



Meeting Minutes: April 20, 2017

The regular monthly meeting of Northside Education Inc. dba Atlanta Classical Academy was held on April 20, 2017 at 6 p.m. at Atlanta Classical Academy, 3260 Northside Drive, N.W., Atlanta, GA 30327, the Board Chair being in the chair and the Secretary being present.

In attendance: Mark Carlson, Morgan Hamilton, Dr. Lee Friedman, Cat McAfee, Scott Yates, Dudley Franklin, CEO Matthew Kirby, Principal Dr. Terrence O. Moore, and Dean of Administration Steve Lambert. With a majority of the directors in office in attendance, a quorum was established for the transaction of business.

The board unanimously approved motions to adopt the minutes of March 16, 2017 regular meeting. The board unanimously approved the agenda of this regular meeting.

Community Comments

There were no comments from members of the community.

Board Chair's Report & Treasurer's Report

The Board Chair updated board members on their board training requirements for the 2016-2017 academic year. The Treasurer reported that he has reviewed the monthly financial statements prepared by the CEO, confirmed account balances, and noted no unusual circumstances.

CEO'S Report/Principal Report/Dean of Administration's Report:

Mr. Kirby presented policy monitoring reports as indicated below.

Dr. Moore reported on the status of ongoing student testing.

Mr. Lambert reported on state mandated testing and future teacher hires for the 2017/2018 school year. Mr. Lambert reported that a new Dean of Students has been hired and will be on campus starting on May 1, 2017.

CEO Monitoring Reports

The Chairman confirmed with the members of the board that they had reviewed the CEO's monitoring reports in advance of the meeting and that the board had no questions on the content of the reports.

The motion is to affirm that the CEO has presented a reasonable interpretation of Ends Policy #1.a.4.

Moved: Mr. Carlson
Second: Ms. McAfee
Vote: Unanimous

The motion is to affirm that evidence presented by the CEO demonstrates accomplishment of the interpretation of Ends Policy #1.a.4.

Moved: Mr. Carlson
Second: Ms. McAfee
Vote: Unanimous

The motion is to affirm that the CEO has presented a reasonable interpretation of EL Policy #2.a.1-7.

Moved: Mr. Carlson
Second: Mr. Yates
Vote: Unanimous

The motion is to affirm that evidence presented by the CEO demonstrates accomplishment of the interpretation of Ends Policy #2.a.1-7.

Moved: Mr. Carlson
Second: Ms. Franklin
Vote: Unanimous

The motion is to affirm that the CEO has presented a reasonable interpretation of EL Policy #2.d.1-18.

Moved: Mr. Carlson
Second: Ms. McAfee
Vote: Unanimous

The motion is to affirm that evidence presented by the CEO demonstrates accomplishment of the interpretation of EL Policy #2.d.1-18.

Moved: Mr. Carlson
Second: Ms. McAfee
Vote: Unanimous

New Business

The motion is to approve the amendment to the Board's policy naming and numbering protocol as presented by the CEO and to authorize the Chair, the Secretary and the CEO to amend and update the Board's existing governance policies to implement such naming and numbering protocol.

Moved: Mr. Carlson
Second: Ms. Franklin
Vote: Unanimous

The Board discussed and considered the date and location for the Board's Fy17 annual meeting. *The motion is to set the June 15, 2017, regular meeting as the annual meeting of the Board to be held at 3260 Northside Drive, Atlanta, GA, for the purpose of electing officers, appointing directors, and for the transaction of such other business as may come before the meeting.*

Moved: Mr. Carlson
Second: Mr. Yates
Vote: Unanimous

Mr. Kirby presented the initial draft (i.e., the first reading) of the proposed FY18 (2017-2018) financial budget for the school. Board members reviewed the proposal and asked questions on the specifics. Mr. Kirby will present the second draft (i.e., the second reading) of the budget at the May meeting of the Board.

Mr. Kirby presented proposed policy revisions to incorporate recent changes to the school's by-laws related to the Treasurer and the Audit Committee into the Board's policies. The Board discussed and considered those changes and made various recommended revisions to Mr. Kirby.

Mr. Kirby presented a form of employment contracts for use by the school's Principal and/or CEO for other employees. The Board reviewed the form contract, asked questions, and made recommendations regarding the same.

The motion is to acknowledge that under the policy governance model, the CEO has the authority to enter into employment contracts with employees so long as such contracts are otherwise in compliance with the Board's policies (and by implication its governing documents, charter agreement, applicable law, etc.).

Moved: Mr. Carlson
Second: Mrs. McAfee
Vote: Unanimous

The Board discussed and considered Mr. Kirby's recommendation that the transition of "CEO" authority under the Board's policy governance framework should transfer from Mr. Kirby to Mr. Lambert at the Board's June meeting. The Board acknowledged that such a transition of authority will only take place upon an affirmative action of the Board.

Mr. Kirby led a discussion (in which no Board action was taken) of school's fundraising approach and the possible revitalization of Northside Education Charitable Holdings Inc. dba Atlanta Classical Academy Foundation.

Self-Evaluation

Mr. Carlson assessed the Board's ongoing compliance with respect to Policy GP #2h:

Cost of Governance: Because poor governance costs more than learning to govern well, the board will invest in its governance capacity.

Mr. Carlson reported that from July 2016 - March 2017, the school had paid \$25,000.00 to Brian L Carpenter PhD & Associates for policy governance-related consulting services and \$8,466.66 to Greenway Strategy Management for strategic planning and other board training consulting services. Mr. Carlson acknowledged that these amounts together are larger than the Board would expect to spend in one academic year for governance training. However, he also acknowledged that the development of the policy governance framework and the school's strategic plans were multi-year endeavors that would be expected to provide benefit for multiple years. Mr. Carlson suggested to Mr. Kirby that he not use the 2016-2017 expenditures on board governance training as a baseline for the 2017-2018 budget and that a smaller budgeted amount would be appropriate.

The meeting adjourned at 7:44 p.m.

Respectfully submitted,

Mr. Mark A. B. Carlson, Board Chair

CEO's Monitoring Report

Date: April 2017

Policy EL 2d: Financial Condition and Activities

With respect to the actual, ongoing financial conditions and activities, the CEO may not cause or allow the development of financial jeopardy or material deviation of actual expenditures from board priorities established in its Ends policies.

CEO's Interpretation:

The school's actual financial condition, performance, transparency, and adherence to mission is of the utmost importance to the citizens of Atlanta and Georgia (the "Owners"), and to the school's authorizers. The Board has a fiduciary duty to the Owner's and authorizers to see to it that the finances of the school – public and private – are being managed legally, ethically, prudently, and in accordance with the mission of the school, and the Ends as defined by the Board.

The Board has fully expressed its will related to "financial jeopardy" in the EL 2.d (lower level) policies. In this higher-level policy, the board seeks to see to it that financial resources are being used only in support of the mission of the school and other priorities established in Ends policies. (The Board is still developing its *Policy Governance* Ends.)

