Change that Counts

This Budget Primer provides essential information on revenues and expenditures, as well as comparative data on our tax rates and staffing. As part of our commitment to openness and transparency, this guide lays out many factors under consideration in our district’s budget.

Inside

- Major Fund Groups
- Economic Context
- General Funds
- Capital/SPLOST Funds
- Federal Categorical Restricted Use Funds
- Other Grants
- Budget Milestones
- APS Fast Facts

As part of our effort to provide information about each year’s budget, this book offers the foundational elements of our district’s budget process.
Major Fund Groups

APS’s budget is organized in the following fund categories:

- **General Fund** - The fund used to finance the ordinary operations of the local education agency. It is available for a legally authorized purpose and consists of money not specifically designated for some other particular purpose.

- **Capital Projects** - Used to account for all resources used for acquiring capital sites, buildings, and equipment as specified by the related bond issue. Capital project funds are designated to account for acquisition or construction of capital outlay assets that are not acquired directly by the general fund, special revenue funds, or enterprise funds. Capital project funds have been developed to account for the proceeds of a specific bond issue and revenue from other possible sources which is designated for capital outlay, i.e., for land, buildings, and equipment.

- **Special Revenue Fund** - A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditures for specific purposes.

- **Proprietary Fund** – Proprietary funds employ the economic resources measurement focus and are accounted for on the accrual basis. Proprietary funds are used to account for activities that are financed and operated like private business enterprises. 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 ongoing operations. Operating expenses and depreciation for the enterprise fund include 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.

- **Debt Services** - Used to finance and account for payment of principal and interest on all long-term general obligation debts. Debt service funds are used to accumulate resources over the outstanding life of the bond issue in an amount equal to the maturity value. Cash of the debt service may be invested in income producing securities that are converted back into cash at the maturity date for use in retiring bonds.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$595,123,803</td>
<td>$657,591,810</td>
<td>10.50%</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>$93,552,978</td>
<td>$94,178,413</td>
<td>0.67%</td>
</tr>
<tr>
<td>Special Revenue Fund</td>
<td>$102,363,208</td>
<td>$93,287,982</td>
<td>-8.87%</td>
</tr>
<tr>
<td>Proprietary Fund</td>
<td>$27,164,884</td>
<td>$26,610,973</td>
<td>-2.04%</td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>$1,930,629</td>
<td>$2,000,919</td>
<td>3.64%</td>
</tr>
<tr>
<td><strong>Total Government Funds</strong></td>
<td><strong>$818,204,873</strong></td>
<td><strong>$873,670,097</strong></td>
<td><strong>6.78%</strong></td>
</tr>
</tbody>
</table>

**THIS IS A DRAFT**
Economic Context

National

The President’s 2015 budget request reflects his strong belief that education is a vital investment in the nation's economic competitiveness, in its people, and in its communities. The administration's request for $69 billion in discretionary appropriations represents an increase of 2 percent over the previous year and slightly more than the 2012 discretionary level for education before the sequester. Three-quarters of that funding goes to financial aid for students in college, special education, and high-poverty schools (Title I). The remaining 23 percent of the budget targets specific areas and reforms designed to leverage major changes in educational opportunity and excellence for all students, including the expansion of access to high-quality preschool, data-driven instruction based on college- and career-ready standards, making college more affordable, and mitigating the effects of poverty on educational outcomes. Much of this leverage is achieved through competitive awards to states and school districts committed to educational innovation and transformation. But the lion’s share of the 2015 request—nearly 90 percent of discretionary spending—goes to formula funds that address the needs of disadvantaged poor and minority students, students with disabilities, and English learners.

State

A strong educational foundation is essential for providing economic opportunities for Georgia’s children later in life. Instilling a culture of a lifetime of learning ensures that the children will continue to build and develop important skills for the workplace throughout their careers. Therefore, we must ensure that every child receives the quality education to which he is entitled. The state budget funds growth in K-12 schools by providing more than $134 million in Amended FY2014. The FY2015 budget also includes nearly $315 million in additional funding for the Quality Basic Education (QBE) program.

Local

Property values have risen slowly. Residential strength has been tempered by commercial weakness. As the housing market continues its recovery, we can expect a few things to happen in 2014:

- As home prices rise, more homeowners will emerge from being underwater, putting them in the position to finally buy and sell properties.
- Mortgages will be dominated by purchases rather than refinance activity, for the first time since 2000.
- Higher mortgage rates will slow home sales and price gains to more sustainable levels.
- Low inventories will be helped by an increase in new construction and a decrease in investor purchasing.

