



Meeting Minutes: March 17th, 2016

The regular monthly meeting of Northside Education Inc. dba Atlanta Classical Academy was held on March 17, 2016 at 6pm at Atlanta Classical Academy, 3260 Northside Drive, N.W., Atlanta, GA 30327, the Chairman being in the chair and Secretary being present.

In attendance: Matthew Kirby, Scott Yates, Dudley Franklin, Cat McAfee, Morgan Hamilton, Dr. Lee Friedman, Mark Carlson, Principal Dr. Moore, Assistant Principal Col. Lambert.

The board unanimously approved a motion to adopt the agenda moving the Community Comments to Section III. The board unanimously approved the minutes of the prior meeting.

Reports

The Treasurer made a report; the financial report is attached. The Development Committee reported on the progress of the Capital Campaign. The Committee on Directors Chairman reported on critical upcoming Board training. The Facilities Chairman reported on site work moving forward to begin in early to late spring. The Principal and Assistant Principal made reports to the board related to academics and operations of the school.

At the recommendation of the Committee on Directors, the board unanimously approved a Whistleblower Policy. That policy is attached.

The board unanimously approved that certain Consent to Action authorizing the Chairman on behalf of Atlanta Classical Academy to purchase 3260 Northside Drive utilizing proceeds from the Building on Purpose Campaign and a commercial loan. [The transaction was then executed on March 29, 2016.]

Community Comments

The board heard three comments from members of the community.

Executive Session

The board unanimously approved a motion to enter Executive Session. Upon the conclusion of Executive Session, the meeting adjourned at approximately 9:00 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Matthew Kirby". The signature is stylized with a large, looped initial "M" and a long, sweeping underline.

Mr. Matthew Kirby, Board Chair



Finance Committee Financial Report for March 15, 2016

The monthly and fiscal year-to-date financials for February 2016 as compared to this fiscal year budget are attached.

To follow are some highlights regarding February monthly financials:

- Local Funding Revenue (APS) is tracking ahead of budget. Based on the October count, we will have an increase in APS funding for this fiscal year from the budget of \$4.97 million to \$5.07 million (increase of \$100,000). The increase will be reflected in the APS payments in January – May 2016.
- While we did not budget any revenue for fundraising, we have received \$633,669 in this fiscal year.
- Salaries and Benefits are running 8% **below** budget (\$170,755) through February and 2% **above** budget \$6,025 for the month of February.
- School Administration is over budget in February \$10,660 due to the salaries and benefits of the administrative staff.
- Maintenance and Operation of Plant is over budget \$8,494 due to five months of landscaping bills being received and paid for in February. Also, January's payment for janitorial services hit in February along with the February payment.

Thank you.

Bob Tidwell

Business Manager

| | Current Month | | |
|---------------------------------------------|-------------------|-------------------|--------------------|
| | 2/29/16 | 2/29/16 | Variance |
| | Actual | Budget | |
| Revenues | | | |
| Governmental Grants | - | - | - |
| Local Funding | 516,945.00 | 496,932.00 | 20,013.00 |
| Contributions - General | 190,972.04 | - | 190,972.04 |
| Miscellaneous Revenue | 13,103.90 | 506.00 | 12,597.90 |
| Total Revenues | 721,020.94 | 497,438.00 | 223,582.94 |
| Expenses | | | |
| Instruction | 210,421.91 | 230,828.00 | (20,406.09) |
| Pupil Services | 11,555.77 | 36,248.00 | (24,692.23) |
| Professional Development | 2,129.87 | 6,113.00 | (3,983.13) |
| Education Media Services | 972.04 | 793.00 | 179.04 |
| School Administration | 92,014.54 | 81,355.00 | 10,659.54 |
| Support Services - Business | 13,036.42 | 18,730.00 | (5,693.58) |
| Maintenance and Operation of Plant | 56,538.09 | 48,044.00 | 8,494.09 |
| Student Transportation Services | 5,543.48 | 5,851.00 | (307.52) |
| Food Service Operation | 3,994.94 | 3,724.00 | 270.94 |
| Total Expenses | 396,207.06 | 431,686.00 | (35,478.94) |
| Capital Outlay | | | |
| Leasehold Improvements | - | 14,780.00 | (14,780.00) |
| Equipment, Furniture & Fixtures | 676.34 | - | 676.34 |
| Total Capital Outlay | 676.34 | 14,780.00 | (14,103.66) |
| Total Expenditures | 396,883.40 | 446,466.00 | (49,582.60) |
| Excess of Revenues Over Expenditures | 324,137.54 | 50,972.00 | 273,165.54 |