Report:

Financial resources are being used only to support the activities of the school (academics, arts, athletics, activities), to advance its mission (to form intelligent, virtuous citizens) and influence, and to fund efforts that support the same (enrollment, IT, business management, etc.). Report compliance.

Evidence:

Monthly financial reports. Detailed reports and account statements are available upon request.

CEO's Monitoring Report

Date: April 2017

Policy EL 2.d.1: Financial Condition and Activities

The CEO shall not:

1. Fail to report at every regular board meeting current enrollment, changes to enrollment from previous reporting period and with reasons for withdrawal (to the extent that such reasons can be acquired with a reasonable effort by school staff).

CEO's Interpretation:

The school's operating budget is funded by public funds in accordance with the Charter Agreement and Georgia Charter School Law. This per pupil public funding is based – as the name states - on the number of students enrolled. Therefore, detailed grade-by-grade enrollment, changes to enrollment, and waitlist information, has significant implications to the school's revenue and financial health; these are an indicator of the overall satisfaction of existing students and their parents and of the perception of the general public; they influence our relationship with authorizers; and they signal our ability to replace students who leave the school. The philanthropic community uses these figures to gauge overall demand for the school, the quality of the leadership, and financial stability. This information is best considered by analyzing short- and long-term trends.

The Board asks for reasons for withdrawal, because it intends to understand the causes of attrition. It wishes to see to it that the CEO knows the causes of attrition so that the team is able – in the spirit of constant improvement – to adjust appropriately. To the extent that negative trends are emerging, the Board wants to have the ability to spot them early. The Board does not intend for the staff to invest an unreasonable amount of time or effort to learn the causes, and it does not intend for the CEO or staff to take action that would compromise personal information about a student or family.

Report:

The CEO includes this information on the monthly dashboard. The withdrawal report is available upon request. Report compliance.

Evidence:

Dashboard/Internally produced enrollment report.



DASHBOARD
As of March 31, 2017

Upcoming Meetings & Events

<u>Board Meetings</u>	<u>School Events</u>	
April 20	April 21	Supper on the South Lawn
May 18	April 28	Principal's Coffee & High School Dance
June 15	May 2	Upper School Fine Arts Performance
	May 4	Athletic Awards Reception
	May 5-8	Thespian and Dramatic Club Performances
	May 11	Music Performances 2nd - 6th Grade

Enrollment Trend Report

Grade	2014-15		2015-16		2016-17	
	W/D	Add	W/D	Add	W/D	Add
K	-	-	-	-	-	-
1	-	-	-	-	-	-
2	-	-	-	-	-	-
3	-	-	-	-	-	-
4	-	-	-	-	9	4
5	-	-	-	-	1	-
6	-	-	-	-	1	1
7	-	-	-	-	1	1
8	-	-	-	-	2	1
9	-	-	-	-	1	2
10	-	-	-	-	4	-
11	-	-	-	-	-	-
12	-	-	-	-	-	-
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19</u>	<u>9</u>

Student Services

	<u>Due in 16/17</u>	<u>Completed</u>	<u>Next 30 days</u>
Annual IEPs Reviews	19	16	-
<i>Three remaining annual reviews to be complete by the end of the school year.</i>			
3-year Eligibilities Meetings:	3	3	-
Amendment		13	-
Initial Eligibilities		20	1
Initial IEP		8	-
	Total	<u>60</u>	<u>1</u>
SST Meetings		88	3

Enrollment & Lottery

Grade	ENROLLMENT				LOTTERY MARCH 14, 2017				
	Enrolled	Since 8/15/16	Withdrawals	Additions	Open Seats	Applicants	Day-of-Lottery Preference	Offered	Wait List
K	54	-	-	-	-	295	31	50	-
1	55	-	-	-	-	124	1	-	-
2	56	-	-	-	-	103	0	-	-
3	55	-	-	-	-	110	4	-	-
4	54	9	4	-	-	118	11	-	-
5	55	1	-	-	-	89	6	-	-
6	54	1	1	-	-	130	17	-	-
7	54	1	1	-	-	85	11	-	-
8	54	2	1	-	-	59	3	-	-
9	53	1	2	1	1	48	2	-	-
10	42	4	-	-	12	18	1	-	-
11	-	-	-	-	-	5	1	-	-
	<u>586</u>	<u>19</u>	<u>9</u>	<u>13</u>		<u>1,184</u>	<u>88</u>	<u>50</u>	<u>0</u>

346 Families

Attendance

Charter Metric:

	Absent 15 days or more		Current Year	Number	%
	Required	Actual			
Year 1	10%	7%	3 unexcused absences	94	16%
Year 2	8%	1%	5 unexcused absences	40	6%
Year 3	6%		6+ total absences	119	26%
Year 4	5%		15+ total absences	5	0.01%

Thanksgiving Week

	2014		2015		2016	
	#	%	#	%	#	%
Monday	44	9%	48	9%	51	8%
Tuesday	67	14%	85	16%	58	10%

CEO's Monitoring Report

Date: April 2017

Policy EL 2.d.2: Financial Condition and Activities

The CEO shall not:

2. Fail to provide a monthly report of the school's actual financial condition prepared in accordance with GAAP accrual accounting and including the following:
 - a. Revenue and expense statement with comparison to budget and prior year
 - b. Balance sheet
 - c. Aged accounts payable summary
 - d. Statement of cash flow
 - e. System generated cash reconciliation report that ties to redacted bank statements
 - f. Redacted credit card statements

CEO's Interpretation:

In support of its fiduciary duty to the Owners of the school (the citizens of Georgia), the Board wishes to monitor on a monthly basis the *actual* financial condition and performance of the school and to ensure that spending aligns with the mission, the annual budget, and the enumerated policies of the Board.

On a monthly basis, the Board expects the CEO's internally generated financial reports and third party documentation adequate for confirming the revenue, expenses, capital expenditures, financing decisions, and cash balances. It wants to review credit card statements to see to it that expenses support only the missions and operations of the school.

The applicable standard of accounting is modified accrual as defined by the Governmental Accounting Standards Board (GASB). On internally generated reports, the CEO makes certain assumptions with regard to the level of detail board members wish to evaluate. Complete details will be made available, as required.

With regard to the treatment and presentation of depreciation and non-cash charges, our auditor has endorsed the practice of making year-end adjustments to financial statement to reflect these charges. Depreciation relates almost exclusively to capital assets (buildings and equipment), and therefore depreciation should be considered as part of annual and long-range development efforts. The school should incorporate non-cash charges in the annual and multi-year budget that is required by policy.

Report:

The CEO's monthly report includes the required information. More detailed reports are available upon request.