Sources:

* The Governor’s Budget Report FY2015. Governor Nathan Deal
General Funds

Atlanta Public Schools largest resource is the general fund. The state specifies that general funds may only be spent on educational purposes. These are broadly considered to be anything that is used to benefit the education of our students. There are specific prohibitions on the use of general revenue, such as; they cannot be used to buy food for staff meetings or to pay for certain memberships. The General Fund is the largest fund and reports accounting information related to the general operation of the district. It has four major sources of revenue, including: Local taxes, state grants, federal reimbursements, and miscellaneous sources. The pie chart shows the amount collected from each source.

**FY 15 General Funds Revenues (in millions)**

- **Total Revenue $632.1**

- **Local Taxes**: 24%
- **Other Local Revenue**: 1%
- **State of Georgia**: 73%
- **Federal Sources**: 2%

**FY15 General Funds Resources (in millions)**

- **Total Revenue $657.5**

- **Local Taxes**: 73%
- **Other Local Revenue**: 1%
- **State of Georgia**: 24%
- **Federal Sources**: 2%
Local Taxes 71%
State of Georgia 23%
Other Local Revenue 1%
Federal Sources 1%
Fund Balance Transfer 4%

* Fund Balance Transfer details are on page 9.
Salaries are periodic payments from employer to employee. It is designated by the 1000 series. The fourth digit in the series categorizes the type of salary. 0 is regular pay, 1 is part time pay, 2 is overtime, 3 is performance pay, 4 is supplemental/stipends, and 5 is mileage. Teachers, principals, bus drivers, administrative staff, and maintenance personnel are some examples of salaried employees.

Employee Benefits are classified in the 2000 series. They are the fringe benefits paid on behalf of the employee. Examples of this are health benefits, the retirement system, and workmen compensation.

Professional Services are classified in the 3000 series. These are services performed by persons or firms with specialized skills and knowledge. Examples are contracted art or music teachers, fingerprinting, or legal services.

Purchased Property Services are classified in the 4000 series. These are expenditures for services related to the properties such as sewer and cleaning services or maintenance and repair.

Other Purchased Services are classified in the 5000 series. These include student transportation from another source, insurance other than employee benefits, travel and communication costs.

Supplies & Materials are classified in the 6000 series. They are all supply items such as technology supplies, textbooks, or computer software.

Property is classified in the 7000 series. Examples of this are land acquisition, purchase of equipment and busses, building acquisition, and depreciation expenses.

Other objects are classified in the 8000 series. These are dues and fees, interest, and federal indirect costs.

Other uses are in the 9000 series. These are funds which are not properly classifiable but require budgetary or accounting control. Examples of this are sales of government capital assets or forgiveness of debt.
### FY15 General Fund by Major Function

<table>
<thead>
<tr>
<th>Division</th>
<th>2013-2014 Budget</th>
<th>2014-2015 Budget</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$370,437,151</td>
<td>$404,147,837</td>
<td>9.10%</td>
</tr>
<tr>
<td>Pupil Services</td>
<td>$17,930,902</td>
<td>$26,153,111</td>
<td>45.85%</td>
</tr>
<tr>
<td>Staff Services</td>
<td>$16,647,995</td>
<td>$19,187,870</td>
<td>15.26%</td>
</tr>
<tr>
<td>School Administration</td>
<td>$38,449,774</td>
<td>$41,365,454</td>
<td>7.58%</td>
</tr>
<tr>
<td>General Administration</td>
<td>$50,068,643</td>
<td>$63,658,030</td>
<td>27.14%</td>
</tr>
<tr>
<td>Student Transportation</td>
<td>$22,291,802</td>
<td>$27,684,653</td>
<td>24.19%</td>
</tr>
<tr>
<td>Maintenance &amp; Operation</td>
<td>$79,297,536</td>
<td>$75,394,853</td>
<td>-4.92%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$595,123,803</td>
<td>$657,591,810</td>
<td>10.50%</td>
</tr>
</tbody>
</table>

### FY15 General Fund Budget by Function

- **Instruction**: 61%
- **Pupil Services**: 12%
- **Staff Services**: 3%
- **School Administration**: 10%
- **General Administration**: 6%
- **Student Transportation**: 4%
- **Maintenance and Operation**: 4%

**Instruction** includes activities that deal directly with the interaction between teachers and students. Also, included here are the activities of aides or classroom assistants, who assist in the instructional process. This classification is characterized by using the 1000 series.

**Pupil Services** include activities that are 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. This series is 2100.