| | Beginning | Ending | Change |
|-------------------------------|------------------------|------------------------|----------------------|
| Wells Fargo (Operations) | \$ 159,333.65 | \$ 114,173.69 | |
| Wells Fargo (Petty) | \$ 3,711.60 | \$ 4,646.75 | |
| Wells Fargo (Savings) | \$ 402,722.15 | \$ 41,812.95 | |
| Atlantic Capital (Reserve) | \$ 800,033.75 | \$ 1,305,144.66 | |
| Atlantic Capital (Operations) | \$ 500,000.00 | \$ 649,160.64 | |
| NECH | \$ - | \$ 75,000.00 | |
| | \$ 1,865,801.15 | \$ 2,189,938.69 | \$ 324,137.54 |

Fiscal Year to Date

| | 2/29/16 Actual | 2/29/16 Budget | Variance | Budget Remaining | % of Budget Spent |
|--------------------------------------------|---------------------------|---------------------------|------------------|-----------------------------|--------------------------|
| Revenues | | | | | |
| Governmental Grants | 4,025 | - | 4,025 | | |
| Local Funding | 3,570,983 | 3,478,524 | 92,459 | 1,490,796 | |
| Contributions - General | 633,669 | - | 633,669 | | |
| Miscellaneous Revenue | 45,170 | 36,553 | 8,617 | 9,055 | |
| Total Revenues | 4,253,847 | 3,515,077 | 738,770 | 1,499,851 | |
| Expenses | | | | | |
| Instruction | 1,552,417 | 1,783,962 | (231,545) | 1,095,588 | 59% |
| Pupil Services | 67,549 | 72,130 | (4,581) | 27,204 | 71% |
| Professional Development | 23,083 | 26,142 | (3,059) | 13,069 | 64% |
| Education Media Services | 5,698 | 8,405 | (2,707) | 4,941 | 54% |
| School Administration | 688,217 | 692,762 | (4,545) | 326,786 | 68% |
| Support Services - Business | 122,937 | 131,808 | (8,871) | 78,331 | 61% |
| Maintenance and Operation of Pla | 471,114 | 476,281 | (5,167) | 212,285 | 69% |
| Student Transportation Services | 31,413 | 39,254 | (7,841) | 29,398 | 52% |
| Food Service Operation | 21,580 | 27,284 | (5,704) | 17,538 | 55% |
| Total Expenses | 2,984,007 | 3,258,028 | (274,021) | 1,805,141 | |
| Capital Outlay | | | | | |
| Leasehold Improvements | - | 29,560 | (29,560) | 251,530 | 0% |
| Equipment, Furniture & Fixtures | 41,279 | 30,000 | 11,279 | 16,021 | 72% |
| Total Capital Outlay | 41,279 | 59,560 | (18,281) | 267,551 | |
| | | | - | | |
| Total Expenditures | 3,025,286 | 3,317,588 | (292,302) | | |
| Excess of Revenues Over Expenditure | 1,228,561 | 197,489 | 1,031,072 | | |

| | Beginning | Ending | Change |
|-------------------------------|------------------------|------------------------|----------------------|
| Wells Fargo (Operations) | \$ 427,429.02 | \$ 114,173.69 | |
| Wells Fargo (Petty) | \$ 6,372.08 | \$ 4,646.75 | |
| Wells Fargo (Savings) | \$ 812,387.63 | \$ 41,812.95 | |
| Atlantic Capital (Reserve) | \$ - | \$ 1,305,144.66 | |
| Atlantic Capital (Operations) | \$ - | \$ 649,160.64 | |
| NECH | \$ - | \$ 75,000.00 | |
| | \$ 1,246,188.73 | \$ 2,189,938.69 | \$ 943,749.96 |

