



**ATLANTA NEIGHBORHOOD  
CHARTER SCHOOL**

helping students learn to use their minds well

# Atlanta Neighborhood Charter School

## October Monthly Board Meeting

**Date and Time**

Tuesday October 17, 2017 at 6:30 PM EDT

**Location**

ANCS Elementary Campus - 688 Grant Street, Atlanta 30315

*Notice of this meeting was posted at each campus and on the ANCS website in accordance with O.C.G.A. § 50-14-1.*

**Agenda**

	Purpose	Presenter	Time
<b>I. Opening Items</b>			<b>6:30 PM</b>
Opening Items			
<b>A.</b> Record Attendance and Guests		Nicholas Chiles	1 m
<b>B.</b> Call the Meeting to Order		Mitch White	1 m
<b>C.</b> Approve Minutes from Prior Board Meeting	Approve Minutes	Nicholas Chiles	3 m
Approve minutes for September Monthly Board Meeting on September 19, 2017			
<b>D.</b> PTCA Report		Hannah Beth Millman	5 m
Standing monthly report from the ANCS Parent-Teacher-Community Association			
<b>E.</b> Principals' Open Forum		Cathey Goodgame	5 m

	Purpose	Presenter & Lara Zelski	Time
Standing monthly opportunity for ANCS principals to share highlights from each campus.			
<b>II. New Business</b>			<b>6:45 PM</b>
<b>A. Annual Financial Audit Presentation</b>	Discuss	Cindy Ethridge	25 m
Overview of required FY17 financial audit			
<b>III. Executive Director's Report</b>			<b>7:10 PM</b>
<b>A. CREATE Teacher Residency Program Update</b>	Discuss	Elizabeth Hearn	20 m
<b>B. Changes to CCRPI</b>	Discuss	Matt Underwood	15 m
Changes to Georgia's College and Career Readiness Performance Index			
<b>C. GaDOE Charter Schools Annual Report</b>	Discuss	Matt Underwood	10 m
Information provided by ANCS to the Georgia Dept of Education for the required state annual report			
<b>IV. Business &amp; Operations</b>			<b>7:55 PM</b>
Business & Operations			
<b>A. Monthly financial statements &amp; reports</b>	Discuss	Ryan Camp & Kari Lovell	15 m
<b>V. Governance</b>			<b>8:10 PM</b>
<b>A. Monthly Governance Report</b>	Discuss	Joyce Gist Lewis	10 m
<b>VI. Fund Development</b>			<b>8:20 PM</b>
Fund Development			
<b>A. Monthly fund development report</b>	Discuss	Meeghan Fortson	10 m
<b>VII. Educational Excellence</b>			<b>8:30 PM</b>
Educational Excellence			

	Purpose	Presenter	Time
A. Monthly Educational Excellence Report	Discuss	Tiffany Mitchell	10 m
B. Public Affairs Subcommittee Report	FYI	Eric Teusink	5 m

**VIII. Executive Session 8:45 PM**

A. Executive Session	Vote	Mitch White	15 m
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The board *may* enter into executive session to discuss matters related to personnel, real estate, student discipline, and/or litigation in accordance with O.C.G.A. § 50-14-1.

**IX. Closing Items 9:00 PM**

A. Brief Meeting Reflection	Discuss	Mitch White	5 m
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ANCS board reflection on governance practices from board meeting

B. Adjourn Meeting	Vote	Mitch White	1 m
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# Coversheet

## Approve Minutes from Prior Board Meeting

**Section:** I. Opening Items  
**Item:** C. Approve Minutes from Prior Board Meeting  
**Purpose:** Approve Minutes  
**Submitted by:**  
**Related Material:** Minutes for September Monthly Board Meeting on September 19, 2017



APPROVED



## ATLANTA NEIGHBORHOOD CHARTER SCHOOL

helping students learn to use their minds well

# Atlanta Neighborhood Charter School

## Minutes

### September Monthly Board Meeting

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#### **Date and Time**

Tuesday September 19, 2017 at 6:30 PM

#### **Location**

ANCS Middle Campus - 820 Essie Avenue Atlanta, GA 30315

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*Notice of this meeting was posted at each campus and on the ANCS website in accordance with O.C.G.A. § 50-14-1.*

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#### **Directors Present**

Eric Teusink, Howard Franklin, Laura Melton, Lia Santos, Meeghan Fortson, Mitch White, Nakia Echols, Nicholas Chiles, Philippe Pellerin, Tara Stoinski, Tiffany Mitchell

#### **Directors Absent**

Joyce Gist Lewis, Ryan Camp

#### **Ex Officio Members Present**

Matt Underwood

#### **Non Voting Members Present**

Matt Underwood

#### **Guests Present**

Ashley Deck, Jessica Gowen, Kari Lovell

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#### **I. Opening Items**

#### **A. Record Attendance and Guests**

All members were in attendance except Joyce Gist Lewis and Ryan Camp.

#### **B. Call the Meeting to Order**

Mitch White called a meeting of the board of directors of Atlanta Neighborhood Charter School to order on Tuesday Sep 19, 2017 at 6:41 PM.

#### **C. Approve Minutes from Prior Board Meeting**

Tiffany Mitchell made a motion to approve minutes from the ANCS August Monthly Board Meeting on 08-15-17 August Monthly Board Meeting on 08-15-17.

Philippe Pellerin seconded the motion.

The board **VOTED** unanimously to approve the motion.

#### **D. PTCA Report**

Yard sale brought in approximately \$7000 in spite of Irma. Sale led by Angela Christie. PTCA President unable to attend tonight.

#### **E. Principals' Open Forum**

Principals not in attendance because of open forum on affordable housing on the beltline.

### **II. New Business**

#### **A. Annual Approval of Succession Plans**

The Board will not vote on this tonight.

Matt Underwood explained that he, Mitch and Lia participated in a succession planning seminar and created an ED succession plan. Policy reviewed and approved in May meeting, so redundant to review and approve again now. Will review and approve again in either spring or fall 2018. Matt will send plan to new board members so they are familiar with it.

Lia Santos noted that the policy needs to be updated annually with current members and committees, etc.

#### **B. 2017-18 Board Officers and Committee Assignments**

Mitch White presented the slate of officers.

Philippe Pellerin made a motion to Approve the board officer slate presented by Mitch White.

Tara Stoinski seconded the motion.

The board **VOTED** unanimously to approve the motion.

#### **C. Strategic Plan Task Force**

Tara Stoinski made a motion to name Laura Melton head of task force to update the strategic plan and authorize her and Matt Underwood to create and publish an RFP to hire a facilitator to help with the process.

Philippe Pellerin seconded the motion.

The board **VOTED** unanimously to approve the motion.

### **III. Old Business**

#### **A. 2017-18 Board Meeting Calendar**

November and December board meetings will be combined and moved to 12/12.

February meeting will occur on 2/27.

Eric Teusink made a motion to Combine the Nov. and Dec. meetings on 12/12 and move the February meeting to 2/27.

Philippe Pellerin seconded the motion.

The board **VOTED** unanimously to approve the motion.

#### **B. Proposed 2017-18 SY Strategic Plan Initiatives**

Tara S. proposed that ANCS use the testing elements that are put into place in the school to identify where the populations are in the school that are facing challenges and then identify actions to address those gaps and then assess whether the actions have been effective. E.g., map shows X issue, intervention Y is designed and implemented, MAP then used to assess whether it is successful.

Philippe Pellerin made a motion to adopt the strategic initiatives for 2017 and 2018 with the friendly amendment to the box that would be number four, use assessment results to identify gaps in student performance, develop action plans to address, and report on progress on how those interventions and action plans are working.

Tara Stoinski seconded the motion.

The board **VOTED** unanimously to approve the motion.

### **IV. Executive Director's Report**

#### **A. Special Education in Charter Schools and at ANCS**

Mitch welcomed Ashley Deck and explained importance of high quality special education at ANCS.

Background on program & how it was developed. Presentation (see attached) designed to give an overview to board members.

#### **B. Diversity & Equity Update**

Matt reviewed current strategic plan goal on diversity and equity goal in strategic plan.

Focus for 2017-18 presented (see attached).

## **V. Business & Operations**

### **A. Monthly financial statements & reports**

See attached report.

Ryan Camp not present. Kari Lovell reviewed report.

Solid cash position at \$1.61 million.

No change in allocation. APS will wait until December for adjustment.

Impact of tax freeze remains unknown.

## **VI. Fund Development**

### **A. Monthly fund development report**

Report attached.

## **VII. Educational Excellence**

### **A. Monthly Educational Excellence Report**

See report attached.

### **B. Public Affairs Subcommittee Report**

See report, attached.

APS Candidate Forum; many candidates, likely to see many run offs.

## **VIII. Governance**

### **A.**

### **Monthly Governance Report**

No governance committee report.

Matt, Mitch and Lia met to plan retreat.

Mitch and Lia formally delivered Matt's feedback and evaluation from last calendar year.

No next meeting scheduled.

## **IX. Executive Session**

### **A. Executive Session**

The board entered executive session.

## **X. Closing Items**

### **A. Brief Meeting Reflection**

### **B. Adjourn Meeting**

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:00 PM.

Respectfully Submitted,  
Jessica Gowen

# Coversheet

## PTCA Report

<b>Section:</b>	I. Opening Items
<b>Item:</b>	D. PTCA Report
<b>Purpose:</b>	FYI
<b>Submitted by:</b>	Hannah Beth Millman
<b>Related Material:</b>	PTCA Report October 2017.docx

## ANCS PTCA Board Report October 2017

### Overview

The PTCA is still going strong in October!

### GPSF Day

Everything is going smoothly with planning for GPSF Day. RSVPs are rolling in, and we are looking forward to another successful event!

### Fall Fest

Things have been challenging with Fall Fest, to say the least. A Chair was just secured a few weeks ago. Megan Gatewood and Rachel Ezzo have been working closely with her to ensure that the event is a success. We have tossed around the idea of switching to a Spring Fest in order to allow for better planning in the future.

### 3rd/4th Friday Coffees

We are continuing to work on details for both campus coffees in an effort to find the most efficient set up at both locations. The EC Coffee will be moved to October 27th due to GPSF Day.

### Membership

Since August 1st, we have welcomed close to **300** members to the PTCA, which is an all-time high! Those EC classes that have reached the goal - and a pizza party - are being announced at morning meetings. We are offering a biscuit breakfast to MC classes that reach the goal. Our goal is for 100% of families to join the PTCA.

### Communication/Social Media

We will continue make use of the school's web site and social media pages on Facebook. Our new Fundraising/Social Media Coordinator, Rachel Ezzo, has been instrumental in this.

### Committees

We are actively seeking co-chairs for several PTCA committees and events. We want to keep families engaged in volunteering in the ANCS community.