**Staff Services** include activities designed primarily for assisting instructional staff in planning, developing, and evaluating the process of providing challenging learning experiences for students. Activities also include the management and operation of educational media centers. The series utilized are 2210 and 2220.

**School Administration** includes activities with the overall administrative responsibility for school operations. Also, included are activities of principals, assistant principals, department chairpersons and clerical staff. This series is 2400.

**General Administration** includes activities with central operations to support schools in key centralized functions. This series is 2300, 2500, 2800, and 2900.

**Student Transportation** includes activities with the conveyance of students to and from school and trips to school activities. Bus monitors, traffic director, vehicle operation and maintenance fall in this category and series used is 2700.

**Maintenance and Operation** include activities with keeping the buildings open, comfortable, safe for use, keeping the grounds and equipment in working condition and state of repair. This series is 2600 and 3100.
**FY15 General Fund by Location**

Locations are defined by School Code Numbers which are assigned by the Georgia Department of Education. The School Code Numbers provides a descriptive and unique identifier for each school. This facilitates administration, budgeting, construction, student population projections, and a host of other management applications for the Georgia Department of Education. Georgia has 180 school systems comprised of 159 counties and 21 cities. There are over 1,800 schools and special entities in these 180 systems.

The school code number is comprised of two parts. The first part is a 3-digit number (761) identifying the school system, and the second part is a 4-digit number (####) identifying the school. Schools may have duplicate numbers, but only if located in different school systems.

The steps in the assignment of a School Code Number is as follows:

- The five year Local Facilities Plan (LFP) for each school system includes all proposed new schools to be built by the school system with state and/or local funds.
- The new facility may be replacing a current school or it could be an additional school.
- An estimated opening date for the school is identified by the local school system.
- The school code number assigned will be partially determined by the school year it is estimated to be opened.
- Secondly the number will be determined by the number of schools within the school system opening during the same school year.

Let’s use an example:

Sample School System (school system #761) is planning to open 5 schools in the near future.

<table>
<thead>
<tr>
<th>Location Type</th>
<th>Count</th>
<th>General Fund Budget Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charter School</td>
<td>17</td>
<td>$3,390,026.80</td>
</tr>
<tr>
<td>Elementary</td>
<td>50</td>
<td>$186,066,318.90</td>
</tr>
<tr>
<td>High School</td>
<td>18</td>
<td>$77,944,979.50</td>
</tr>
<tr>
<td>Middle Schools</td>
<td>13</td>
<td>$59,582,748.50</td>
</tr>
<tr>
<td>Non-Traditional</td>
<td>4</td>
<td>$11,703,267.00</td>
</tr>
<tr>
<td>Other Location*</td>
<td>2</td>
<td>$318,904,469.30</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>101</td>
<td><strong>$657,591,810.00</strong></td>
</tr>
</tbody>
</table>

* Other Location is defined as anything that is not a school (ex. CLL Administration)
FY15 General Fund Balance

For the most part, APS spends all of the revenue received each fiscal year. However, the district is allowed to place some general fund revenue into a savings account for future use (General Fund Balance). The state limits the max size of the savings account to 15% of annual revenue.

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>$80.90</td>
<td>83.6</td>
<td>3.30%</td>
<td>12.7%</td>
</tr>
<tr>
<td>FY 2014</td>
<td>$83.60</td>
<td>86.7</td>
<td>3.70%</td>
<td>13.2%</td>
</tr>
<tr>
<td>FY 2015</td>
<td>$86.70</td>
<td>61.7</td>
<td>-28.8%</td>
<td>9.4%</td>
</tr>
</tbody>
</table>

FY15 General Fund Balance Usage

The General Fund Balance for FY15 has been used to support the following District priorities:

- Revert part-time bus drivers to full-time
- Provide pay raises for district employees
- Hire additional Physical Education Teachers
- Improvements on school based technology
- Hire an additional fifty (50) Intervention Specialists