Atlanta Classical Academy
Balance Sheet
As of February 29, 2016

| | Total |
|--------------------------------------------------|---------------------|
| ASSETS | |
| Bank Accounts | |
| 1000 Wells Fargo (Operations) | 114,173.69 |
| 1100 Petty Cash | 4,646.75 |
| 1150 WF (Money Market) | 41,812.95 |
| 1225 ACB (Reserve) | 1,305,144.66 |
| 1250 ACB (Operating) | 649,160.64 |
| 1275 ACB (NECH) | 75,000.00 |
| Total Bank Accounts | 2,189,938.69 |
| Total Deposits | 250,000.00 |
| Total Other current assets | 2,956.01 |
| Total Current Assets | 2,442,894.70 |
| Fixed Assets | |
| Total Accumulated Depreciation | -102628.66 |
| Total Equipment, Furniture & Fixtures | 455,017.51 |
| Total Leasehold Improvements | 173,517.24 |
| Total Fixed Assets | 525,906.09 |
| TOTAL ASSETS | 2,968,800.79 |
| LIABILITIES AND EQUITY | |
| Current Liabilities | |
| Total Accounts Payable | 76,722.86 |
| Total Other Current Liabilities | - |
| Total Current Liabilities | 76,722.86 |
| Total Long-Term Liabilities | 12,763.43 |
| Total Liabilities | 89,486.29 |
| Total Equity | 2,879,314.50 |
| TOTAL LIABILITIES AND EQUITY | 2,968,800.79 |

Atlanta Classical Academy

Whistleblower Policy

Approved March 17, 2016

Purpose

To provide a mechanism for employees, officers, directors, vendors and volunteers to raise good faith concerns regarding suspected violations of law and/or organizational policy on the part of Northside Education, Inc. d/b/a Atlanta Classical Academy (the "School") or its employees and to protect individuals who take such actions from retaliation.

Introduction

The School is committed to honesty, integrity and ethical practice in all areas of operation and expects all employees, board members, volunteers and vendors of the School to act in accordance with the highest ethical standards in the performance of their responsibilities. It requires full compliance with all applicable laws and regulations and the School's policies and procedures. The School relies on all board members, volunteers and vendors of the School to conduct themselves in accordance with the requirements and spirit of this policy and to report any suspected violations of this policy or other questionable matters without fear of retaliation. This policy pertains to employees, officers, directors and volunteers.

Reporting Responsibility

It is the responsibility of all directors, officers, employees and volunteers to comply with all applicable laws and the School's policies, including the School's Code of Conduct, and to report violations or suspected violations of laws or policies in accordance with this Whistleblower Policy. Volunteers are also encouraged to report any suspected violations and may do so without fear of retaliation.

No Retaliation

No employee, officer, director or volunteer who in good faith reports a violation of an applicable law or policy shall suffer harassment, retaliation or adverse employment consequence. Any officer, director, employee or volunteer who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment or, for non-employees, termination of the individual's affiliation with the School (other than affiliation as a parent of a child properly enrolled in the School). This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the School prior to seeking resolution outside the School. Those who believe they have been subjected to retaliation because they have made a report or participated in an investigation should immediately report such suspected retaliation to the Compliance Officer in the same manner as described under Reporting Violations.

Reporting Violations

The School encourages open communication and suggests that officers, directors, employees and volunteers share their questions, concerns, suggestions or complaints with someone who can address

them properly. In most cases, the Principal is in the best position to address the concerns of volunteers and employees, and the Board Chair is in the best position to address concerns of officers and directors. If an individual is not comfortable speaking with the Principal or Board Chair or is not satisfied with his/her response, the individual should speak with someone on the Board of Directors, including the chairperson of the Committee on Directors. To facilitate a complete investigation, individuals reporting suspected violations should provide as many details as possible, including a description of the questionable practice or behavior, the names of any persons involved, the names of possible witnesses, dates, times and places, and any other available details.

The Principal, officers and members of the Board of Directors must immediately report any suspected violations of applicable law or policy to the Compliance Officer. The Compliance Officer has a specific responsibility to investigate all reported violations. Any staff member, officer or director who fails to report suspected violations in accordance with this policy, or who otherwise fails to properly handle such allegations, may be subject to disciplinary action.

Notwithstanding the foregoing, all cases of suspected fraud should be reported directly to the Compliance Officer (except cases involving the Compliance Officer, which should be reported to the Board Chairman).