### Goals

Increase PTCA membership  
Increase ANCS/PTCA volunteerism  
Increase PTCA awareness

### Upcoming PTCA Events:

#### Next Executive Board Meeting:

Wednesday, October 18th, 7:00pm  
at the home of Kristy O'Connor  
(date change due to Fall Break)

#### Next Campus-Wide PTCA

Meeting: Tuesday, November 14th  
at the MC

#### Grandparents and Special Friends

Day: Friday, October 20th

Fall Festival: Saturday, October  
21st

Mini Grant Deadline: Tuesday,  
October 17th at 5pm. Winners will  
be selected at the Board Meeting  
on October 18th.

Submitted by Hannah Beth Millman

# Coversheet

## Annual Financial Audit Presentation

**Section:** II. New Business  
**Item:** A. Annual Financial Audit Presentation  
**Purpose:** Discuss  
**Submitted by:** Matt Underwood  
**Related Material:** ANCS Graphs 2017.pdf  
ANCS draft 10\_11\_17.pdf

**BACKGROUND:**

Draft FY17 ANCS audit and accompanying graphs prepared by audit firm of Warren Averett

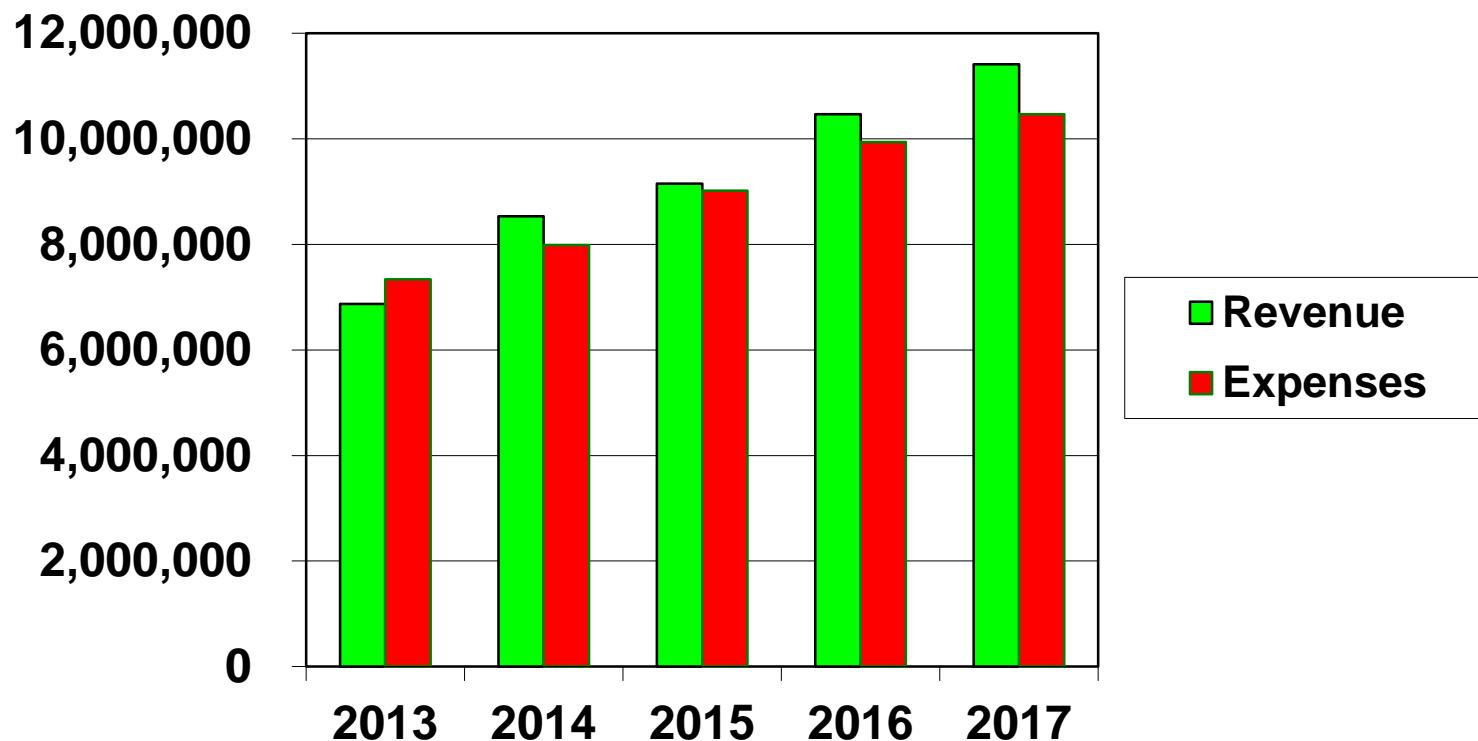


# Atlanta Neighborhood Charter School

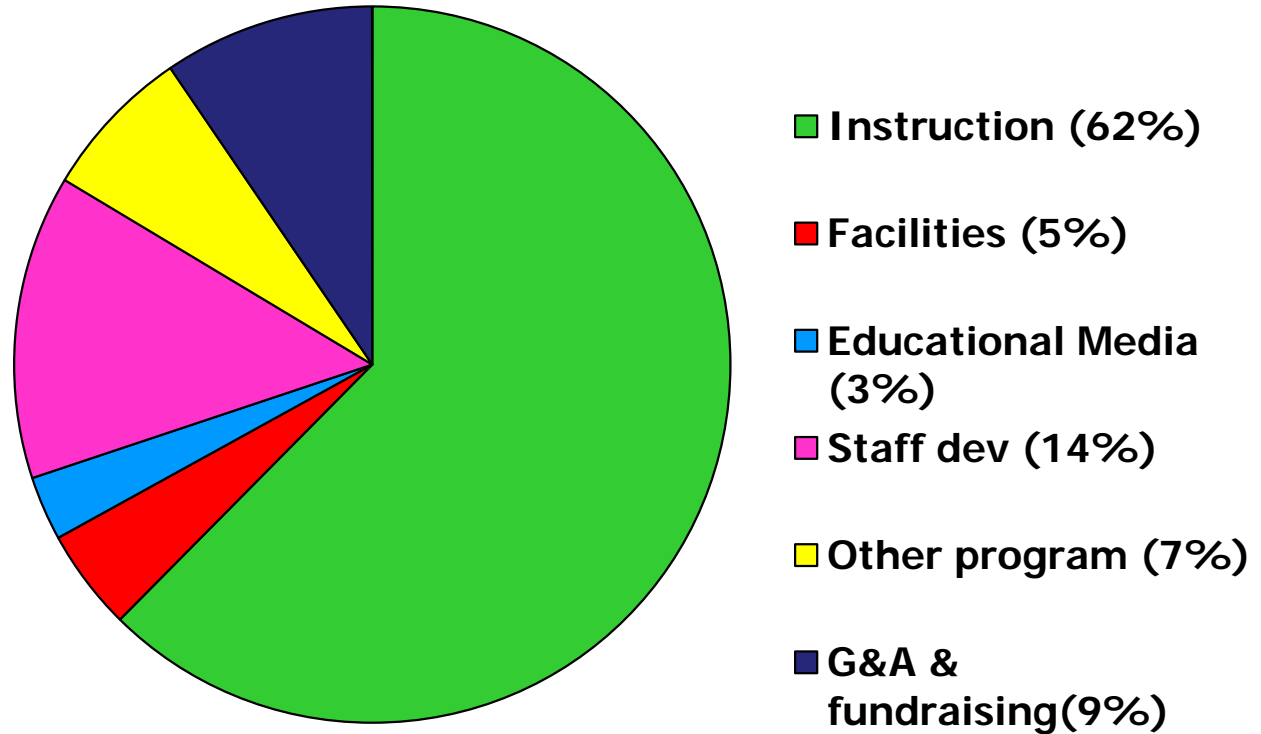
June 30, 2017

Board Meeting  
September 17, 2017

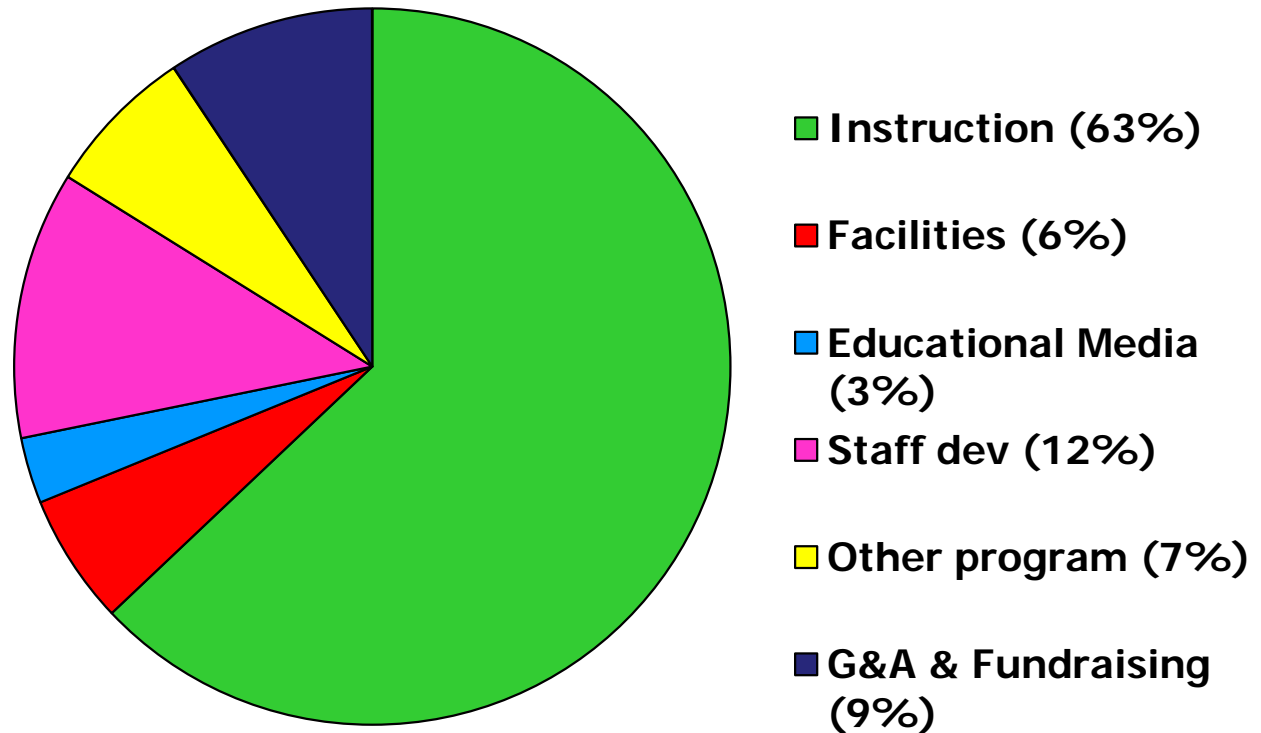
# ANCS Revenue and Expenses 2013 – 2017



# ANCS 2017 Expenses



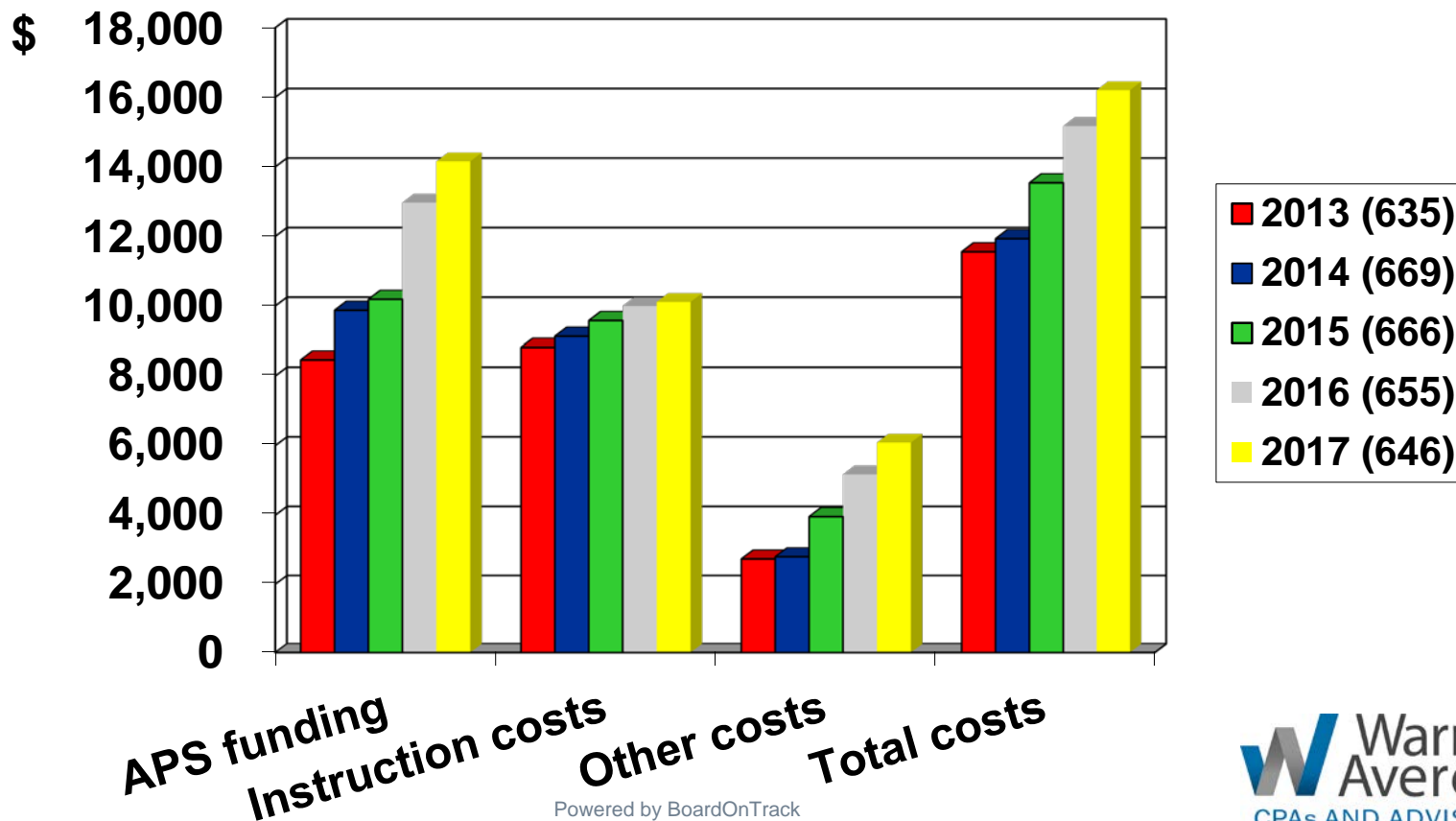
# ANCS 2016 Expenses



# ANCS

## Per Student Funding / Costs

by year (enrollment)



**ATLANTA NEIGHBORHOOD  
CHARTER SCHOOL, INC.**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2017**

DRAFT

**ATLANTA NEIGHBORHOOD  
CHARTER SCHOOL, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

DRAFT

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
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DRAFT

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Atlanta Neighborhood Charter School, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Atlanta Neighborhood Charter School, Inc. (a Georgia not-for-profit organization) which comprise the statement of financial position as of June 30, 2017 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Atlanta Neighborhood Charter School, Inc. as of June 30, 2017 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Atlanta Neighborhood Charter School, Inc.'s 2016 financial statements, and our report dated September 15, 2016 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Atlanta, Georgia

**DATE**

DRAFT

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Atlanta Neighborhood Charter School, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Atlanta Neighborhood Charter School, Inc. (a Georgia not-for-profit organization) which comprise the statement of financial position as of June 30, 2017 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Atlanta Neighborhood Charter School, Inc. as of June 30, 2017 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited Atlanta Neighborhood Charter School, Inc.'s 2016 financial statements, and our report dated September 15, 2016 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our reports dated **DATE**, on our consideration of Atlanta Neighborhood Charter School, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. Those reports are an integral part of the audit performed in accordance with *Government Auditing Standards* in considering Atlanta Neighborhood Charter School, Inc.'s internal control over financial reporting and compliance.

Atlanta, Georgia

**DATE**

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2017 AND 2016**

<b>ASSETS</b>		
	<b>2017</b>	<b>2016</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 1,663,437	\$ 715,692
Certificates of deposit	529,677	659,677
Grants receivable	96,815	130,997
Current portion of contributions receivable	140,000	125,000
Prepaid expenses	1,774	750
Total current assets	2,431,703	1,632,116
<b>OTHER ASSETS</b>		
Reserve accounts	229,550	252,539
Contributions receivable, net of current portion	-	50,000
Property and equipment, net	2,654,217	2,471,260
Total other assets	2,883,767	2,773,799
<b>TOTAL ASSETS</b>	<b>\$ 5,315,470</b>	<b>\$ 4,405,915</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ -	\$ 19,940
Accrued payroll and benefits	919,501	899,362
Current portion of notes payable	40,507	38,493
Total current liabilities	960,008	957,795
<b>LONG TERM LIABILITIES</b>		
Notes payable, net of current portion and unamortized loan costs	1,012,011	1,050,948