<table>
<thead>
<tr>
<th>Resources</th>
<th>Actual 2013</th>
<th>Actual 2014</th>
<th>Budget 2015</th>
<th>Projection 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>$411.6</td>
<td>$431.8</td>
<td>$467.1</td>
<td>$450.0</td>
</tr>
<tr>
<td>State</td>
<td>143.7</td>
<td>153.3</td>
<td>151.2</td>
<td>165.0</td>
</tr>
<tr>
<td>Other</td>
<td>24.7</td>
<td>12.7</td>
<td>14.3</td>
<td>14.0</td>
</tr>
<tr>
<td>Revenue Total</td>
<td>580.0</td>
<td>597.8</td>
<td>632.6</td>
<td>629.0</td>
</tr>
<tr>
<td>Use of Fund Balance</td>
<td>-2.7</td>
<td>-3.1</td>
<td>25.0</td>
<td>25.0</td>
</tr>
<tr>
<td>Totals Resources</td>
<td><strong>$577.3</strong></td>
<td><strong>$594.7</strong></td>
<td><strong>$657.6</strong></td>
<td><strong>$654.0</strong></td>
</tr>
</tbody>
</table>
**Position by Type**

The APS Budget reflects a decrease in FTE’s from the previous budget year. This decrease was due to eliminating positions such as media paraprofessionals and consolidating position titles for APS bus drivers. The District continues to remain focused on providing the necessary support for our schools, and Teachers continues to be our number one priority. The top 10 positions in the district.

<table>
<thead>
<tr>
<th>OCCUPATION</th>
<th>EMPLOYEES</th>
<th>PERCENTAGE OF TOTAL EMPLOYEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>TEACHER</td>
<td>3,185</td>
<td>59.04%</td>
</tr>
<tr>
<td>PARAPROFESSIONAL</td>
<td>303</td>
<td>5.62%</td>
</tr>
<tr>
<td>SCHOOL BUS DRIVER</td>
<td>279</td>
<td>5.17%</td>
</tr>
<tr>
<td>CUSTODIAN</td>
<td>161</td>
<td>2.98%</td>
</tr>
<tr>
<td>SCHOOL COUNSELOR</td>
<td>111</td>
<td>2.06%</td>
</tr>
<tr>
<td>ASST PRINCIPAL</td>
<td>102</td>
<td>1.89%</td>
</tr>
<tr>
<td>SCHOOL CLERK</td>
<td>97</td>
<td>1.80%</td>
</tr>
<tr>
<td>SCHOOL SECRETARY</td>
<td>86</td>
<td>1.59%</td>
</tr>
<tr>
<td>MEDIA SPECIALIST</td>
<td>83</td>
<td>1.54%</td>
</tr>
<tr>
<td>SCHOOL PRINCIPAL</td>
<td>83</td>
<td>1.54%</td>
</tr>
<tr>
<td>OTHER</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4,490</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

**FY15 Atlanta Public Schools Programs**

APS continues to ensure resources are spent primarily on schools and students. Approximately 56 percent of the general fund revenue is allocated directly towards instruction. A significant portion of APS’s budget also is spent on maintenance and facilities. General administration represents just 2.5 percent of the general fund budget.

<table>
<thead>
<tr>
<th>Division</th>
<th>2013-2014 Budget</th>
<th>2014-2015 Budget</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$359,275,694</td>
<td>$369,682,809</td>
<td>-2.90%</td>
</tr>
<tr>
<td>Operations</td>
<td>$78,901,409</td>
<td>$81,852,164</td>
<td>-3.74%</td>
</tr>
<tr>
<td>Finance</td>
<td>$7,032,841</td>
<td>$7,811,718</td>
<td>-11.07%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>$7,514,389</td>
<td>$9,247,535</td>
<td>-23.06%</td>
</tr>
<tr>
<td>Technology</td>
<td>$28,461,789</td>
<td>$33,104,503</td>
<td>-16.31%</td>
</tr>
<tr>
<td>Legal</td>
<td>$4,853,270</td>
<td>$4,863,856</td>
<td>-0.22%</td>
</tr>
<tr>
<td>Organizational Advancement</td>
<td>$1,496,287</td>
<td>$1,884,459</td>
<td>-25.94%</td>
</tr>
<tr>
<td>Associate Superintendent</td>
<td>$4,299,888</td>
<td>$4,981,085</td>
<td>-16.84%</td>
</tr>
<tr>
<td>Unfunded Pension</td>
<td>$48,000,000</td>
<td>$51,000,000</td>
<td>-6.25%</td>
</tr>
<tr>
<td>Other</td>
<td>$55,288,236</td>
<td>$93,163,681</td>
<td>-68.51%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$595,123,803</strong></td>
<td><strong>$657,591,810</strong></td>
<td><strong>-10.50%</strong></td>
</tr>
</tbody>
</table>
In addition to state specified categories, the district is able to define programs. Programs are any group of related activities for which the district wants to track and report for monitoring and administration. Those include:

- FY15 programs greater than $10 million, which are Curriculum and Instruction, Operations, and Information Technology, comprising 73% of spending.
- The District Wide category contains Charter Schools, Unfunded Pension, and Employee Benefits which have fluctuating totals from fiscal year to fiscal year.
- Other programs: Human Resources, Finance, School Board, Office of the Superintendent, Legal, Internal Audit, and Office of Accountability and Information.
Capital/SPLOST Funds

Special Purpose Local Option Sales Tax (SPLOST) Funds is a financing method for funding capital outlay projects in the state of Georgia. It is an optional 1% sales tax levied by any county for the purpose of funding the building of parks, schools, roads, and other public facilities. Capital outlay projects are defined as major projects of a permanent, long-lived nature, such as land and structures.