	3/31/17 Actual Month	3/31/17 Actual YTD	Annual Budget	Budget Remaining	% of Budget Spent
Revenues					
Governmental Grants	-	-			
Public Funding	557,261	4,528,255	5,671,002	1,142,747	
Contributions - General	24,886	391,086	1,100,000	708,914	
Miscellaneous Revenue	7,704	110,262	124,620	14,358	
Total Revenues	589,851	5,029,603	6,895,622	1,866,019	
Expenses					
Instruction	257,474	2,262,570	3,231,765	969,195	70%
Pupil Services	26,100	126,471	156,845	30,374	81%
Professional Development	3,546	63,844	62,000	(1,844)	103%
Education Media Services	576	7,941	12,800	4,859	62%
School Administration	104,727	949,246	1,299,131	349,885	73%
Support Services - Business	1,746	51,196	70,800	19,604	72%
Development	2,828	8,273	161,000	152,727	5%
Maintenance and Operation of Plant	75,100	514,696	559,421	44,725	92%
Student Transportation Services	7,083	44,654	61,000	16,346	73%
Food Service Operation	3,468	27,039	40,000	12,961	68%
Total Expenses	482,649	4,055,931	5,654,762	1,598,831	72%
Net Revenue (total rev - operating expenses)	107,203	973,673			
(Public+misc rev) - operating expenses	82,316	582,587			
Capital Outlay					
Capital Assets	-	588,860	992,692	403,832	59%
Long Term Loans (Principal Payments)	10,098	94,838	104,583	9,745	91%
Equipment, Furniture & Fixtures	-	63,073	85,000	21,927	74%
Other Assets	-	-	-	-	
Total Capital Outlay	10,098	746,771	1,182,275	435,504	63%
Total Expenditures	492,747	4,802,701	6,837,037		
Total revenues - total expenditures	97,104	226,902	58,585		

General Ledger	Beginning	Ending	Change
Reserve (Atlantic Capital)	\$ 943,241.53	\$ 961,499.19	
Operating (Atlantic Capital)	\$ 809,261.10	\$ 881,974.38	
Petty Cash (Atlantic Capital)	\$ 3,472.77	\$ 4,965.18	
Development (Atlantic Capital)	\$ 26.01	\$ 6,110.15	
	\$ 1,756,001.41	\$ 1,854,548.90	\$ 98,547.49

Atlanta Classical Academy
Statement of Financial Position
As of 3/31/2017

	<u>February 2017</u>	<u>March 2017</u>
ASSETS		
Current Assets		
Total Bank Accounts	\$ 1,756,001.41	\$ 1,854,548.90
Total Accounts Receivable	-\$ 350.00	-\$ 350.00
Total Other current assets	\$ 5,286.25	\$ 5,286.25
Total Current Assets	\$ 1,760,937.66	\$ 1,859,485.15
Fixed Assets		
Total Accumulated Depreciation	-\$ 235,111.91	-\$ 235,111.91
Total Capital Assets	\$10,277,864.37	\$10,277,864.37
Total Equipment, Furniture & Fixtures	\$ 751,031.61	\$ 751,031.61
Total Leasehold Improvements	\$ 0.00	\$ 0.00
Total Fixed Assets	\$10,793,784.07	\$10,793,784.07
Other Assets		
Total Other Assets	\$ 2,836,577.39	\$ 2,836,577.39
TOTAL ASSETS	\$15,391,299.12	\$15,489,846.61
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Total Accounts Payable	\$ 132,074.73	\$ 133,012.92
Other Current Liabilities		
2112 Accrued Interest Payable	15,647.91	15,647.91
2135 Deferred Revenue	0.00	0.00
2202 ACB Loan - Current Portion	165,000.00	165,000.00
2206 Modular Loan - Current Portion	60,189.00	60,189.00
Total Other Current Liabilities	\$ 240,836.91	\$ 240,836.91
Total Current Liabilities	\$ 372,911.64	\$ 373,849.83
Long-Term Liabilities		
2900 Net Pension Liability	2,763,005.00	2,763,005.00
2990 Deferred Inflows of Resources - Pension	257,364.00	257,364.00
Long Term Liabilities		
2200 Loans Payable-Long Term	7,419.41	7,419.41
2201 Notes Payable ACB	7,015,000.00	7,015,000.00
2205 Modular Loan	230,071.83	219,973.38
Total Long Term Liabilities	\$ 7,252,491.24	\$ 7,242,392.79
Total Long-Term Liabilities	\$10,272,860.24	\$10,262,761.79
Total Liabilities	\$10,645,771.88	\$10,636,611.62
Equity		
3000 Opening Balance Equity	38,361.60	38,361.60
3900 Retained Earnings	3,841,200.61	3,841,200.61
Net Revenue	865,965.03	973,672.78
Total Equity	\$ 4,745,527.24	\$ 4,853,234.99
TOTAL LIABILITIES AND EQUITY	\$15,391,299.12	\$15,489,846.61

Cash Reconciliation Report
3/31/2017

Ending Balance:	Bank	General Ledger	Checks or Deposits Outstanding
Reserve Account	961,499.19	961,499.19	-
Petty Cash	4,965.18	4,965.18	-
Operating Account	922,400.59	881,974.38	40,426.21
Development Account	6,110.15	6,110.15	-

Deposits in Transit: Reserve account

Date	Type	Num	Amount
			\$ -
			\$ -

Checks and Payments Outstanding: Petty Cash

\$ -
-
\$ -

Checks and Payments Outstanding: Operating account

Date	Type	Num	Amount
2/12/16	Bill Payment	3019	30.47
2/19/16	Bill Payment	3027	30
5/6/16	Bill Payment	3299	17
8/5/16	Bill Payment		20.99
8/25/16	Check		200
11/30/16	Bill Payment	3987	15
12/14/16	Bill Payment	4041	29.04
2/1/17	Bill Payment	4194	19.44
3/1/17	Bill Payment	4319	438.02
3/1/17	Bill Payment	4315	32.5
3/8/17	Bill Payment	4380	140
3/15/17	Bill Payment	4386	420
3/22/17	Bill Payment	4436	350
3/22/17	Bill Payment	4432	100
3/22/17	Bill Payment	4429	1,000.00
3/22/17	Bill Payment	4430	1,000.00
3/22/17	Bill Payment	4425	175
3/27/17	Bill Payment	4413	41.95
3/29/17	Bill Payment	4471	225
3/29/17	Bill Payment	4472	517.5
3/29/17	Bill Payment	4473	675
3/29/17	Bill Payment	4438	135
3/29/17	Bill Payment	4439	213.75
3/29/17	Bill Payment	4440	60
3/29/17	Bill Payment	4441	257.9
3/29/17	Bill Payment	4443	10.59
3/29/17	Bill Payment	4445	500
3/29/17	Bill Payment	4446	361.45
3/29/17	Bill Payment	4447	518.54
3/29/17	Bill Payment	4448	377.88
3/29/17	Bill Payment	4449	981.36
3/29/17	Bill Payment	4450	1,539.80
3/29/17	Bill Payment	4451	5,021.76
3/29/17	Bill Payment	4452	800
3/29/17	Bill Payment	4453	101.85
3/29/17	Bill Payment	4454	42.5
3/29/17	Bill Payment	4455	5,683.58
3/29/17	Bill Payment	4456	2,212.72
3/29/17	Bill Payment	4457	109.7
3/29/17	Bill Payment	4458	132.58
3/29/17	Bill Payment	4459	282.03
3/29/17	Bill Payment	4460	150
3/29/17	Bill Payment	4461	2,000.00
3/29/17	Bill Payment	4462	1,000.00
3/29/17	Bill Payment	4463	150
3/29/17	Bill Payment	4464	1,160.00
3/29/17	Bill Payment	4465	2,210.38
3/29/17	Bill Payment	4466	350
3/29/17	Bill Payment	4467	556.25
3/29/17	Bill Payment	4468	7,452.91
3/30/17	Bill Payment	4469	310.89
3/30/17	Bill Payment	4470	265.88
			\$ 40,426.21