<b>TOTAL LIABILITIES</b>	1,972,019	2,008,743
<b>NET ASSETS</b>		
Unrestricted	3,066,986	2,071,489
Temporarily restricted	276,465	325,683
Total net assets	3,343,451	2,397,172
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,315,470</b>	<b>\$ 4,405,915</b>

See notes to financial statements.

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
(with comparative totals for 2016)

	<b>2017</b>			<b>2016</b> <b>Total</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>	
<b>PUBLIC SUPPORT AND REVENUE</b>				
Atlanta Public School Funding	\$ 9,145,237	\$ -	\$ 9,145,237	\$ 8,496,748
Contributions and grants	371,579	169,000	540,579	364,000
Title I funding	-	-	-	12,622
Title II funding	1,819	-	1,819	36,601
Federal grants	830,792	-	830,792	517,742
Other government grants	106,325	-	106,325	275,462
In kind contributions	3,255	-	3,255	3,600
After school program	277,626	-	277,626	266,152
Student meal income	231,442	-	231,442	203,389
Other program income	273,039	-	273,039	282,848
Other income	6,846	-	6,846	8,896
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>11,247,960</b>	<b>169,000</b>	<b>11,416,960</b>	<b>10,468,060</b>
<b>NET ASSETS RELEASED</b>				
<b>FROM RESTRICTIONS</b>				
Satisfaction of Restrictions	218,218	(218,218)	-	-
<b>TOTAL PUBLIC SUPPORT, REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>11,466,178</b>	<b>(49,218)</b>	<b>11,416,960</b>	<b>10,468,060</b>
<b>EXPENSES</b>				
Program services				
Instructional expenses	6,534,329	-	6,534,329	6,254,366
Facilities expenses	476,198	-	476,198	584,743
Staff development expenses	1,435,333	-	1,435,333	1,200,251
Educational media services	304,480	-	304,480	295,230
After school program expenses	248,741	-	248,741	257,443
Student meal expenses	427,719	-	427,719	374,454
Other program expenses	43,875	-	43,875	43,481
Supporting expenses				
Fundraising expenses	61,484	-	61,484	56,832
General and administrative expenses	938,522	-	938,522	871,071
<b>TOTAL EXPENSES</b>	<b>10,470,681</b>	<b>-</b>	<b>10,470,681</b>	<b>9,937,871</b>
<b>CHANGES IN NET ASSETS</b>	<b>995,497</b>	<b>(49,218)</b>	<b>946,279</b>	<b>530,189</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>2,071,489</b>	<b>325,683</b>	<b>2,397,172</b>	<b>1,866,983</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 3,066,986</b>	<b>\$ 276,465</b>	<b>\$ 3,343,451</b>	<b>\$ 2,397,172</b>

See notes to financial statements.



**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
(with comparative totals for 2016)

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 946,279	\$ 530,189
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	230,837	221,866
Income reinvested in certificates of deposit	-	(22,581)
(Increase) decrease in prepaid expenses	(1,024)	6,474
Decrease in receivables	69,182	112,858
Decrease in accounts payable and accrued expenses	(19,940)	(83,234)
Increase in accrued payroll and benefits	20,139	86,764
Net cash provided by operating activities	<u>1,245,473</u>	<u>852,336</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Redemption of (investment in) certificate of deposit	130,000	(200,000)
Purchase of property and equipment	<u>(411,667)</u>	<u>(272,306)</u>
Net cash used in investing activities	<u>(281,667)</u>	<u>(472,306)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Change in reserve accounts	22,989	(13,130)
Principal payments on note payable	<u>(39,050)</u>	<u>(35,349)</u>
Net cash used in financing activities	<u>(16,061)</u>	<u>(48,479)</u>
<b>NET INCREASE IN CASH</b>	947,745	331,551
<b>CASH AT BEGINNING OF YEAR</b>	<u>715,692</u>	<u>384,141</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 1,663,437</u>	<u>\$ 715,692</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid during the year	<u>\$ 54,622</u>	<u>\$ 58,324</u>

See notes to financial statements.

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**1. ORGANIZATION**

Neighborhood Charter School, Inc. (NCS), a Georgia not-for-profit organization, was formed on November 20, 1998 to operate a charter elementary school in Grant Park to serve Grant Park, Ormewood Park and other in town areas of Atlanta, Georgia. Southeast Atlanta Charter Middle School, Inc. (ACMS), a Georgia not-for-profit corporation, was formed on June 20, 2003 to operate a charter middle school in Ormewood Park to serve Grant Park, Ormewood Park and other in-town areas of Atlanta, Georgia.