<table>
<thead>
<tr>
<th>Revenue</th>
<th>FY 14 Budget</th>
<th>FY 15 Budget</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax Revenue</td>
<td>$87,200,000</td>
<td>$83,114,127</td>
<td>-4.69%</td>
</tr>
<tr>
<td>Fund Balance Transfer</td>
<td>$6,352,978</td>
<td>$11,064,286</td>
<td>74.16%</td>
</tr>
<tr>
<td>Total</td>
<td>$93,552,978</td>
<td>$94,178,413</td>
<td>0.67%</td>
</tr>
</tbody>
</table>

Georgia’s state sales tax is currently 4% (groceries and prescription drugs exempted), with the counties allowed to add up to 2% more for SPLOST.

A SPLOST is passed by a county commission, usually with the agreement of its city councils, and voted up or down by residents in a referendum, usually during the next scheduled election. A SPLOST only lasts five years, and always begins and ends with a full calendar quarter. If the funds are still needed, it must be voted upon again. All expenditures of SPLOST funds must be in compliance with Article VIII, Section VI, Paragraph IV of the Georgia Constitution, and Official Code of Georgia Annotated (O.C.G.A.) Section 48-8-141. Each SPLOST must define the projects on which the money is to be used, hence the designation of a "special purpose" tax. If enough money is raised before the full term of the tax, it may be ended at the end of an earlier calendar quarter.

Counties and school systems are required to provide an independent accountants’ report, examining the way the funds were allocated and attesting to the fact that the system receiving funds managed those funds appropriately. School taxes are not technically considered a SPLOST, but are essentially managed the same way, with referendum dates and lists of projects to be funded being approved by county (and if applicable, city) school boards instead of county commissions and city councils.

The SPLOST fund currently has approximately $100 million held in reserve for the completion of projects initiated under the program. The SPLOST revenue is determined by the amount of sales taxes collected in Fulton and DeKalb counties and is apportioned to APS based on our share of the total student population in the counties.

FY15 Capital Budget

- SPLOST Tax: 88%
- Fund Balance Transfer: 12%

This is a draft.
Federal Categorical Restricted Use Funds

Title I
Title I is a federal program that provides funds to school districts and schools with high percentages of children, who are disadvantaged. Its overall purpose is to supplement State and Local funds to ensure that all children have an opportunity to obtain a high-quality education. The grant contains provisions for ensuring that children who are disadvantaged, enrolled in private schools, Neglected and Delinquent Institutions, and Homeless Facilities also benefit from Title I, Part A funds.

Title II
Title II is a federal program that provides funds to improve teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools. ¹

Title III
Title III is a supplemental program to serve English Learners. Funds should be used to ensure that English Language Learners (ELL) and/or immigrant students, kindergarten through 12th grade, attain English proficiency in cooperation with the Department of Education’s Office of English Language Acquisition.

Title IV
Title IV is a program that 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; offers a broad array of enrichment activities that can complement regular academic programs; and literacy and other educational services to the families of participating children.

Title VI
Title VI of the Civil Rights Act of 1964 protects people from discrimination based on race, color or national origin in programs or activities that receive Federal financial assistance. Title VI states that no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.²


² Source: US Department of Education: Education and Title VI (3/14/2005) http://www2.ed.gov/about/offices/list/ocr/docs/hq437e4.html
Other Grants and Restricted Use Funds

Special Revenue

Each special purpose revenue stream has its own set of determining factors. Title I funds are determined by the number of students in the district who are in poverty. Grants revenue can reflect upon the success experienced by the district in competing for available funds and our effort to cultivate relationships with the philanthropic community.

Finally, Special purpose revenue, or restricted revenue, is money that can only be used for the purpose specified by the provider of the revenue or is otherwise dedicated to a particular activity. Special purpose revenue includes grants or taxes that were approved for a specific purpose, such as capital projects or debt service. Special purpose funds are grouped into five categories according to their revenue source, including: federal categorical funds, other federal grants, state grants, Special Purpose Local Option Sales Taxes, and other special purpose revenue. The bar and chart depicts the size of the current FY15 special revenue.