Compliance Officer Appointment and Responsibility

Unless another person is appointed by a resolution of the Board of Directors to serve as the Compliance Officer, the Principal of the School shall serve as the Compliance Officer. The Compliance Officer is responsible for investigating and resolving all complaints and allegations concerning violations of applicable law or policy. The Compliance Officer shall advise the Board of Directors of all suspected violations.

Accounting and Auditing Matters

Any person who has complaints or concerns about the School's accounting, internal controls or auditing matters, or who becomes aware of concerns, should report such matters immediately. The Executive Committee of the Board of Directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Compliance Officer shall immediately notify the Executive Committee of any such complaint and work with the Committee until the matter is resolved.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of applicable law or policy must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. The School will not retaliate against individuals for complaints made in good faith. However, any allegations that prove not to be substantiated and which prove to have been made maliciously or when the individual knew the allegations to be false will be viewed as a serious disciplinary offense.

Confidentiality

Violations or suspected violations may be reported on a confidential basis by the complainant or may be reported anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation and to correct unlawful or unethical practices.

Handling of Reported Violations

The Compliance Officer will acknowledge receipt of the reported violation or suspected violation within five business days of receipt. All reports will be promptly investigated, and appropriate corrective action will be taken if warranted by the investigation. The Compliance Officer will notify the individual who submitted the complaint when an investigation has been completed. A report on investigations and responses will be made to the Board of Directors at least annually.

I have read, understand and agree to observe and comply with the School's Whistleblower Policy.

Name (print): _____

Signature: _____

Date: _____

CONSENT TO ACTION

TAKEN AT A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF NORTHSIDE EDUCATION, INC.

We, the undersigned, being all of the members of the Board of Directors of NORTHSIDE EDUCATION, INC., a non-profit corporation established under the laws of the State of Georgia (the "Corporation"), do hereby waive notice of this special meeting of the Board of Directors in accordance with Section 4.3 of the Second Amended and Restated Bylaws of the Corporation adopted March 21, 2013 (the "Bylaws"), and hereby unanimously consent in writing to the adoption of the following resolutions, taking said action at a special meeting of the Board of Directors as prescribed in Section 4 of the Bylaws and by Section 14-2-820 of the Official Code of Georgia Annotated.

RECITALS:

- A. The Corporation intends to enter into a commercial real estate loan (the "Loan") in favor of ATLANTIC CAPITAL BANK, N.A. (the "Lender") for the acquisition of the property located at 3260 Northside Drive, N.W., Atlanta, Georgia 30305 (the "Property") in accordance with that certain *PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS* dated September 9th, 2015 by and between the Corporation, as Buyer, and MIRIAM HEISKELL SCHOOL, INC., as Seller.
- B. The Board of Directors, by unanimous consent, has determined that it is in the best interest of the Corporation to accomplish the foregoing.

NOW THEREFORE, be it resolved that:

- 1. **AUTHORIZED ACTIONS OF THE CORPORATION.** The Corporation is authorized to purchase the Property utilizing proceeds from the Loan. Furthermore, the Corporation is authorized to enter into the Loan, encumber the Property as collateral for the Loan, and to deliver to the Lender all documents evidencing the Loan as may be required by Lender for the Corporation to carry out the intent of these resolutions.
- 2. **FURTHER RESOLVED** that Matthew T. Kirby, acting alone, is authorized to do or perform or cause to be done or performed, in the name of and on behalf of the Corporation, any action to accomplish these resolutions of the Corporation and is hereby empowered and authorized to execute and deliver such loan documents, purchase and sale closing documents, notices, requests, demands, directions, certificates, consents, approvals, orders, undertakings, amendments, further assurances, or other instruments or communications as may be necessary or appropriate in order to cause the Corporation to carry out the intent of these resolutions.

3. FURTHER RESOLVED that the Corporation is authorized and empowered to endorse its name to all checks, drafts, and other instruments or orders for the payment of money, payable to the Corporation or its order, for the purpose of depositing the same with Lender or in any account of Lender with any bank or trust company.
4. FURTHER RESOLVED that all actions taken by Matthew T. Kirby to carry out the intent of these resolutions, and his execution and delivery of such instruments and documents as he believes is necessary for that purpose, are hereby adopted, approved, ratified, confirmed and accepted in all respects as the action of the Corporation.
5. FURTHER RESOLVED that the following signature block is the valid signature block for the Corporation, and that Matthew T. Kirby, as Board Chairman of the Corporation, now holds the office indicated and has the sole and absolute authority to sign for and obligate the Corporation under the terms of the Loan.