Effective May 19, 2011, the two schools merged and became Atlanta Neighborhood Charter School, Inc. (the School). The School was granted a charter by the Board of Education of the City of Atlanta for the five-year term ending on June 30, 2016. The Charter was renewed for an additional five-year term beginning on July 1, 2016 and expiring on June 30, 2021. The Charter permits the School to operate as a Charter School under the Atlanta Public School system, provided the School operates within the guidelines of the Charter and the applicable state and federal laws. Under the terms of the Charter, the School receives an allocation from the Atlanta Public Schools (APS) which is based on enrollment. The School's support comes primarily from state and local funding through the Atlanta Public Schools and from grants and contributions.

The mission of the School is to provide a learning environment for all students that demands high educational standards and high levels of parent/guardian involvement and responsibility.

Combined enrollment for the two campuses for the years ended June 30, 2017 and 2016 was 646 and 655 students, respectively.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The School prepares its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ACS) 958-205, *Not-For-Profit Entities*. Under FASB ACS 958, the School reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of June 30, 2017 and 2016, the School did not have any permanently restricted net assets.

**Contributions**

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. During the years ended June 30, 2017 and 2016, the School did not receive any permanently restricted contributions.

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Contributed Services**

Contributed services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed legal services during the years ended June 30, 2017 and 2016, totaled \$3,255 and \$3,600, respectively.

In addition, many individuals volunteer their time and perform a variety of tasks that assist in the School's activities. The School receives numerous volunteer hours each year that are not valued in the financial statements.

**Revenue Recognition**

Revenue from Atlanta Public Schools funding and revenue from program fees are recognized in the period the service is delivered. Grants are recognized as revenue when the related required expenditures have been incurred.

**Cash**

For the purpose of reporting cash flows, the School considers all demand notes and short-term investments with maturities of 90 days or less to be cash equivalents. At times the School's cash balances exceed the federally insured limit.

**Loan Closing Costs**

Effective June 30, 2017, the Company adopted FASB Accounting Standards Update (ASU) No. 2015-03, *Interest-Imputation Subtopic (835-30): Simplifying the Presentation of Debt Issuance Costs*, which requires that debt issuance costs related to a recognized debt liability be presented in the consolidated statement of financial position as a direct deduction from the carrying amount of that debt liability. This update was applied retrospectively to the 2016 consolidated statement of financial position presentation.

Loan closing costs are amortized to interest expense on a straight line basis over the life of the loan which approximates the effective interest method.

**Fair Values of Financial Instruments**

At June 30, 2017 and 2016, the carrying value of financial instruments such as cash, receivables, accounts payable and borrowings under notes payable approximated their fair values.

**Property and Equipment**

The School capitalizes all expenditures for property and equipment in excess of \$500. Property and equipment are recorded at cost or fair value, if donated. Leasehold improvements are amortized over the life of the lease. Other property and equipment are depreciated using straight line methods over their estimated useful lives as follows:

Building and building improvements	40 years
Computer equipment and software	5 years
Library books	7 years
Other equipment, furniture and fixtures	7 years

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Tax Status**

The School is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and is classified as an organization which is not a private foundation under Section 509(a) of the U.S. Internal Revenue Code. The School qualifies for the charitable contribution deduction.

Management does not believe there are any uncertain tax positions as defined by FASB ASC 740, *Income Taxes*. The School could be subject to income tax examinations for its U.S. federal tax filings for the current tax year and previous filings for years 2016, 2015, and 2014 still open under the statute of limitations.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain indirect costs have been allocated among the programs and supporting services benefited.

**Reclassifications**

Certain 2016 amounts have been reclassified to conform to the 2017 presentation. The reclassifications do not effect net assets or changes in net assets.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Events Occurring After Report Date**

The School has evaluated events and transactions that occurred between June 30, 2017 and **DATE**, which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

### 3. PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2017 and 2016, is composed of the following:

	<u>2017</u>	<u>2016</u>
Buildings and building improvements	\$ 2,022,297	\$ 1,952,014
Leasehold improvements	1,424,705	1,208,725
Computer equipment and software	398,055	311,618
Library books	161,126	145,054
Other equipment	273,205	257,924
Furniture and fixtures	254,654	247,040
Less accumulated depreciation	<u>(1,879,825)</u>	<u>(1,651,115)</u>
Net property and equipment	<u>\$ 2,654,217</u>	<u>\$ 2,471,260</u>

Depreciation expense amounted to \$228,710 and \$219,739 for the years ended June 30, 2017 and 2016, respectively.

### 4. NOTES PAYABLE

	<u>2017</u>	<u>2016</u>
Note payable	\$ 1,061,026	\$ 1,100,076
Less unamortized loan cost	<u>(8,508)</u>	<u>(10,635)</u>
Note payable net of unamortized loan cost	<u>\$ 1,052,518</u>	<u>\$ 1,089,441</u>
Less current portion	<u>(40,507)</u>	<u>(38,493)</u>
	<u>\$ 1,012,011</u>	<u>\$ 1,050,948</u>

In June 2014 the School refinanced existing debt with a \$1,165,000 loan bearing a 5.11% fixed interest rate. On the fifth anniversary of the closing date, the interest rate will be adjusted to the greater of 4.5% or the mid-market semi-annual swap rate for USD swap transactions with a 2 year maturity plus 3.35%. The note requires monthly principal and interest installments based on a 20 year amortization with a final payment of all unpaid principal and interest due on its July 2021 maturity date. The loan is subject to a prepayment premium. The outstanding balance at June 30, 2017 and 2016 was \$1,061,026 and \$1,100,076, respectively.

The loan requires that the School maintain a minimum balance of \$225,000 in a reserve account providing additional collateral for the loan. The balance in the reserve account was \$229,550 and \$228,940 at June 30, 2017 and 2016, respectively.

The loan is secured by the building and improvements and requires minimum liquidity and debt service coverage ratio as described in the loan documents. At June 30, 2017 and 2016 the School was in compliance with these covenants.

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**4. NOTES PAYABLE – CONTINUED**

Future maturities of the note payable are as follows:

Year ending June 30:	
2018	\$ 40,507
2019	42,626
2020	44,856
2021	933,037
	\$ 1,061,026

As described in Note 2, the Company adopted FASB ASU No. 2015-03 which requires the debt issuance cost to be presented as a direct deduction against the related debt. The net unamortized amount of debt issuance cost as of June 30, 2017 and 2016 amounted to \$8,508 and \$10,635, respectively. The unamortized loan cost includes \$14,889 of loan costs at June 30, 2017 and 2016 and accumulated amortization of \$6,381 and \$4,254, respectively. Amortization expense amounted to \$2,127 for 2017 and 2016.

Total interest expense on all debt for the years ended June 30, 2017 and 2016 amounted to approximately \$55,000 and \$58,000, respectively.

**5. COMMITMENTS AND CONTINGENCIES**

**Operating Lease – Facility**

The School (elementary campus) leases its building from the Atlanta Public Schools. The lease extends through August 31, 2021 unless the School loses its charter or Atlanta Public Schools needs the property in which case the lease requires sixty days' notice to be given. The School is not responsible for payment of any rent. However, the School is responsible for maintaining and repairing the property.

**Operating Leases – Other**

The School leases a modular building unit and various office equipment under non-cancelable operating leases. Rent expense for the years ended June 30, 2017 and 2016 amounted to approximately \$57,000 and \$8,000. The leases require the following payments for the years ending June 30:

2018	\$ 55,242
2019	36,828
2020	20,532
2021	20,532
	15,399

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**6. RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets at June 30, 2017 and 2016 are available as follows:

	<u>2017</u>	<u>2016</u>
CREATE Teacher Residency program	\$ 261,465	\$ 325,683
Capital Improvements	15,000	-
	<u>\$ 276,465</u>	<u>\$ 325,683</u>

Of this amount \$140,000 is also time restricted in line with the contributions receivable.

**7. RETIREMENT PLAN**

The School participates in the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple employer defined benefit plan (the Plan), is administered by the TRS Board of Trustees. Participation is available to all full-time public school employees as defined by the Plan. Participant employees contributed 6% of their annual salary for the years ended June 30, 2017 and 2016. The School contributed 14.27% of each participant's annual salary for the years ended June 30, 2017 and 2016, respectively. School contributions totaled approximately \$747,000 and \$737,000 for the years ended June 30, 2017 and 2016, respectively.

**SINGLE AUDIT SECTION**



## INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Directors  
Atlanta Neighborhood Charter School, Inc.

We have audited the financial statements of Atlanta Neighborhood Charter School, Inc. (a Georgia not-for-profit organization) as of and for the year ended June 30, 2017, and have issued our report thereon dated **DATE**, which contained an unmodified opinion on those financial statements and appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Atlanta, Georgia

**Date**

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

<u>PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Date of Service</u>	<u>Grant Award #</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>Expenditures</u>
<b>MAJOR PROGRAM</b>					
US Department of Education passed through:					
State of Georgia Governor's Office					
of Student Achievement:					
Collaboration and Reflection to Enhance Atlanta					
Teacher Effectiveness in Mathematics and Science	1/1/15-12/31/19	U411C140133	84.411C	\$ 2,999,203	\$ 774,816
Total 84.411C					<u>774,816</u>
<b>NON-MAJOR PROGRAM</b>					
US Department of Agriculture passed through:					
Food and Nutrition Service:					
School Breakfast Program			10.553		<u>55,976</u>
Total 10.553					<u>55,976</u>
<b>TOTAL FEDERAL AWARDS</b>					<u>\$ 830,792</u>

See accompanying note.

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

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**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Atlanta Neighborhood Charter School, Inc. under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of Atlanta Neighborhood Charter School, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Atlanta Neighborhood Charter School, Inc.

DRAFT

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Atlanta Neighborhood Charter School, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Atlanta Neighborhood Charter School, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated **DATE**.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Atlanta Neighborhood Charter School, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Atlanta, Georgia

**DATE**

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Atlanta Neighborhood Charter School, Inc.

### **Report on Compliance for Each Major Federal Program**

We have audited Atlanta Neighborhood Charter School, Inc.'s (a nonprofit organization) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017. Atlanta Neighborhood Charter School, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for Atlanta Neighborhood Charter School, Inc.'s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Atlanta Neighborhood Charter School, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major federal program. However, our audit does not provide a legal determination of Atlanta Neighborhood Charter School, Inc.'s compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Atlanta Neighborhood Charter School, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended June 30, 2017.

### **Report on Internal Control over Compliance**

Management of Atlanta Neighborhood Charter School, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered Atlanta Neighborhood Charter School, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Atlanta Neighborhood Charter School, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Atlanta, Georgia

**DATE**

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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**Summary of Auditors' Results**

1. The auditors' report expresses an unmodified opinion on the financial statements of Atlanta Neighborhood Charter School, Inc.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported.
3. No instances of noncompliance material to the financial statements of Atlanta Neighborhood Charter School, Inc. which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal award programs are reported.
5. The auditors' report on compliance for the major federal awards programs for Atlanta Neighborhood Charter School, Inc. expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516a are reported in this Schedule.
7. The program tested as a major program was:  
84.411C Collaboration and Reflection to Enhance Atlanta Teacher Effectiveness in Mathematics and Science
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Atlanta Neighborhood Charter School, Inc. is not eligible to be considered a low risk auditee since the School has not had two years of audits under Uniform Guidance.