P.O. Box 1929
Dalton, GA 30722

RETURN SERVICE REQUESTED

NORTHSIDE EDUCATION INC
DBA ATLANTA CLASSICAL ACADEMY
3260 NORTHSIDE DR NW
ATLANTA GA 30305-1910

NORTHSIDE EDUCATION INC

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Customer Number

Managing Your Accounts



Customer Service (855) 693 - 7422



Mailing Address P.O. Box 1929
Dalton, GA 30722



Online Banking www.atlanticcapitalbank.com

Summary of Accounts

Account Type	Account Number	Ending Balance
PREMIER COMMERCIAL MMA		\$961,499.19

PREMIER COMMERCIAL MMA

Account Summary

Date	Description	Amount
03/01/2017	Beginning Balance	\$943,241.53
	10 Credit(s) This Period	\$18,257.66
	0 Debit(s) This Period	\$0.00
03/31/2017	Ending Balance	\$961,499.19

Interest Summary

Description	Amount
Annual Percentage Yield Earned	0.14%
Interest Days	31
Interest Earned	\$114.15
Interest Paid This Period	\$114.15
Interest Paid Year-to-Date	\$325.90
Interest Withheld Year-to-Date	\$0.00
Average Available Balance	\$959,942.00

Account Activity

Post Date	Description	Debits	Credits	Balance
03/01/2017	Beginning Balance			\$943,241.53
03/01/2017	REMOTE DEPOSIT		\$1,000.00	\$944,241.53
03/01/2017	REMOTE DEPOSIT		\$5,000.00	\$949,241.53
03/01/2017	REMOTE DEPOSIT		\$10,000.00	\$959,241.53
03/03/2017	REMOTE DEPOSIT		\$84.00	\$959,325.53
03/06/2017	J.K GROUP INC. CORP PYMNT ORGMAS19018		\$0.01	\$959,325.54
03/08/2017	STRIPE TRANSFER		\$970.70	\$960,296.24
03/10/2017	REMOTE DEPOSIT		\$41.66	\$960,337.90
03/21/2017	STRIPE TRANSFER		\$970.70	\$961,308.60
03/22/2017	BENEVITY BENEVITY FUND REF* 0\		\$76.44	\$961,385.04
03/31/2017	INTEREST		\$114.15	\$961,499.19
03/31/2017	Ending Balance			\$961,499.19

Daily Balances

Date	Amount	Date	Amount	Date	Amount
03/01/2017	\$959,241.53	03/08/2017	\$960,296.24	03/22/2017	\$961,385.04
03/03/2017	\$959,325.53	03/10/2017	\$960,337.90	03/31/2017	\$961,499.19
03/06/2017	\$959,325.54	03/21/2017	\$961,308.60		



Atlantic Capital

P.O. Box 1929
Dalton, GA 30722

RETURN SERVICE REQUESTED

NORTHSIDE EDUCATION INC
DBA ATLANTA CLASSICAL ACADEMY
3260 NORTHSIDE DR NW
ATLANTA GA 30305-1910

Statement Ending 03/31/2017

NORTHSIDE EDUCATION INC

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Customer Number

Managing Your Accounts



Customer Service (855) 693 - 7422



Mailing Address P.O. Box 1929
Dalton, GA 30722



Online Banking www.atlanticcapitalbank.com

Summary of Accounts

Account Type	Account Number	Ending Balance
NON PROFIT INT-ANALYZED		\$922,400.59

NON PROFIT INT-ANALYZED-

Account Summary

Date	Description	Amount
03/01/2017	Beginning Balance	\$907,107.41
	109 Credit(s) This Period	\$573,624.31
	166 Debit(s) This Period	\$558,331.13
03/31/2017	Ending Balance	\$922,400.59

Interest Summary

Description	Amount
Annual Percentage Yield Earned	0.13%
Interest Days	31
Interest Earned	\$125.95
Interest Paid This Period	\$125.95
Interest Paid Year-to-Date	\$336.73
Interest Withheld Year-to-Date	\$0.00
Average Available Balance	\$1,140,713.41

Account Activity

Post Date	Description	Debits	Credits	Balance
03/01/2017	Beginning Balance			\$907,107.41
03/01/2017	DEPOSIT		\$809.00	\$907,916.41
03/01/2017	REMOTE DEPOSIT		\$10.00	\$907,926.41
03/01/2017	REMOTE DEPOSIT		\$10.00	\$907,936.41
03/01/2017	REMOTE DEPOSIT		\$10.00	\$907,946.41
03/01/2017	REMOTE DEPOSIT		\$10.00	\$907,956.41
03/01/2017	REMOTE DEPOSIT		\$10.00	\$907,966.41
03/01/2017	REMOTE DEPOSIT		\$20.00	\$907,986.41
03/01/2017	REMOTE DEPOSIT		\$20.00	\$908,006.41
03/01/2017	REMOTE DEPOSIT		\$20.00	\$908,026.41
03/01/2017	REMOTE DEPOSIT		\$20.00	\$908,046.41
03/01/2017	REMOTE DEPOSIT		\$28.00	\$908,074.41
03/01/2017	REMOTE DEPOSIT		\$28.00	\$908,102.41
03/01/2017	REMOTE DEPOSIT		\$28.00	\$908,130.41
03/01/2017	REMOTE DEPOSIT		\$30.00	\$908,160.41
03/01/2017	REMOTE DEPOSIT		\$30.00	\$908,190.41
03/01/2017	REMOTE DEPOSIT		\$30.00	\$908,220.41
03/01/2017	REMOTE DEPOSIT		\$30.00	\$908,250.41
03/01/2017	REMOTE DEPOSIT		\$40.00	\$908,290.41
03/01/2017	CHECK # 4268	\$388.75		\$907,901.66
03/01/2017	CHECK # 4276	\$107.58		\$907,794.08
03/01/2017	CHECK # 4280	\$210.00		\$907,584.08
03/01/2017	CHECK # 4283	\$280.00		\$907,304.08