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Federal Funds</td>
<td>$63,819,503</td>
<td>$83,956,480</td>
<td>31.55%</td>
</tr>
<tr>
<td>State Funds</td>
<td>$2,182,529</td>
<td>$2,376,848</td>
<td>8.90%</td>
</tr>
<tr>
<td>Other Restricted Revenue Funds</td>
<td>$9,196,292</td>
<td>$6,954,654</td>
<td>-24.38%</td>
</tr>
<tr>
<td>Proprietary</td>
<td>$27,164,884</td>
<td>$26,610,973</td>
<td>-2.04%</td>
</tr>
<tr>
<td>Total Special Revenue Fund Expenditures</td>
<td>$102,363,208</td>
<td>$119,898,955</td>
<td>17.13%</td>
</tr>
</tbody>
</table>

FY15 Special Revenue Funds – Proprietary – Nutrition

This fund consists of services provided by the School System for a fee and employs the full accrual method of accounting in the same manner as the government-wide financial 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.

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</thead>
<tbody>
<tr>
<td>School Nutrition</td>
<td>$23.8</td>
<td>$27.1</td>
<td>$26.6</td>
<td>-2.04%</td>
</tr>
<tr>
<td>Total Proprietary</td>
<td>$23.8</td>
<td>$27.1</td>
<td>$26.6</td>
<td>-2.04%</td>
</tr>
</tbody>
</table>

FY15 Debt Service Funds

The cash that is required for a particular time period to cover the repayment of interest and principal on a debt. Debt service is often calculated on a yearly basis. Companies may have outstanding loans or outstanding interest on bonds or the principal of maturing bonds that count towards the company's debt service.

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</thead>
<tbody>
<tr>
<td>Debt Services</td>
<td>$2.4</td>
<td>$1.9</td>
<td>$2.0</td>
<td>3.64%</td>
</tr>
<tr>
<td>Total</td>
<td>$2.4</td>
<td>$1.9</td>
<td>$2.0</td>
<td>3.64%</td>
</tr>
</tbody>
</table>
Milestones of the FY15 Budget Process

November 2013
- FY15 Budget Kickoff
- Training for all Budget Center Managers (BCMs)

January 2014
- Budgets Due From Budget Center Managers

February 2014
- Budget Planning Retreat
- Budget Commission Meeting

March 2014
- Budget Commission Meeting
- Advertise Public Hearing
- Community Meeting – South Region
- BOE Call Meeting – Tentative Adoption
- Community Meeting – North Region
- Advertise Summary of Tentatively Adopted Budget

April 2014
- Community Meeting – East Region
- Community Meeting – West Region
- Advertise Summary of Tentatively Adopted Budget
- Final Adoption of FY15 General Fund Budget

May 2014
- 2014 Tax Digest Meeting (Fulton County Tax Comm.)

June 2014
- Advertise Five Year Digest
- Advertise 1st and 2nd Public Hearings
- Hold 1st and 2nd Public Hearings
- Advertise 3rd Public Hearing
- Hold 3rd Public Hearing
- Hold Meeting for Final Millage Adoption
**APS Fast Facts**

**WE INVEST IN OUR STUDENTS**

Atlanta Public Schools is organized into nine high school clusters with distinct feeder patterns. Unlike split-feeder patterns, the cluster model allows all students attending a particular elementary school to matriculate to the same middle school, and students enrolled at that middle school will matriculate to the same high school.

There are 106 learning sites & programs including two single-gender campuses and 17 charter schools.

**STUDENT FACTS**

- **100 Million**
  Academic and Athletic Scholarships offered to the Class of 2014

- **3,813**
  Teachers (Charter and Non-Charter Schools)

- **91**
  Title 1 Schools

- **$657.6 Million**
  FY15 Operating Budget

- **1,905**
  2014 Graduates

- **77.32%**
  Students Eligible for Free and Reduced-Priced Meals

- **1:2**
  Computer/Student Ratio

**106**

**LEARNING SITES AND PROGRAMS**

- **Elementary Schools (Non-Charter)**
  - Primary Campus – 5
  - K-5 & Intermediate Campuses – 47

- **Middle Schools (Non-Charter) – 12*”