**Findings – Financial Statements Audit**

None

**Finding and Questioned Costs – Major Federal Award Programs Audit**

None



**SUPPLEMENTARY INFORMATION**

DRAFT

## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors  
Atlanta Neighborhood Charter School, Inc.

We have audited the financial statements of Atlanta Neighborhood Charter School, Inc. as of and for the year ended June 30, 2017 and our report thereon dated **DATE**, which expressed an unmodified opinion on those financial statements appears on pages 1-2. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental statement of net position, statement of activities, balance sheet – governmental funds, statement of revenues, expenditures and changes in fund balances – governmental funds and related reconciliations and selected notes are presented in accordance with Government Accounting Standards Board pronouncements as required by The Atlanta Public Schools and the Georgia Department of Education and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Atlanta, Georgia  
**DATE**

See Independent Auditors' Report on Supplemental Information

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

<b>ASSETS</b>	
Cash	\$ 1,663,437
Certificates of deposit	529,677
Grants receivable	96,815
Contributions receivable	140,000
Prepaid expenses	1,774
Long term assets	
Debt service reserve accounts	229,550
Capital assets (net of accumulated depreciation)	<u>2,654,217</u>
<b>TOTAL ASSETS</b>	<b><u>5,315,470</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to defined benefit pension plan	<u>2,987,282</u>
<b>LIABILITIES</b>	
Accrued payroll and benefits	919,501
Long term liabilities	
Note payable due within one year	40,507
Note payable due in more than one year	1,020,519
Net pension liability (see Note 5)	<u>9,664,852</u>
<b>TOTAL LIABILITIES</b>	<b><u>11,645,379</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to defined benefit pension plan	<u>47,793</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,654,217
Restricted	
Restricted for use in future years	276,465
Nonspendable	1,774
Unrestricted	<u>(6,322,876)</u>
<b>TOTAL NET POSITION</b>	<b><u><u>\$ (3,390,420)</u></u></b>

See Independent Auditors' Report on Supplemental Information

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Expenses	PROGRAM REVENUES		Net Revenues (Expenses) and Changes in Net Positions
		Charges For Services	Operating Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>				
Instruction	\$ 4,923,151	\$ 273,039	\$ 232,827	\$ (4,417,285)
Support services				
Pupil services	1,308,585	-	-	(1,308,585)
Improvement of instructional services	1,409,259	-	1,017,210	(392,049)
Educational media services	323,995	-	-	(323,995)
Federal grant administration	220,662	-	-	(220,662)
General administration	45,878	-	-	(45,878)
School administration	765,824	-	-	(765,824)
Business administration	370,025	-	-	(370,025)
Maintenance and operation of plant services	735,813	-	177,198	(558,615)
Other support services	70,499	-	-	(70,499)
Operations of non-instructional services				
Debt service	54,622	-	-	(54,622)
After school services	248,741	277,626	-	28,885
Food services	464,028	231,442	55,976	(176,610)
Total governmental activities	<u>\$ 10,941,082</u>	<u>\$ 782,107</u>	<u>\$ 1,483,211</u>	<u>\$ (8,675,764)</u>
<b>GENERAL REVENUES</b>				
Atlanta Public Schools Board of Education				\$ 9,145,237
Investment earnings				<u>3,150</u>
Total general revenues				<u>9,148,387</u>
<b>CHANGE IN NET POSITION</b>				472,623
<b>NET POSITION – BEGINNING OF YEAR</b>				<u>(3,863,043)</u>
<b>NET POSITION – END OF YEAR</b>				<u>\$ (3,390,420)</u>

See Independent Auditors' Report on Supplemental Information

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

<b>ASSETS</b>		
Cash		\$ 1,663,437
Certificates of deposit		529,677
Reserve accounts		229,550
Grants receivable		96,815
Contributions receivable		140,000
Other assets		<u>1,774</u>
<b>TOTAL ASSETS</b>		<b><u><u>\$ 2,661,253</u></u></b>
 <b>LIABILITIES AND FUND BALANCE</b>  		
<b>LIABILITIES</b>		
Accrued payroll and benefits		<u>\$ 919,501</u>
		<u>919,501</u>
 <b>FUND BALANCE</b>		
Nonspendable		1,774
Restricted		276,465
Unassigned		<u>1,463,513</u>
<b>TOTAL FUND BALANCES</b>		<b><u>1,741,752</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b><u><u>\$ 2,661,253</u></u></b>

See Independent Auditors' Report on Supplemental Information

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

<b>TOTAL FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>\$ 1,741,752</b>
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported as assets in governmental funds.	
These assets consist of:	
Buildings and building improvements	2,022,297
Leasehold improvements	1,424,705
Computer equipment and software	398,055
Library books	161,126
Other equipment	273,205
Furniture and fixtures	254,654
Accumulated depreciation	<u>(1,879,825)</u>
	2,654,217
Some liabilities, including pension obligations, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Net pension liability	(9,664,852)
Notes payable	(1,061,026)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.	
These consist of:	
Deferred outflows of resources – pension plan	2,987,282
Deferred inflows of resources – pension plan	<u>(47,793)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (3,390,420)</u></b>

See Independent Auditors' Report on Supplemental Information

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>REVENUES</b>	
Federal funding	\$ 830,792
State funding	108,144
Contributions	540,579
After school program	277,626
Student activity fees	273,039
Student meal income	231,442
Other revenue	6,846
Total revenues	<u>2,268,468</u>
<b>EXPENDITURES</b>	
Instruction	4,652,736
Pupil services	1,235,269
Educational media services	304,480
School administration	719,696
Business administration	355,413
General administration	45,878
Federal grant administration	207,371
Improvement of instructional services	1,392,825
Maintenance and operation of plant services	503,555
School nutrition program	446,988
After school program	248,741
Other support services	70,499
Capital outlays:	
Acquisition of capital assets	411,667
Debt service:	
Interest expense	54,622
Principal payments	37,566
Total expenditures	<u>10,687,306</u>
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	<b>(8,418,838)</b>
<b>OTHER FINANCING SOURCES</b>	
Transfers from Atlanta Public Schools	<u>9,145,237</u>
Total other financing sources	<u>9,145,237</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>726,399</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>1,015,353</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$ 1,741,752</u></u>

See Independent Auditors' Report on Supplemental Information

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

<b>TOTAL NET CHANGES IN FUND</b>		
<b>BALANCES – GOVERNMENTAL FUNDS</b>	\$	726,399
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, there amounts are:		
Capital outlay	\$ 411,667	
Depreciation expense	<u>(228,710)</u>	
Excess of capital outlay over depreciation expense		182,957
Principal debt payments are reported as expenditures in governmental funds.		
Principal payments on notes payable		39,050
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Pension expense		<u>(475,783)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>472,623</u></b>

See Independent Auditors' Report on Supplemental Information



**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**SELECTED NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**1. CAPITAL ASSETS**

Each class of capital assets is as follows as of and for the year ended June 30, 2017

	<u>Cost</u>	<u>Depreciation</u>
<b>BUILDINGS AND BUILDING IMPROVEMENTS</b>		
Beginning of year balance	\$ 1,952,014	\$ 243,968
Acquisitions	70,283	-
Dispositions	-	-
Depreciation expense	-	28,423
End of year balance	<u>\$ 2,022,297</u>	<u>\$ 272,391</u>
<b>LEASEHOLD IMPROVEMENTS</b>		
Beginning of year balance	\$ 1,208,725	\$ 704,232
Acquisitions	215,980	-
Dispositions	-	-
Depreciation expense	-	101,420
End of year balance	<u>\$ 1,424,705</u>	<u>\$ 805,652</u>
<b>COMPUTER EQUIPMENT AND SOFTWARE</b>		
Beginning of year balance	\$ 311,618	\$ 218,106
Acquisitions	86,437	-
Dispositions	-	-
Depreciation expense	-	63,017
End of year balance	<u>\$ 398,055</u>	<u>\$ 281,123</u>
<b>LIBRARY BOOKS</b>		
Beginning of year balance	\$ 145,054	\$ 115,101
Acquisitions	16,072	-
Dispositions	-	-
Depreciation expense	-	7,465
End of year balance	<u>\$ 161,126</u>	<u>\$ 122,566</u>

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**SELECTED NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**1. CAPITAL ASSETS – CONTINUED**

	<u>Cost</u>	<u>Depreciation</u>
<b>OTHER EQUIPMENT</b>		
Beginning of year balance	\$ 257,924	\$ 161,637
Acquisitions	15,281	-
Dispositions	-	-
Depreciation expense	-	10,838
End of year balance	<u>\$ 273,205</u>	<u>\$ 172,475</u>
<b>FURNITURE AND FIXTURES</b>		
Beginning of year balance	\$ 247,040	\$ 208,071
Acquisitions	7,614	-
Dispositions	-	-
Depreciation expense	-	17,547
End of year balance	<u>\$ 254,654</u>	<u>\$ 225,618</u>

**2. LONG TERM LIABILITIES**

Long term liabilities are as follows as of and for the year ended June 30, 2017:

Notes payable	
Beginning of year liability	\$ 1,100,076
Additions	-
Reductions	(39,050)
End of year balance	<u>\$ 1,061,026</u>
Balance due within one year	<u>\$ 40,507</u>
Amounts due in future years	
Year ending June 30, 2018	\$ 40,507
Year ending June 20, 2019	42,626
Year ending June 20, 2020	44,856
Year ending June 20, 2021	933,037
	<u>\$ 1,061,026</u>

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.  
SELECTED NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

### 3. RESERVE ACCOUNTS

#### NOTE 3 – RESERVE ACCOUNTS

Beginning of year balance	\$ 252,539
Additions	-
Reductions	(22,989)
	<u>                    </u>
End of year balance	<u><u>\$ 229,550</u></u>

### 4. NET POSITION AND FUND BALANCE ACCOUNTS

Nonspendable funds:	
Other assets	\$ 1,774
Reserve accounts	229,550
	<u>                    </u>
	<u><u>\$ 231,324</u></u>

Restricted net assets of \$276,465 at June 30, 2017 are available as follows:

CREATE Teacher Residency program	\$ 261,465
Capital Improvements	15,000
	<u>                    </u>
	<u><u>\$ 276,465</u></u>

Of this amount \$140,000 is also time restricted in line with the contributions receivable.

### 5. RETIREMENT PLAN

#### Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Retirement System of Georgia (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Plan Description

All teachers of the Atlanta Public School District (the District) as defined in §47-3-60 of the *Official Code of Georgia Annotated (O.C.G.A.)* and certain other support personnel as defined by §47-3-63 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the *O.C.G.A.* assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at [www.trsga.com/publications](http://www.trsga.com/publications).