PO Box 1929 ■ Dalton, GA 30722 ■ www.atlanticcapitalbank.com ■ 855.693.7422



RETURN SERVICE REQUESTED

NORTHSIDE EDUCATION INC
DBA ATLANTA CLASSICAL ACADEMY
PETTY CASH
3260 NORTHSIDE DR NW
ATLANTA GA 30305-1910

Managing Your Accounts

-  Customer Service (855) 693 - 7422
-  Mailing Address P.O. Box 1929
Dalton, GA 30722
-  Online Banking www.atlanticcapitalbank.com

Summary of Accounts

Account Type	Account Number	Ending Balance
NON PROFIT INT-ANALYZED		\$4,965.18

NON PROFIT INT-ANALYZED

Account Summary

Date	Description	Amount
03/01/2017	Beginning Balance	\$3,999.92
	3 Credit(s) This Period	\$5,010.24
	53 Debit(s) This Period	\$4,044.98
03/31/2017	Ending Balance	\$4,965.18

Interest Summary

Description	Amount
Annual Percentage Yield Earned	0.08%
Interest Days	31
Interest Earned	\$0.24
Interest Paid This Period	\$0.24
Interest Paid Year-to-Date	\$0.59
Interest Withheld Year-to-Date	\$0.00
Average Available Balance	\$3,714.27

Account Activity

Post Date	Description	Debits	Credits	Balance
03/01/2017	Beginning Balance			\$3,999.92
03/01/2017	POS 03/01/17 06:55 0344 USPS PO 1204810USPS PO 12 ATLANTA GA 392249	\$6.80		\$3,993.12
03/01/2017	POS 03/01/17 12:47 0344 AMAZON.COM AMAZON.COM SEATTLE WA 739122	\$46.17		\$3,946.95
03/01/2017	POS 03/01/17 12:53 0344 AMAZON.COM AMAZON.COM SEATTLE WA 681279	\$86.00		\$3,860.95
03/01/2017	POS 03/01/17 11:55 0344 AMAZON.COM AMAZON.COM SEATTLE WA 423588	\$504.70		\$3,356.25
03/02/2017	POS 03/01/17 20:35 0344 AMAZON MKTPLACEAMAZON MKT AMAZON MKTPLA WA 755895	\$184.00		\$3,172.25
03/02/2017	POS 03/01/17 18:02 0344 AMAZON MKTPLACEAMAZON MKT AMAZON MKTPLA WA 666972	\$190.70		\$2,981.55
03/03/2017	POS 03/02/17 18:10 0344 FEDEX 785766293FEDEX 7857 MEMPHIS TN 849547	\$23.50		\$2,958.05
03/03/2017	POS 03/02/17 22:56 0344 DXE MEDICAL INCDXE MEDICA TEL8663494364 TN 735378	\$178.00		\$2,780.05
03/03/2017	POS 03/03/17 08:20 0344 EMBASSY SUITES EMBASSY SU ATLANTA GA 264991	\$520.35		\$2,259.70
03/03/2017	Recur Pymnt 03/03/17 00:17 0344 DIGIUM CLOUD SEDIGIUM CLO 256-4286000 AL 253652	\$78.48		\$2,181.22
03/06/2017	POS 03/03/17 19:18 0344 Amazon web servAmazon web	\$0.64		\$2,180.58



P.O. Box 1929
Dalton, GA 30722

RETURN SERVICE REQUESTED

NORTHSIDE EDUCATION INC
DEVELOPMENT ACCOUNT
3260 NORTHSIDE DR NW
ATLANTA GA 30305-1910

Statement Ending 03/31/2017

NORTHSIDE EDUCATION INC

Page 1 of 4

Customer Number

Managing Your Accounts



Customer Service (855) 693 - 7422



Mailing Address P.O. Box 1929
Dalton, GA 30722



Online Banking www.atlanticcapitalbank.com

Summary of Accounts

Account Type	Account Number	Ending Balance
NON PROFIT INT-ANALYZED		\$6,110.15

NON PROFIT INT-ANALYZED-

Account Summary

Date	Description	Amount
03/01/2017	Beginning Balance	\$26.01
	4 Credit(s) This Period	\$6,084.14
	0 Debit(s) This Period	\$0.00
03/31/2017	Ending Balance	\$6,110.15

Interest Summary

Description	Amount
Annual Percentage Yield Earned	0.09%
Interest Days	31
Interest Earned	\$0.14
Interest Paid This Period	\$0.14
Interest Paid Year-to-Date	\$0.14
Interest Withheld Year-to-Date	\$0.00
Average Available Balance	\$1,837.88

Account Activity

Post Date	Description	Debits	Credits	Balance
03/01/2017	Beginning Balance			\$26.01
03/20/2017	REMOTE DEPOSIT		\$1,000.00	\$1,026.01
03/22/2017	REMOTE DEPOSIT		\$5,000.00	\$6,026.01
03/29/2017	REMOTE DEPOSIT		\$84.00	\$6,110.01
03/31/2017	INTEREST		\$0.14	\$6,110.15
03/31/2017	Ending Balance			\$6,110.15

Daily Balances

Date	Amount	Date	Amount
03/20/2017	\$1,026.01	03/29/2017	\$6,110.01
03/22/2017	\$6,026.01	03/31/2017	\$6,110.15



CEO's Monitoring Report

Date: April 2017

Policy EL 2.d.3: Financial Condition and Activities

The CEO shall not:

1. Incur new debt or modify the terms of existing debt without permission of the board.

CEO's Interpretation:

Within the proper constraints, debt can be an appropriate, helpful component of the organization's capital structure. But if not managed carefully, obligations related to debt have the potential reduce the ability to meet other obligations, to execute the mission, and to attract philanthropic support. Insolvency would put our charter agreement and our existence at risk.

We consider that this policy relates to any debt or debt instrument including but not limited to private loans, loans from banks and financial institutions, public bonds, and credit cards.

The Board expects the CEO to manage the capital structure of the organization conservatively and with transparency and to plan for and meet the near- and long-range financial obligations of the school. The Board wishes to be informed and to make final judgements with regard to taking on additional debt or modifying the terms of existing debt.

Report:

With the Board's permission, the rate of the primary real estate loan was fixed at 4.25% in December of 2016. There have been no other changes or additions to debt. Report compliance.

Evidence:

Loan statements originated by Atlantic Capital Bank.

CEO's Monitoring Report

Date: April 2017

Policy EL 2.d.4: Financial Condition and Activities

The CEO shall not:

4. Modify the terms of insurance policies without permission of the board.

CEO's Interpretation:

The CEO is accountable to the Board for managing organizational risk. To that end, a number of insurance policies have been established. A summary is included in this report. We consider that this particular PG policy relates to the types of insurance policies described in the summary; that it does not relate to insurance offered to employees such as medical, dental, life, or disability insurance.

The CEO will not make additions, deletions, or modifications to the insurance policies pertinent to EL 2.d.4 without permission of the board.

Report:

There have been no modifications to the terms of insurance policies. Report compliance.

Evidence:

Summary of coverage from Sterling Risk Advisers.