- **High Schools (Non-Charter) – 18*”
  - Open Campus – 1

- **Alternative/Nontraditional Programs – 4**

- **Evening School/Adult Education Programs – 2**

- **Charter Schools – 17**
  * Includes two single-gender campuses

**50,253**

**PROJECTED K-12 STUDENT ENROLLMENT**

**Students’ Ethnic Distribution**

- African-American: 76.2%
- Caucasian: 14.3%
- Hispanic: 6.7%
- Asian/American Indian/Alaskan/Other: 1.2%

*This is a draft*
Glossary of Terms

This section contains definitions of terms used in this document and additional terms as deemed necessary in order to achieve common understanding concerning financial accounting procedures. School activity funds are defined as all local school funds derived by any public school from all activities or sources. Some of the definitions shown are taken or adapted from the recommendations of the National Committee on Governmental Accounting.

**Account** - A record of financial transactions that is similar in terms of a given frame of reference such as purpose, objective, or source.

**Accrual Basis of Accounting** - The basis of accounting under which revenues are recorded when levies are made and expenditures are recorded as soon as they result in liabilities, regardless of when the revenue is actually received or the payment is actually made. See also REVENUE and EXPENDITURES.

** Appropriation** - An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. Note: An appropriation is usually limited in amount and as to the time when it may be expended.

**Balance** - The difference between the total debits and the total credits of an account; the total of an account containing only debits or only credits.

**Budget Center Manager (BCM)** - A person who manages the finances and makes budget decisions for the program they supervise.

**Budget** - A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them. The budget usually consists of three parts. The first part contains a message from the budget making authority together with a summary of the proposed expenditures and the means of financing them. The second part is composed of drafts of the appropriation, revenue, and borrowing measures necessary to put the budget into effect. The third part consists of schedules supporting the summary. These schedules show in detail the proposed expenditures and means of financing them together with information as to past years’ actual revenues and expenditures and other data used in making the estimates.

**Budget Calendar** - The schedule of key dates used in the preparation and adoption of the Annual Budget.

**Budget Control** - The control or management of the business affairs of the school district in accordance with an approved budget with a responsibility to keep expenditures within the authorized amounts.

**Budget Document** - The instrument used as a comprehensive financial plan of operations of the Board of Education.

**Capital Funds** - Monies set aside for the purchase of capital or fixed assets, such as land, equipment, and buildings.

**Capital Projects** - Used to account for all resources used for acquiring capital sites, buildings, and equipment as specified by the related bond issue. Capital project funds are designated to account for acquisition or construction of capital outlay assets that are not acquired directly by the general fund, special revenue funds, or enterprise funds. Capital project funds have been developed to account for the proceeds of a specific bond issue and revenue from other possible sources which is designated for capital outlay, i.e., for land, buildings, and equipment.

**Capital Outlay** - Expenditures for land or existing buildings, improvement of grounds, construction of buildings, additions to buildings, remodeling of buildings, or equipment.
Certified Tax Digest - An annual property tax digest certified by the tax receiver or tax commissioner of a county to the Department of Revenue and approved by the State Revenue Commissioner.

Classification, Function - As applied to expenditures, this term has reference to an activity or service aimed at accomplishing a certain purpose or end; for example, Instruction, School Administration, Plant Maintenance and Operation.

Classification, Object - As applied to expenditures, this term has reference to an article or service received; for example, payroll costs purchased and contracted services, materials, and supplies.

Cost per Student - Financial data (either budget or expenditures) for a given period of time divided by a pupil unit of measure (average daily membership, average daily attendance, etc.).

Debt - An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of local education agencies include bonds, warrants and notes, etc.

Debt Services - Used to finance and account for payment of principal and interest on all long-term general obligation debts. Debt service funds are used to accumulate resources over the outstanding life of the bond issue in an amount equal to the maturity value. Cash of the debt service may be invested in income producing securities that are converted back into cash at the maturity date for use in retiring bonds.

Deficit - The excess of the obligations of an account over its resources.

Disbursements - Payments for goods and services.

Encumbrance - A restriction of available money by issuance of a purchase order.

Encumbrance Accounting - A system or procedure which involves giving recognition in the accounting budgetary expenditure control records for the issuance of purchase orders, statements, or other commitments chargeable to an appropriation in advance of any liability or payment.

Expenditures - Decreases in net financial resources. If accounts are kept on the accrual basis, this includes total charges incurred, whether paid or unpaid. On the cash bases, payments are termed disbursements.

Expenses - Outflows or other using up of assets or incur of liabilities (or a combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations.