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**SELECTED NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

## 5. RETIREMENT PLAN – CONTINUED

### Benefits Provided

TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

### Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2016. The School's contractually required contribution rate for the year ended June 30, 2017 was 14.27% of annual School payroll. The School's contributions to TRS were \$737,186 for the year ended June 30, 2017.

### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the School reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the School by the State of Georgia for certain public school support personnel. The amount recognized by the School as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School were as follows:

School's proportionate share of the net pension liability	\$ 9,664,852
State of Georgia's proportionate share of the net pension liability associated with the School	_____ -
Total	<u>\$ 9,664,852</u>

The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2015. An expected total pension liability as of June 30, 2016 was determined using standard roll-forward techniques. The School's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2016. At June 30 2016, the School's proportion was 0.046846% which was an increase (decrease) of 0.002225% from its proportion measured as of June 30, 2015.

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**SELECTED NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**5. RETIREMENT PLAN – CONTINUED**

For the year ended June 30, 2017, the School recognized pension expense of \$475,783 and revenue of \$0 for support provided by the State of Georgia for certain support personnel. At June 30, 2017, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 143,980	\$ 47,793
Changes of assumptions	250,500	-
Net difference between projected and actual earnings on pension plan investments	1,222,644	-
Changes in proportion and differences between School contributions and proportionate share of contributions	632,972	-
School contributions subsequent to the measurement date	737,186	-
<b>Total</b>	<b>\$ 2,987,282</b>	<b>\$ 47,793</b>

School contributions subsequent to the measurement date of \$737,186 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 1,113,116
2019	375,929
2020	856,897
2021	560,521
2022	33,026

**Actuarial Assumptions**

The total pension liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2015 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.75 – 7.00%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Post-Retirement Benefit increases	1.5% semi-annually

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**SELECTED NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**5. RETIREMENT PLAN – CONTINUED**

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females set back two years for males and set back three years for females.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset class</b>	<b>Target allocation</b>	<b>Long-term expected real rate of return*</b>
Fixed income	30.00 %	0.05
Domestic large equities	39.80	9.00
Domestic mid equities	3.70	12.00
Domestic small equities	1.50	13.50
International developed market equities	19.40	8.00
International emerging market equities	5.60	12.00
Total	<u>100.00 %</u>	

*\*Rates shown are net of inflation*

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.  
SELECTED NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

## 5. RETIREMENT PLAN – CONTINUED

### Sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate

The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	<b>1% Decrease (6.50%)</b>	<b>Current discount rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
School's proportionate share of the net pension liability	\$ 15,043,462	\$ 9,664,852	\$ 5,236,454

### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publically available at [www.trsga.com/publications](http://www.trsga.com/publications).

### Schedule of Proportionate Share of Net Pension Liability

	<b>2017</b>	<b>2016</b>	<b>2015</b>
School's proportion of the net pension liability	0.046846%	0.044621%	0.042766%
School's proportionate share of the net pension liability	\$ 9,664,852	\$ 6,793,104	\$ 5,402,920
State of Georgia's proportionate share of the net pension liability associated with the School	-	-	-
Total	<u>\$ 9,664,852</u>	<u>\$ 6,793,104</u>	<u>\$ 5,402,920</u>
School's covered-employee payroll		\$ 4,685,550	\$ 4,374,563
School's proportionate share of the net pension liability as a percentage of its covered-employee payroll		145%	124%
Plan fiduciary net position as a percentage of the total pension liability	76.06%	81.44%	84.03%

*Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.*

### Changes of Assumptions

In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.  
SELECTED NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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**5. RETIREMENT PLAN – CONTINUED**

**Method and Assumptions Used in Calculations of Actuarially Determined Contributions**

The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine the contractually required contributions for year ended June 30, 2017 reported in that schedule:

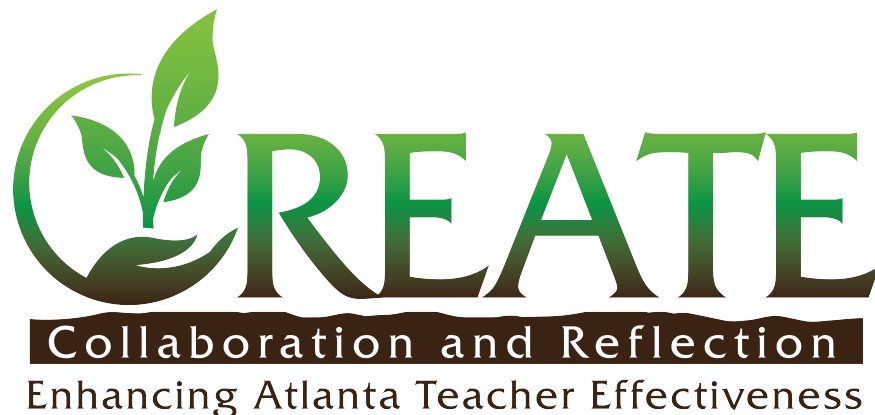
Valuation date	June 30, 2013
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Asset valuation method	Five-year smoothed market
Inflation rate	3.00%
Salary increases	3.75 – 7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Post-Retirement benefit increases	1.5% semi-annually



# Coversheet

## CREATE Teacher Residency Program Update

**Section:** III. Executive Director's Report  
**Item:** A. CREATE Teacher Residency Program Update  
**Purpose:** Discuss  
**Submitted by:** Elizabeth Hearn  
**Related Material:** CREATE\_ANCS Board Meeting\_Oct2017.pdf  
CREATE Finance Report .xlsx



**Collaboration and Reflection to Enhance Atlanta Teacher Effectiveness** (CREATE), merges an innovative teacher residency model with increased opportunities for teacher collaboration and reflection. The work of CREATE is led by Atlanta Neighborhood Charter School's Center for Collaborative Learning and Georgia State University's College of Education and Human Development (GSU CEHD). CREATE also works closely with Empirical Education, a California-based evaluation firm that monitors and appraises the implementation and impacts of programming and assists with dissemination of results.

The supportive and productive partnership between these organizations builds capacity for effective teaching, strong and positive school climate, and student-centered, equitable learning environments in publicly-funded charter and traditional neighborhood schools of southeast Atlanta.

CREATE provides three types of programming:

- A 3-year teacher residency for new teachers
- Extensive professional learning for experienced educators
- Support and facilitation for a collaborative of regional teacher induction organizations, termed the Induction Organizations Collaborative (IOC).

On September 30, 2017 CREATE was awarded \$8 million by the U.S. Education Department to support and expand programming from 2017 to 2020. As a result of this generous award, by the end of the grant period CREATE will have provided residency training for 94 new teachers and supported the collaboration and reflection of an additional 610 teachers (including 45 school leaders) in 16 schools.

For more information, contact Elizabeth Hearn ([ehearn@atlncs.org](mailto:ehearn@atlncs.org)) or see: <https://atlncs.org/create/>

Furthermore, CREATE's IOC – comprised of 14-20 educators from GSU CEHD, Atlanta Public Schools, CREATE, and school leaders – has the potential to impact 500 CEHD teacher candidates, 80-90 new APS teachers, and hundreds of experienced APS teachers, striving to positively impact 36,200 K-8 students in CREATE schools and 108,000 other APS students (K-12) over the granting period (and thousands more beyond 2020).

In addition to CREATE's recent award from the U.S. Education Department's Supporting Effective Educator Development (SEED) program, CREATE has been supported by the U.S. Education Department Investing in Innovation (i3) program, Georgia's Governor's Office of Student Achievement (GOSA) Innovation Fund, and private foundations including significant support from the RH Dobbs Foundation and The Zeist Foundation.

## CREATE 3-year residency programming

FEATURES	<b>Year 1 <i>pre-service</i></b>	<b>Year 2 <i>in-service</i></b>	<b>Year 3 <i>in-service</i></b>
<b>PROGRESSIVELY-INCREASING TEACHING RESPONSIBILITIES</b>	Student Teacher Role (residents paired in classrooms or schools)	Team-Teacher Role (paired with other Y2 resident)	Lead Teacher Role
<b>MULTI-LAYERED MENTORING AND OTHER SUPPORTS</b>	Support of Cooperating Teacher	Support of team-teacher (other Y2 resident)	Support of School-Based Mentor
	Support of University Supervisor	Support of School-Based Mentor	Support of Instructional Mentor / Program Director
	Support of on-site Program Director	Support of Instructional Mentor / Program Director	Teacher salary plus \$5k stipend
	\$5k Stipend	Paid summer learning \$3.5k	Priority to be offered teaching position in a CREATE school
		Team-teacher salary \$38k (approximate)	
<b>PROFESSIONAL GROWTH PROGRAMS</b>	Critical Friendship Participation	Critical Friendship Participation	Critical Friendship Participation
	Cognitively-Based Compassion Training	Cognitively-Based Compassion Training	Cognitively-Based Compassion Training

The residency program component of CREATE’s work is designed to

- increase student achievement
- decrease teacher attrition
- increase teacher satisfaction and effectiveness
- develop positive school climate

	2015 - 16	2016 - 17	2017-18	2018 - 19 (speculative)
<b>Atlanta N'hood Charter</b>				
<b>Toomer Elementary</b>				
<b>Burgess Peterson</b>				
<b>Wesley International</b>				
<b>King Middle</b>				
<b>Drew Charter Elem and Jr</b>				
<b>Kindezi Old Fourth Ward</b>				
<b>Thomasville Heights</b>				
<b>Obama Academy</b>				
<b>Benteen Elementary</b>				
<b>TBD (= 2-4 schools)</b>				

This diagram represents placement and hiring of CREATE residents in CREATE schools across 3 school years, 2015-2018. These are the core programming years of the federal Investing in Innovation Fund \$3M grant and first year of funding of the federal SEED grant.

CREATE is currently seeking additional foundation funding for years 2018-2020.

Y1 Resident

Y2 Resident Pair

Y3 Resident

Graduate of CREATE



**Jessica & Darryl, residents; experiencing progressive core classroom roles and cohort model**



**Blake and Aaron; mentoring**



**Experienced educators; Cognitively-Based Compassion Training**



**Experienced educators, Critical Friendship meeting**



**Cultural Competency training**



CREATE and ANCS work in close partnership with 1) Georgia State University's College of Education and Human Development (GSU CEHD), a college focused on preparing teachers for urban settings; 2) Atlanta Public Schools district; an urban district serving 55,000 K-12 students, 78% of whom qualify for free and reduced price lunch; 3) the School Reform Initiative (SRI), a non-profit organization committed to educational excellence and equity through supporting teachers in reflective collaboration and engagement in Critical Friends Groups (CFGs); 4) the Emory-Tibet Partnership at Emory University (ETP) a center focused on mindfulness to increase resilience in the face of workplace stress; and 5) several charter and traditional public schools that serve historically-marginalized communities within and near the Maynard Jackson High School "cluster". Finally, CREATE also partners with Empirical Education of Palo Alto California for the close monitoring and evaluation of the program.