CEO's Monitoring Report

Date: April 2017

Policy EL 2.d.5: Financial Condition and Activities

The CEO shall not:

5. Open new bank accounts without board approval.

CEO's Interpretation:

The Board expects the CEO to ensure that the organization's cash is secured with a reputable banking institution (namely, Atlantic Capital Bank), and that all accounts, account balances, and activity are transparent. The Board wishes to make final judgements with regard to establishing additional bank accounts; the CEO will not open new bank accounts without Board approval. The CEO will not change the configuration or purpose of accounts, nor will he close an account without notifying the Board.

Report:

Since the last quarterly report, the School has - with the consent of the Board at the January 19, 2017 regular board meeting - established a fourth bank account at Atlantic Capital Bank for the purposes of handling development funds. There have been no other changes to the number of or configuration of the School's bank accounts. Report compliance.

Evidence:

The CEO presents the bank-generated cover page of active bank accounts monthly. Complete statements are available upon request.

CEO's Monitoring Report

Date: April 2017

Policy EL 2.d.6: Financial Condition and Activities

The CEO shall not:

6. Expend restricted funds except for the purposes for which the funds have been restricted.

CEO's Interpretation:

Restricted funds are grants or donations the school accepts via an agreement with the originator to use the funds for a specific purpose or purposes. The CEO considers grants and donations associated with the current *Building on Purpose* campaign to be restricted to capital needs described in the campaign literature.

The Board expects the CEO to manage restricted funds with integrity and transparency and to utilize them for the purposes for which they are intended. It is the CEO's responsibility to be aware of these restrictions when they exist and to accept restricted funds only when the school intends to honor the restriction. The CEO will ensure that the restrictions relate to the Ends of the organization as defined by the Board; that receipt of such restricted funds would not put the organization's non-profit status at risk. Through this policy, the Board encourages the CEO to ensure that procedures are in place for considering, receiving, accounting for, and using restricted funds. Policy EL 2.d.14 explicitly requires the CEO to demonstrate that these procedures are in place and enforced.

Report:

As of 3/31/17, the school has collected \$2.403M in funds supporting the *Building on Purpose* campaign. This includes private donations and several grants from foundations. The school has invested over \$3.2M in cash (plus debt) to complete the projects. Funds intended for capital projects have been used as they were intended. Report compliance.

Evidence:

Bank statements, check receipts, and the general ledger are available upon request.

CEO's Monitoring Report

Date: April 2017

Policy EL 2.d.7: Financial Condition and Activities

The CEO shall not:

7. Allow operating expenses in a fiscal year to exceed public revenue without board approval.

CEO's Interpretation:

Public revenue refers to the state and local public funds the school receives from GADOE and APS as a result of the Charter Agreement. Operating expenses include all operating costs of the school (salaries, curricular materials, supplies, etc.), current principal and interest payments, and regular maintenance and repair costs. Operating expenses do not include capital expenses which include land acquisition, new construction, major system repairs, and any deferred maintenance that, if not corrected in the current budget cycle, places building occupants at risk of harm, or the facility at risk of not fulfilling its functions.

The intent of this policy is to ensure that the organization is fiscally disciplined; that it does not create a dependence on fundraising in order to fund the basic operations of the school; that it remains in terms of fiscal discipline a model for all public charter schools.

The Board intends for the CEO to budget for and to fund in actuality the operating expenses of the school using public revenue. The CEO does have the latitude to collect reasonable fees to offset operating costs associated with athletics, arts programs, and other activities.

The Board will monitor spending monthly; the CEO will be accountable for performing against this standard at the conclusion of each fiscal year.

Report:

Refer to the monthly report. The line item to which this policy refers is "(Public+misc rev) – operating expenses", essentially operating cash flow: public revenue, plus fees collected, minus operating costs. As of 3/31/17, actual YTD performance is \$582,587. The CEO and Principal are monitoring cash flow projections carefully to ensure compliance at the end of the fiscal year. Report compliance.

Evidence:

Monthly financial report. At year end, the third party audit.

CEO's Monitoring Report

Date: April 2017

Policy EL 2.d.8: Financial Condition and Activities

The CEO shall not:

8. Fail to maintain adequate cash reserves as required by creditors, nor use funds from designated reserve accounts without the permission of the board.

CEO's Interpretation:

At present, the only reserve requirement to which the CEO is bound is that which is enumerated in the loan document with Atlantic Capital Bank as updated in December 2016 to reflect the change to a fixed interest rate. The school currently holds these funds (and additional funds) in the bank account labeled "Reserve (Atlantic Capital)". The Board intends for the CEO to meet this obligation for as long as it exists. To the extent that this particular requirement terminates, the Board intends for the CEO to use the same reserve funds only with the explicit permission of the Board.

Report:

The Reserve Account balance satisfies the lender's requirement. Report compliance.

Evidence:

Current loan document that enumerates the requirement; account balance confirmed by redacted 3rd party statement.

8.10 **Operations.** Maintain executive and management personnel with substantially the qualifications and experience as those currently in its employ; provide written notice to Lender of change in executive and management personnel; and conduct its business affairs in a reasonable and prudent manner.

8.11 **Compliance with Laws.** Comply with all Applicable Laws, now or hereafter in effect, that are applicable to the ownership of its properties, the conduct of its business or operations, or the use, maintenance, sale, lease or occupancy of any Collateral, including Anti-Terrorism Laws, the Fair Labor Standards Act and the Environmental Laws.

8.12 **Inspection.** Permit Lender at any time to inspect, at Borrower's expense, any Collateral and Borrower's other properties and to examine or audit its books, accounts, and records and to make copies thereof. If it at any time maintains any records (including computer generated records and computer software programs for the generation of such records) in the possession of a third party, it shall, upon request of Lender, notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at its expense.

8.13 **Environmental Compliance and Reports.** Comply in all respects with all Environmental Laws; not cause or permit to exist, as a result of an intentional or unintentional action or omission on its part or on the part of any third party, on property owned and/or occupied by it, any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by an appropriate Governmental Authority; furnish to Lender, promptly (and in any event within thirty (30) days) after receipt thereof, a copy of any notice, summons, citation, directive, letter or other communication from any Governmental Authority concerning any intentional or unintentional action or omission on its part in connection with any environmental activity whether or not there is damage to the environment; and promptly conduct and complete, at its expense, all such investigations, studies, samplings and testings as may be requested by Lender or any Governmental Authority relative to any substance, or any waste or by-product of any substance defined as a Hazardous Substance under applicable Environmental Laws, at or affecting any property owned, leased or used by it.

8.14 **Banking Relationship.** Maintain its primary banking relationship (including deposit accounts) with Lender.

