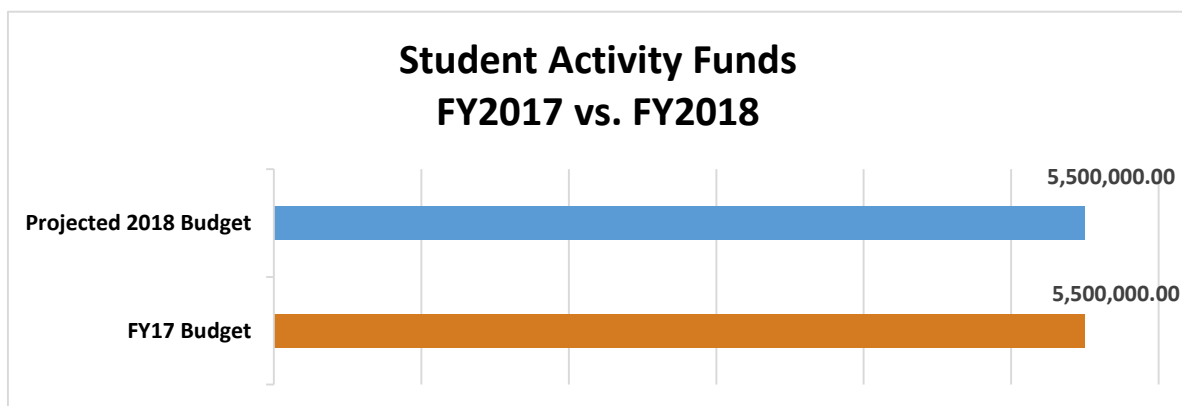
TYPES OF ACTIVITY FUNDS AND PROPER CLASSIFICATION

The dispersed nature of student activity funds and the multiple site collections for some district activity fund revenues dictate a need for orderly controls on all activity funds. These controls include establishing lines of authority and a set of policies to guide the operation of all activity funds.

Lines of Authority

Proper control begins with the appropriate recognition of lines of authority over all monies handled by the district. The local board of education should adopt a set of guidelines and regulations that includes the following minimum requirements.

- **Board of Education** The board of education should adopt policies to govern the establishment and operation of all activity funds. The district's auditors should review these policies for sound accounting and reporting principles.
- **Superintendent** The superintendent should be directly responsible to the board of education for administering all board policies.
- **Chief Financial Officer** The chief financial officer should have overall responsibility for accounting for and reporting all funds, including district and student activity funds, to the board. The chief financial officer is also responsible for implementing and enforcing appropriate internal control procedures.
- **Principal** The principal at each school site should be designated the activity fund supervisor for that school building. The activity fund supervisor has overall responsibility for the operation of all activity funds, including collecting and depositing activity fund monies; approving disbursements of student activity fund monies; and adequately supervising all bookkeeping responsibilities. The activity fund supervisor should be a signatory to all disbursements, including checks drawn on the activity fund.
- **Sponsors.** The sponsor of each student organization is responsible for supervising all activities of the organization, including approving student activity fund transactions. Sponsors should be employees of the district and under the direct control of the activity fund supervisor.



LINES OF AUTHORITY FOR STUDENT ACTIVITY FUNDS