## Notice

The following file is attached to this PDF. You will need to open this packet in an application that supports attachments to pdf files, e.g. [Adobe Reader](#):

CREATE Finance Report .xlsx

# Coversheet

## Changes to CCRPI

**Section:** III. Executive Director's Report  
**Item:** B. Changes to CCRPI  
**Purpose:** Discuss  
**Submitted by:** Matt Underwood  
**Related Material:** 2017 CCRPI changes.pptx.pdf





**ATLANTA NEIGHBORHOOD  
CHARTER SCHOOL**

helping students learn to use their minds well

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## **Changes to CCRPI for 2017-18 School Year** ***October 2017***

# What is CCRPI & how is it used?

- Georgia's [College and Career Ready Performance Index \(CCRPI\)](#) was first implemented in 2012 as an alternative to No Child Left Behind's Adequate Yearly Progress (AYP) as federally-required single statewide accountability system
- All K-12 public schools receive a single CCRPI score annually
- All start-up charter schools--like ANCS--must meet CCRPI-related performance goals
  - Meet/exceed authorizing district CCRPI average and state CCRPI average
  - ["Beat the odds"](#) by having higher CCRPI score than predicted based on student and school-based factors

# Why is CCRPI changing and how?

- GA has changed CCRPI calculations slightly each year since 2012, however, much larger changes coming in 2017
- Passage of the Every Student Succeeds Act (ESSA) allowed Georgia to revise CCRPI, and here is summary of changes
  - Elementary and middle schools now have four categories instead of three; High schools have five categories
  - The overall number of indicators has been reduced to 11 for elementary and middle schools and 15 for high schools
  - All “Exceeding the Bar” (ETB) indicators have been removed (SLDS, STEM, STEAM, Innovative Practice, Personalized Climate, etc.)
  - Career Lessons, Portfolios, Inventories, and Individual Graduation Plan are no longer factored into CCRPI.

**It is possible that additional changes could occur during the next 120 days.**



## 2017 College and Career Ready Performance Index Elementary School Grades K - 5

### CONTENT MASTERY

1. Weighted percent of students scoring at Developing Learner or above on the Georgia Milestones English Language Arts EOG (required participation rate  $\geq$  95%)
2. Weighted percent of students scoring at Developing Learner or above on the Georgia Milestones mathematics EOG (required participation rate  $\geq$  95%)
3. Weighted percent of students scoring at Developing Learner or above on the Georgia Milestones science EOG (required participation rate  $\geq$  95%)
4. Weighted percent of students scoring at Developing Learner or above on the Georgia Milestones social studies EOG (required participation rate  $\geq$  95%)

\*Developing Learners are weighted at 0.5, Proficient Learners are weighted at 1.0, and Distinguished Learners are weighted at 1.5.

### POST ELEMENTARY SCHOOL READINESS

5. Percent of English Learners with positive movement from one Performance Band to a higher Performance Band as measured by the ACCESS for ELLs
- ✗ Percent of Students With Disabilities served in general education environments at least 80% of the school day
7. Percent of students in grade 3 achieving a Lexile measure equal to or greater than 650 on the Georgia Milestones ELA EOG
8. Percent of students in grade 5 achieving a Lexile measure equal to or greater than 850 on the Georgia Milestones ELA EOG
- ✗ Percent of students in grades 1-5 completing the identified number of grade specific career awareness lessons aligned to Georgia's 17 Career Clusters
- ✗ Percent of 5<sup>th</sup> grade students with a complete career portfolio by the end of grade 5
11. Percent of students missing fewer than 6 days of school

### PREDICTOR FOR HIGH SCHOOL GRADUATION

- ✗. Percent of students' assessments scoring at Proficient or Distinguished Learner on all Georgia Milestones EOGs





## 2017 College and Career Ready Performance Index Middle School Grades 6 - 8

### CONTENT MASTERY

1. Weighted percent of students scoring at Developing Learner or above on the Georgia Milestones English Language Arts EOG (required participation rate  $\geq$  95%)
2. Weighted percent of students scoring at Developing Learner or above on the Georgia Milestones mathematics EOG or EOC (required participation rate  $\geq$  95%)
3. Weighted percent of students scoring at Developing Learner or above on the Georgia Milestones science EOG or EOC (required participation rate  $\geq$  95%)
4. Weighted percent of students scoring at Developing Learner or above on the Georgia Milestones social studies EOG (required participation rate  $\geq$  95%)

\*Developing Learners are weighted at 0.5, Proficient Learners are weighted at 1.0, and Distinguished Learners are weighted at 1.5.

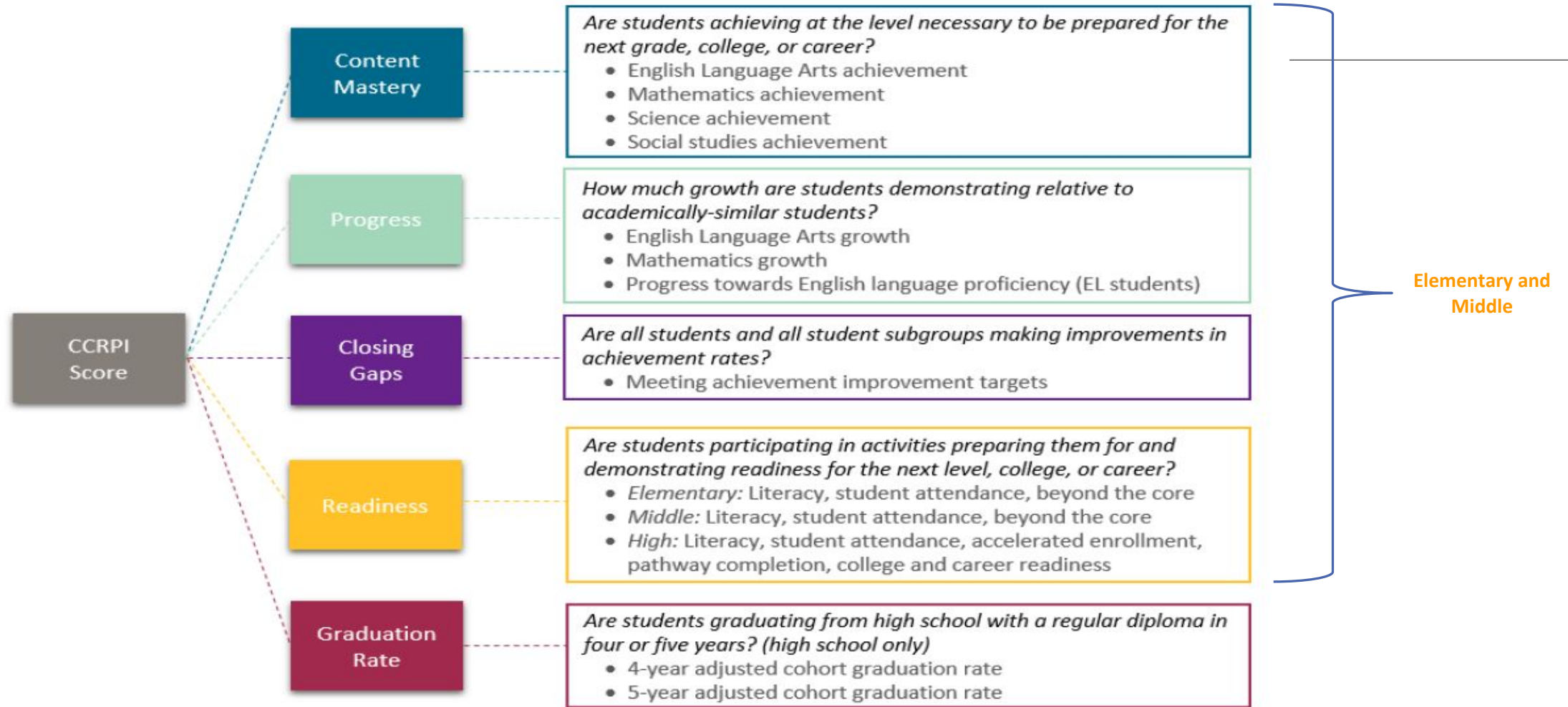
### POST MIDDLE SCHOOL READINESS

5. Percent of English Learners with positive movement from one Performance Band to a higher Performance Band as measured by the ACCESS for ELLs
- ✗ Percent of Students With Disabilities served in general education environments at least 80% of the school day
7. Percent of students in grade 8 achieving a Lexile measure equal to or greater than 1050 on the Georgia Milestones ELA EOG
- ✗ Percent of students completing 2 or more state defined career related assessments/inventories and a state defined Individual Graduation Plan by the end of grade 8
9. Percent of students missing fewer than 6 days of school

### PREDICTOR FOR HIGH SCHOOL GRADUATION

- ✗. Percent of students' assessments scoring at Proficient or Distinguished Learner on Georgia Milestones EOGs or EOCs

# CCRPI is simpler and has fewer indicators



## Category weights have been redistributed

	Elementary	Middle	High
<b>Content Mastery</b>	30%	30%	30%
<b>Progress</b>	35%	35%	30%
<b>Closing Gaps</b>	15%	15%	10%
<b>Readiness</b>	20%	20%	15%
<b>Graduation Rate</b>	*	*	15%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