Fiscal Year - A twelve-month period of time to which the annual budget applies, and at the end of which a local education agency determines its financial position and the results of its operations.

Fund - A fiscal and accounting entity which is comprised of a self-balancing set of accounts which reflect all assets, liabilities, equity, revenue, and expenditures (or expenses) necessary to disclose financial position and the results of operations. Funds are established as individual entities in order to segregate financial records for purposes of legal compliance, different natures of the activities performed, measurement of different objectives, and to facilitate management control.

Fund Balance - The excess of assets of a fund over its liabilities and reserves. During the fiscal year prior to closing, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves and appropriations for the period.
**General Administration** - Activities are concerned with central operations to support schools in key centralized functions.

**General Fund** - The fund used to finance the ordinary operations of the local education agency. It is available for a legally authorized purpose and consists of money not specifically designated for some other particular purpose.

**Instruction** - Direct interaction between students and classroom teachers, paraprofessionals and/or related staff involving teaching students in a teaching/learning environment in a systematic program designed to assist students in acquiring competency in knowledge, skills, and understanding.

**Maintenance and Operation** - Activities are concerned with keeping the buildings open, comfortable, safe for use, keeping the grounds and equipment in working condition and state of repair. Activities also include maintaining safety in buildings, on the grounds and in the vicinity of schools.

**Mill** - The rate of taxation based on dollars per thousand of taxable assessed value. A mill is one tenth of a cent ($0.001).

**Millage Rate** - The ad valorem tax rate expressed in terms of the levy per thousand dollars of taxable assessed value established by the governing authority each fiscal year.

**Object** - An accounting term used to describe the service or commodity obtained as a result of a specific expenditure or to describe a specific revenue source.

**Per Pupil (Allotment)** - An allotment to each school for supplies and equipment initially based on the first FTE count of the fiscal year.

**Per Student (Expenditure)** - An accepted and commonly used norm to compare expenditures between school districts, state spending and national spending.

**Program** - The definition of an effort to accomplish a specific objective or objectives consistent with funds or resources available. Budgets and actual revenue and expenditure records may be maintained per program.

**Program Budget** - A budget wherein expenditures are based primarily on programs of work and secondarily on character and object. A program budget is a transitional type of budget between the traditional character and object budget on the one hand, and the performance budget, on the other.

**Pupil Services** - Activities are 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.

**Purchase Order** - Document that authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

**QBE (Quality Basic Education) – Allotments** - Funds are allotted by the state on the basis of "Weighted FTE" (FTE: Full Time Equivalent students) to the local school system.

**QBE – Mid Year Adjustment** - The adjustment of QBE allotment that reflect the more recent FTE count of a school system in the current school year, to increase or decrease the QBE earning that based on FTE count taken in the previous year.

**QBE – Austerity** - The QBE formula reduction to decrease the allotment due to the difficult financial challenges to State revenues and the program expenditure cut is necessary.

**Requisition** - A written request, usually from one department to the Purchasing Officer or to another department, for specified articles or services.
**Reserve** - An account used to indicate that a portion of fund balance is restricted for a specific purpose.

**Revenue** - Additions to the assets of a fund during a fiscal period that are available to finance the fund's expenditures during the fiscal period.

**Revised Budget** - An increase or decrease to the initial budget (original amount as adopted by the governing body) amount.

**School Administration** - Activities are concerned with the overall administrative responsibility for school operations. Also included are activities of principals, assistant principals, department chairpersons and clerical staff.

**Special Revenue Fund** - A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditures for specific purposes.

**SPLOST** – Special Purpose Local Option Sales Tax- extra one-cent sales tax voted on and approved by citizenry to be used by the school district for capital improvements and debt retirement.

**Staff Services** - Activities are designed primarily for assisting instructional staff in planning, developing and evaluating the process of providing challenging learning experiences for students. Activities also include the management and operation of educational media centers.

**Student Transportation** - Activities are 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.

**Supplies** - Expenditures for material items of an expendable nature that are consumed, worn-out, or deteriorated by use or items that lose their identity through fabrication or incorporation into different or more complex units or substances.

**Taxes** - Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

**Tax Digest** - The established formula for the County to determine the net Maintenance and Operations (M & O) property digest for the school district on a calendar year basis which includes total real, personal, motor vehicles, mobile homes, and public utility property, less homestead, various personal, Freeport and agricultural exemptions. The Tax Digest is certified in July of each year and the local board of education sets official millage rate.

**Transfers** - Amounts transferred between two funds. The offsetting transaction is recorded in the revenue source in the fund to which the transfer is made.