8.15 **Financial Covenant(s).** Comply with the following:

- (a) **Unrestricted Cash.** Maintain at all times unrestricted cash on its balance sheet (and free of all Liens) of not less than \$750,000.
- (b) **Minimum Net Change in Assets.** Achieve a Net Change in Assets of (i) no worse than a loss of \$120,000 as of each fiscal quarter end during its fiscal years ending June 30, 2017 and June 30, 2018 and (ii) greater than \$0 as of each fiscal quarter end thereafter.
- (c) **Pledges.** Borrower shall have, by July 31, 2016, (i) collected a minimum of \$1,500,000 in cash from its capital campaign for the "Atlanta Classical Academy", and (ii) shall have received at least \$2,500,000 in capital campaign pledges (including both collected pledges under clause (i) hereof and uncollected pledges) for the "Atlanta Classical Academy".
- (d) **Definitions; GAAP Calculations.** For purposes of the foregoing financial covenant or covenants, "Net Change in Assets" shall mean, for any period of calculation, Borrower's total revenues, less its total expenses, less capital expenditures, less pension contributions, each for the trailing twelve month period.

Except as otherwise provided in the foregoing definitions, all computations made to determine compliance with the financial covenants contained herein shall be made in

CEO's Monitoring Report

Date: April 2017

Policy EL 2.d.9: Financial Condition and Activities

The CEO shall not:

9. Fail to settle payroll and pay other debts in a timely manner.

CEO's Interpretation:

This policy refers to payroll and payroll tax obligations and debt service/repayment related to long term loans and credit cards. Payroll/payroll taxes are currently settled twenty-four times per year on the 15th and the last business day of each month.* Other debt service obligations are settled monthly.

The Board expects the CEO to settle these in a timely manner. The Board expects such activity to be transparent. The Board expects the CEO to notify the Board any time the school is either in jeopardy of missing payroll or debt service payments and/or when the school has failed to make timely payments.

Report:

The school is current on payroll payments, payroll tax obligations, and debt service payments. Report compliance.

Evidence:

Payroll summary receipt similar to the example provided are available upon request. This report includes evidence for the payment of payroll taxes.

Loan account statements demonstrating principal and interest payments.

CEO's Monitoring Report

Date: April 2017

Policy EL 2.d.10: Financial Condition and Activities

The CEO shall not:

- 10. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.

CEO's Interpretation:

This policy refers to the school's obligation to make the following payments accurately and on time:

<u>Requirement</u>	<u>Periodicity</u>
Teacher Retirement System (TRS) payments	Monthly
Local property taxes related to 3260 Northside Drive*	Annually
IRS Form 990 (Return of Organization Exempt from Income Tax)	Annually, November
W-2 / Form 1095 to employees	Annually, March
Form 1099 to contractors	Annually, January

The Board expects the CEO to settle payments and make reports in a timely manner, in accordance with governmental or authorizer mandates; for such activity to be transparent; to notify the Board any time the school is either in jeopardy missing payments and/or when the school has failed to make timely payments.

*As of April 14, 2017, Fulton County has consolidated all real estate parcels to a single parcel ID, and the School has submitted an exemption application with Fulton County Board of Assessors (Standards Division). It is anticipated that the school will not have to pay property tax in 2017 and beyond.

Report:

The school is current on government-ordered payments and filings. Report compliance.

Evidence:

Confirmation receipt from TRS, property tax payment receipt from Fulton County/City of Atlanta, board-signed Form 990, CEO report.

1099 Confirmation

Summary for 2016

Number of Forms Sent to IRS:	22
Total Amount Reported:	\$74701.79

Next Steps After You Submit to the IRS

If you've just submitted your 1099 forms to the IRS, follow these steps:

- 1. Resend any changed 1099s to your contractors.** If you changed any information on a form since you first mailed it to a contractor, send them a revised version. Do this even if it's later than January 31, 2017.
- 2. Expect a confirmation email.** We'll send an email to btidwell@atlantaclassical.org about a week after the IRS accepts your forms.
- 3. Check with your state tax agency about additional 1099-MISC requirements.**
[Do I need to file with my state, too?](#)

There's no need to submit Form 1096. It's not required when you e-file.

Found an error?

While you cannot change 1099s after they're e-filed, you might not be required to correct all your errors. Read the [Safe Harbor Guidelines](#).

Your Recipient Copies Have Been Mailed

1 message

ACA Reporting Center <noreply@wagereportingcenter.com>

To: btidwell@atlantaclassical.org

Fri, Feb 10, 2017 at 9:08 PM

Your W-2 or 1099 recipient copies have been mailed

If you are having difficulty viewing this e-mail, please [click here](#).

Your recipient copies have been mailed!

The following forms have been printed and mailed to your recipient(s).

Order Confirmation #2023826 for return type 1095/1094

Payer Name

Northside Education Inc

Recipients should receive their forms via USPS mail within the next 3-5 business days.

Thank you,
ACA Reporting Center

Web Reporting Center | 2480 Walker Ave. NW | Grand Rapids, MI 49544 | United States

Date: April 2017

Policy EL 2.d.11: Financial Condition and Activities

The CEO shall not:

11. Make in any fiscal year greater than \$20,000 in cumulative, unbudgeted capital expenses without prior approval from the Board, except that the CEO may make emergency purchases required to establish or preserve safe conditions.

CEO's Interpretation:

Capital expenses include land acquisition, new construction, major system repairs, and any deferred maintenance that, if not corrected in the current budget cycle, places building occupants at risk of harm, or the facility at risk of not fulfilling its functions. Emergency purchases are those required to establish or preserve safe conditions.

The Board wants to be aware of and/or to limit unbudgeted capital expenses. Unbudgeted expenses have the potential to eliminate funds required elsewhere. Unbudgeted capital expenses may signal either a strategic shift in spending or a significant facilities-related problem. The Board expects to be notified if the CEO suspects that unbudgeted capital expenses are likely to be necessary.

Report:

The monthly financial statement demonstrates that in this fiscal year, the school has not made greater than \$20,000 in cumulative, unbudgeted capital expenses. There have been unexpected capital requirements as a result of tornado damage, but those expenses will be off-set by insurance proceeds, less our \$1,000 deductible. [Report compliance.](#)

Evidence:

Internally generated, monthly financial reports. Details available upon request.

CEO's Monitoring Report

Date: April 2017

Policy EL 2.d.12: Financial Condition and Activities

The CEO shall not:

12. Accept gifts or grants which obligate the school to make future expenditures with funds other than those created by the gift or grant without board approval or which are not in the best interest of the school to accept.

CEO's Interpretation:

The first aim of this policy is to ensure the school does not accept gifts or grants that lead to future expenses whether those expenses are easy, difficult, or impossible to predict. Examples of this at other institutions abound: a curricular program that once started requires new materials; a climbing wall that must be maintained, repaired, and insured. The potential exists for an entire era of leaders to change before future expenses manifest. The risk to financial health and stability in the future is evident, and it is to be avoided.

It is assumed that it was the board's intention to direct donor funds towards the purchase of the property and modular building knowing that the maintenance and operations of these assets would be funded from operating funds.

The second aim of the policy is to discourage the acceptance of gifts or grants that would not be in the best interest in the school. This could refer ultimately to assets that may not necessarily create future expenses, but would not serve the mission of the school, or make sense given our facilities, or fit with our culture. If the CEO has doubts as to what is or isn't in the best interest of the school, the CEO should elevate the question to the Board.