NORTHSIDE EDUCATION, INC.
a Georgia non-profit corporation

By: *[sample only]*
MATTHEW T. KIRBY
Its: Board Chairman

6. FURTHER RESOLVED that the CERTIFICATE OF SECRETARY OF THE CORPORATION is attached hereto and incorporated herein by reference is the valid certification of the Corporation as to the matters therein described.
7. FURTHER RESOLVED that there is no other business to be conducted at this special meeting of the Board of Directors, that the requirement of the reading of minutes and reports at such meeting is hereby waived, that the Corporation continue to carry on the business for which it was incorporated, and that the Secretary be directed to include this Consent in the minute book of the Corporation.

(SIGNATURES APPEAR ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the undersigned, constituting all of the members of the Board of Directors of the Corporation, hereby execute this instrument as and for the unanimous written consent of the Board of Directors, effective as of the 29th day of March, 2016.


DIRECTORS:


MARK A. B. CARLSON



DUDLEY FRANKLIN


DR. LEE J. FRIEDMAN


MORGAN HENRITZE HAMILTON


MATTHEW T. KIRBY


CATRINA DACOSTA MCAFEE


SCOTT YATES

CERTIFICATE OF SECRETARY OF THE CORPORATION

The undersigned, being the Secretary of NORTHSIDE EDUCATION, INC., a non-profit corporation established under the laws of the State of Georgia (the "Corporation"), does hereby certify as follows:

1. Attached hereto as Exhibit "A" is a true and correct copy of the Articles of Incorporation of the Corporation, which have not been repealed or amended, is in full force and effect on the date hereof.
2. Attached hereto as Exhibit "B" is a true and correct copy of the Bylaws of the Corporation, which Bylaws have not been repealed or amended, and are in full force and effect on the date hereof.
3. Attached hereto as Exhibit "C" is a Certificate of Existence for the Corporation in the State of Georgia and evidences of the authority of the Corporation to do business in the State of Georgia.
4. In conjunction with the commercial real estate loan in the principal amount of \$7,225,000.00 (the "Loan") made by ATLANTIC CAPITAL BANK, N.A. (the "Lender") for the acquisition of the property located AT 3260 Northside Drive, N.W., Atlanta, Georgia 30305 (the "Property") in accordance with that certain *PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS* dated September 9th, 2015 by and between the Corporation as Buyer and MIRIAM HEISKELL SCHOOL, INC. as Seller, the execution of the loan documents and all other instruments evidencing the Loan (the "Documents") by Matthew T. Kirby on behalf of the Corporation does not contradict or conflict with any term or provision of the Corporation's organizational documents.
5. On the date hereof, the Corporation is not the subject of any bankruptcy, reorganization or insolvency proceeding.
6. The Corporation's execution and delivery of the Documents do not require the consent, approval or authorization of, or any action by or filing with, any state or federal governmental body or other regulatory authority or other person or entity.
7. There are no outstanding judgments against the Corporation.
8. The execution, delivery and performance of the Documents, and the carrying out of the transactions contemplated therein, do not violate, conflict with or constitute a breach or default under any agreement, indenture, contract or instrument to which the Corporation is a party or by which any of its property is bound.
9. The execution, delivery and performance of the Documents, and the carrying out of the transactions contemplated therein, do not violate, conflict with or constitute a breach or

default under any license, permit, judgment, writ, law, rule, injunction, demand, decree, or judicial, administrative or other order of a court or governmental authority, all as may be applicable to the Corporation or any of its properties.

10. There are no violations of any representations, warranties, and covenants of the Corporation set forth in the Documents, and all such representations, warranties and covenants are true and correct.
11. That the Lender, Coleman Talley LLP, Nelson Mullins Riley & Scarborough and Old Republic National Title Insurance Company will rely upon this Certificate for such purposes as each deems necessary.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this CERTIFICATE OF SECRETARY OF THE CORPORATION shall be effective this 29 day of March, 2016

By: 
MORGAN HENRITZE HAMILTON, Secretary