The Board expects the CEO to have policies in place and to ensure the school complies with this policy.

Report: Report compliance.

Evidence:

Development records including grant documentation are available upon request.

CEO's Monitoring Report

Date: April 2017

Policy EL 2.d.13: Financial Condition and Activities

The CEO shall not:

13. Allow the school's financial condition to jeopardize long-range financial requirements.

CEO's Interpretation:

The Board directs the CEO with regard to the School's finances in policies EL #2.c and #2.d. EL #2.c points the CEO's attention towards the budgeting process and financial requirements that fall beyond the three-year budget. This policy encourages the long view in pursuing long-term opportunities or negotiating large or long-range contracts. It requires the CEO to plan to meet the needs of the school well beyond the three-year budgeting horizon. These financial needs are tied directly to capital requirement, to facilities.

Policies EL #2.d.1-18 are constructed to monitor the school's actual financial performance.

EL 2.d.13 specifically seeks to ensure that the school's *actual* financial status does not jeopardize long-range requirements.

Report:

With regard to operations, the school is well-positioned to operate within per pupil revenue for the foreseeable future. The school will reach its full K-12 configuration in two years, and at that point we do not anticipate major changes to the operating cost structure of the school. All indications are that the per pupil revenue is stable and predictable, though there is no guarantee of certainty. With regard to capital requirements, the school is not in jeopardy from a financial perspective of failing to address long-range capital needs, namely additional classroom, office, auditorium, parking, and field space. But meeting them will require a magnificent effort from school leadership and our community of families.
Report compliance.

Evidence:

Monthly financial reports. Annual, audited statements.

CEO's Monitoring Report

Date: April 2017

Policy EL 2.d.14: Financial Condition and Activities

The CEO shall not:

14. Operate without adequate policies, procedures, and internal controls related to financial operations, purchase order procedures, cash management, credit cards, asset protection, and donation receipt and acknowledgement procedures.

CEO's Interpretation:

The Board wants to ensure that its financial policies are communicated clearly throughout the organization; that mechanisms are in place to ensure that they are followed with integrity. Most of EL #2.d policies are in place to ensure the financial integrity of the school, to ensure that these policies are being executed.

Report:

The Principal/Executive Officer's Financial Policies have been updated and distributed. Changes include incorporation of *Policy Governance* approach, use of credit cards, elimination of the use of the debit card and the petty cash account, inclusion of the gift acceptance policy, Donor's Bill of Rights, and Ethical Standards for Fundraisers. Report compliance.

Evidence:

CEO's policy manual is available upon request.

CEO's Monitoring Report

Date: April 2017

Policy EL 2.d.15: Financial Condition and Activities

The CEO shall not:

15. Permit school debit cards.

CEO's Interpretation:

The Board prohibits the use of debit cards, because it is very difficult to protect and account for cash withdrawn using a debit card. Credit cards established by the school with the permission of the Board shall not have cash withdrawal privileges.

Report:

The school no longer uses debit cards; all cards have been destroyed. Report compliance.

Evidence:

Bank and credit card statements available by request.

CEO's Monitoring Report

Date: April 2017

Policy EL 2.d.16: Financial Condition and Activities

The CEO shall not:

16. Fail to require expense reimbursements to occur in accordance with IRS permissible rates.

CEO's Interpretation:

To the extent that the school reimburses expenses dictated by the IRS, it shall do so in accordance with the regulations. The broader intent is to treat employee well by ensuring that legitimate expenses are fully reimbursed, but also to ensure that the school is not inadvertently causing tax consequences for the employee. Currently, the school reimburses employees for actual travel expenses associated with summer training. Conceivably, the school could reimburse employees for miscellaneous, local work-related travel such as driving to a meeting, or parking.

Report:

The school reimburses pre-authorized, work-related expenses in accordance with IRS permissible rates.
Report compliance.

Evidence:

IR-2016-169, December 13, 2016



2017 Standard Mileage Rates for Business, Medical and Moving Announced

IR-2016-169, Dec.13, 2016

WASHINGTON — The Internal Revenue Service today issued the 2017 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2017, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 53.5 cents per mile for business miles driven, down from 54 cents for 2016
- 17 cents per mile driven for medical or moving purposes, down from 19 cents for 2016
- 14 cents per mile driven in service of charitable organizations

The business mileage rate decreased half a cent per mile and the medical and moving expense rates each dropped 2 cents per mile from 2016. The charitable rate is set by statute and remains unchanged.

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for more than four vehicles used simultaneously.

These and other requirements are described in [Rev. Proc. 2010-51](#), [Notice 2016-79](#), posted today on IRS.gov, contains the standard mileage rates, the amount a taxpayer must use in calculating reductions to basis for depreciation taken under the business standard mileage rate, and the maximum standard automobile cost that a taxpayer may use in computing the allowance under a fixed and variable rate plan.

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CEO's Monitoring Report

Date: April 2017

Policy EL 2.d.17: Financial Condition and Activities

The CEO shall not:

17. Fail to maintain a gift acceptance policy that requires the school to
 - a. Adhere to IRS regulations pertinent to recipients of charitable giving;
 - b. Adhere to professional ethical standards for fundraisers;
 - c. Deposit and use for the stated purposes all donations that the school accepts;
 - d. Satisfy reporting requirements for grants, as required.

CEO's Interpretation:

The Board has clearly articulated the minimum requirements for the CEO's gift acceptance policy. The CEO is expected to maintain a policy, to communicate it clearly to donors and employees, and to ensure it is implemented with due care.

Report:

With the support of the board's auditor, the gift acceptance policy has been updated in the Principal's Financial Policies and Procedures document. *Report compliance.*

Evidence:

Gift acceptance policy is available upon request.

Date: April 2017

Policy EL 2.d.18: Financial Condition and Activities

The CEO shall not:

18. Fail to provide an audited fiscal year-end report no later than the September board meeting.

CEO's Interpretation:

In support of the Board's fiduciary duty, authorizer requirements, and IRS requirements, the Board hires an auditing firm to complete an annual audit at the conclusion of each fiscal year. The school's fiscal year runs July – June. This is in large part an evaluation of the CEO's/organization's financial performance, transparency, and ability to operate in accordance with Governmental Accounting Standard Board (GASB) regulations. The CEO and staff support the auditor in the performance of the audit. The school is required to include the audit in its annual report to GADOE which is due November 1st each year. The Board must receive and sign the audit prior to submitting its Form 990 to the IRS each November. The Board wants to review a complete audit shortly after the completion of a fiscal year and in advance of sharing the audit with GADOE and the IRS.

Report:

The CEO presents the audited fiscal year-end report in September. Report compliance.

Note: The Treasurer and CEO are in receipt of our auditor's March 21, 2017 proposal for FY17. Pursuant to the Board's approval of the same, the administration is standing by to support the audit.

Evidence:

Audited fiscal year-end financial report.