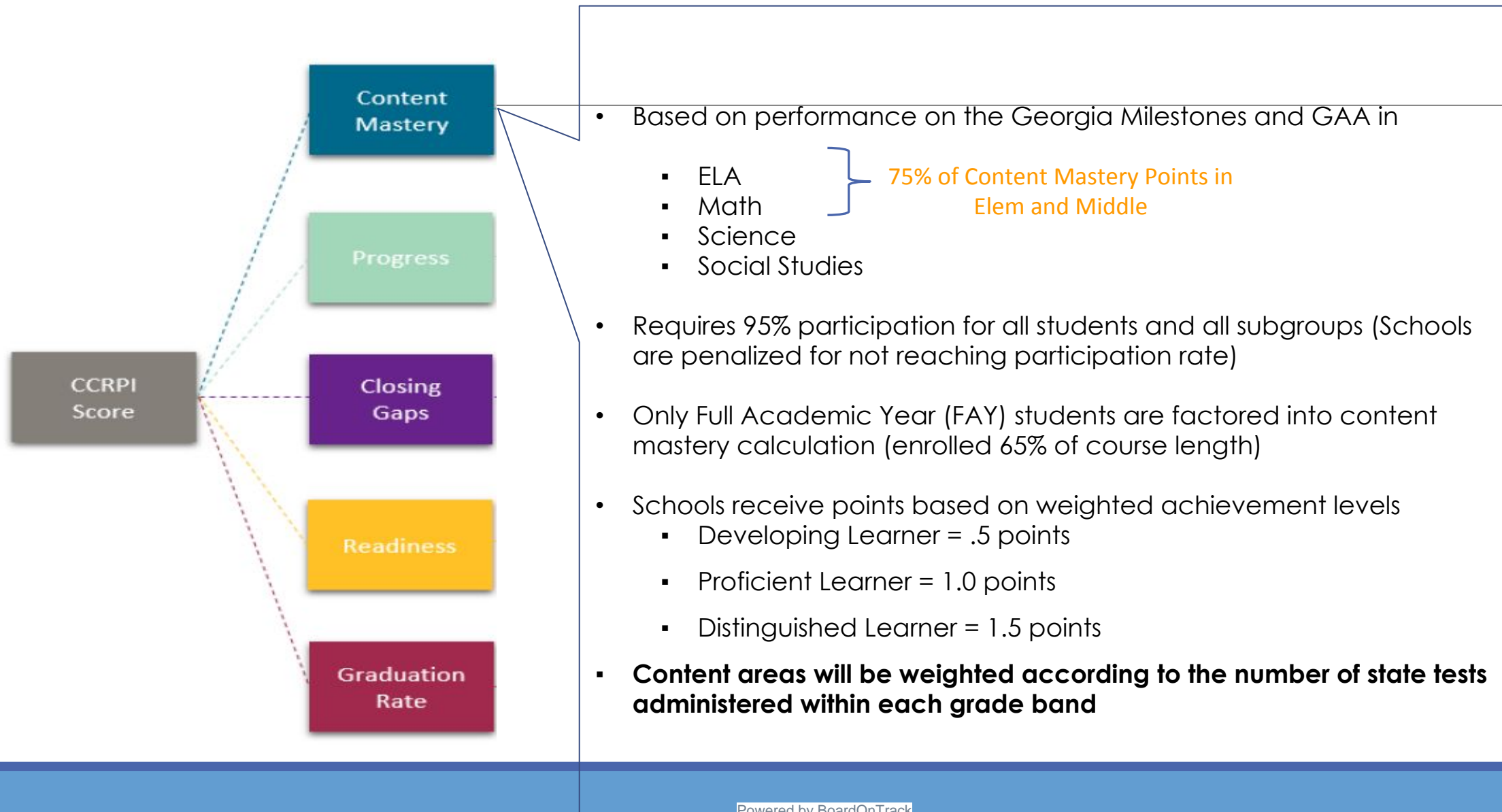
# ELA and Math have increased value on CCRPI

CCRPI Component	CCRPI Indicator	ES	MS	HS
Content Mastery	ELA Achievement	11.25	11.25	7.50
Content Mastery	Mathematics Achievement	11.25	11.25	7.50
Closing Gaps	ELA and Mathematics	7.50	7.50	5.00
Progress	ELA growth			13.50
Progress	Mathematics growth			13.50
Progress	ELA growth	15.75	15.75	
Progress	Mathematics growth	15.75	15.75	
Graduation Rate	4-Year Adjusted Cohort Graduation Rate			10.00
Graduation Rate	5-Year Adjusted Cohort Graduation Rate			5.00
Progress	Progress Towards English Language Proficiency	3.50	3.50	3.00
Content Mastery	Science Achievement	3.75	3.75	7.50
Content Mastery	Social Studies Achievement	3.75	3.75	7.50
Closing Gaps	Science and Social Studies	7.50	7.50	5.00
Readiness	Literacy	6.67	6.67	3.00
Readiness	Student Attendance	6.67	6.67	3.00
Readiness	Beyond the Core	6.67	6.67	
Readiness	Accelerate Enrollment			3.00
Readiness	Pathways			3.00
Readiness	College and Career Readiness			3.00



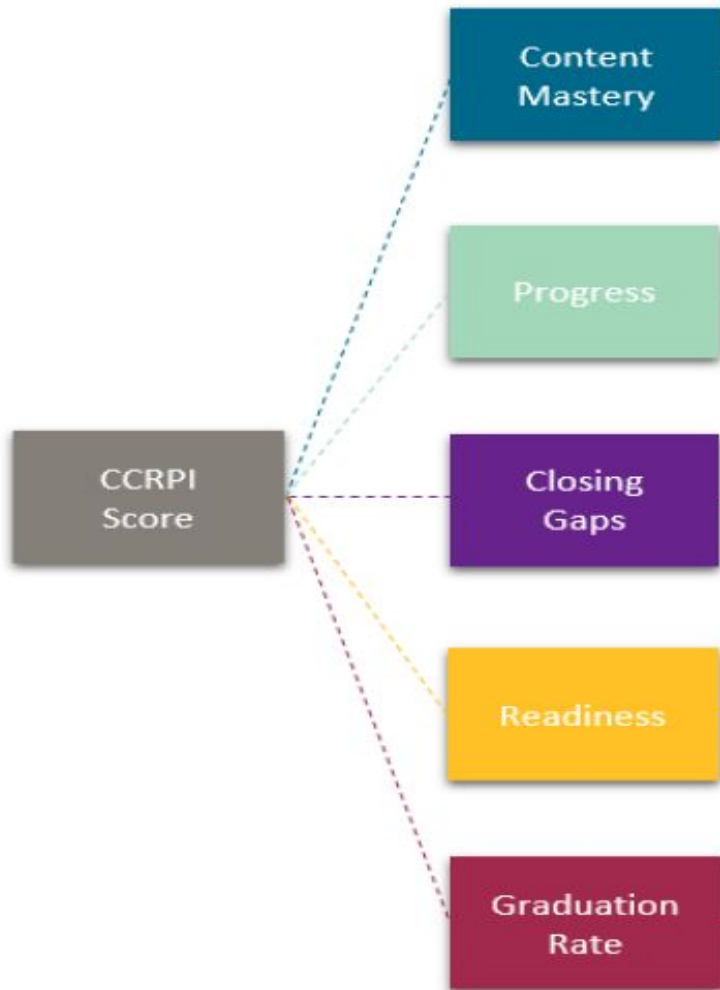
# Content Mastery

Are students achieving at the level necessary to be prepared for the next grade, college, or career?



# Progress

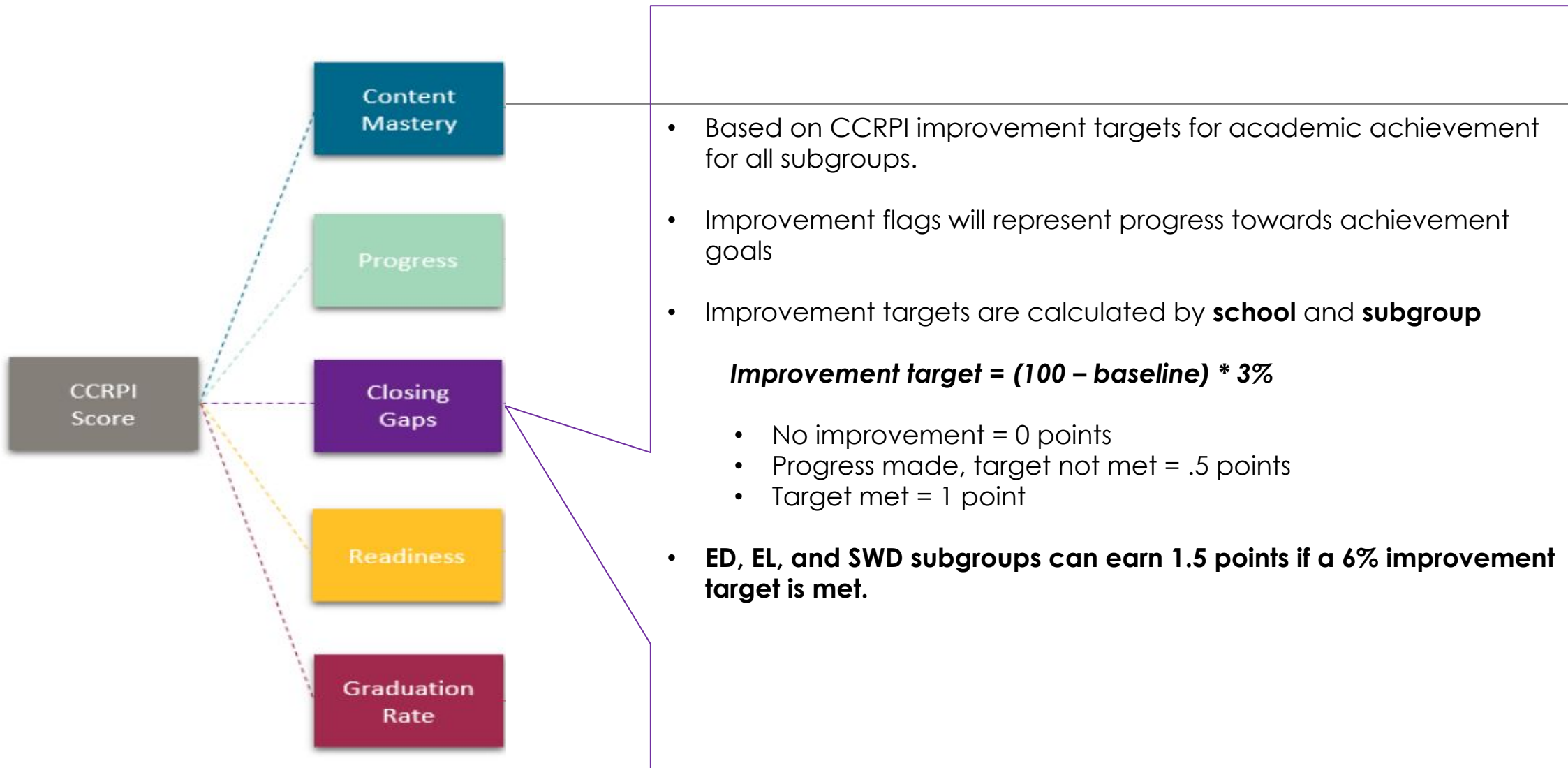
How much growth are students demonstrating relative to similar students?



- Uses Student Growth Percentiles (SGP) to measure progress in ELA and Math only.
- SGPs describe the growth a student has demonstrated relative to academically similar students.
  - Low growth (1-34)
  - Typical growth (35-65)
  - High growth (66-99)
- Progress points are weighted similar to Content Mastery
  - SGP 1-29 = 0 points
  - SGP 30-40 = .5 points
  - SGP 41-65 = 1 point
  - SGP 66-99 = 1.5 points
- ES and MS Progress towards proficiency for English Learners (EL) will be measured using performance bands on the ACCESS for ELLs.
  - No progress = 0 points
  - Less than one band = .5 points
  - One band = 1 point
  - More than one band = 1.5 points
- **ELA and mathematics will receive 90% of the weight and progress towards English language proficiency will receive 10% of the weight.**

# Closing Gaps

Are all students and all student subgroups making improvements in achievement rates?

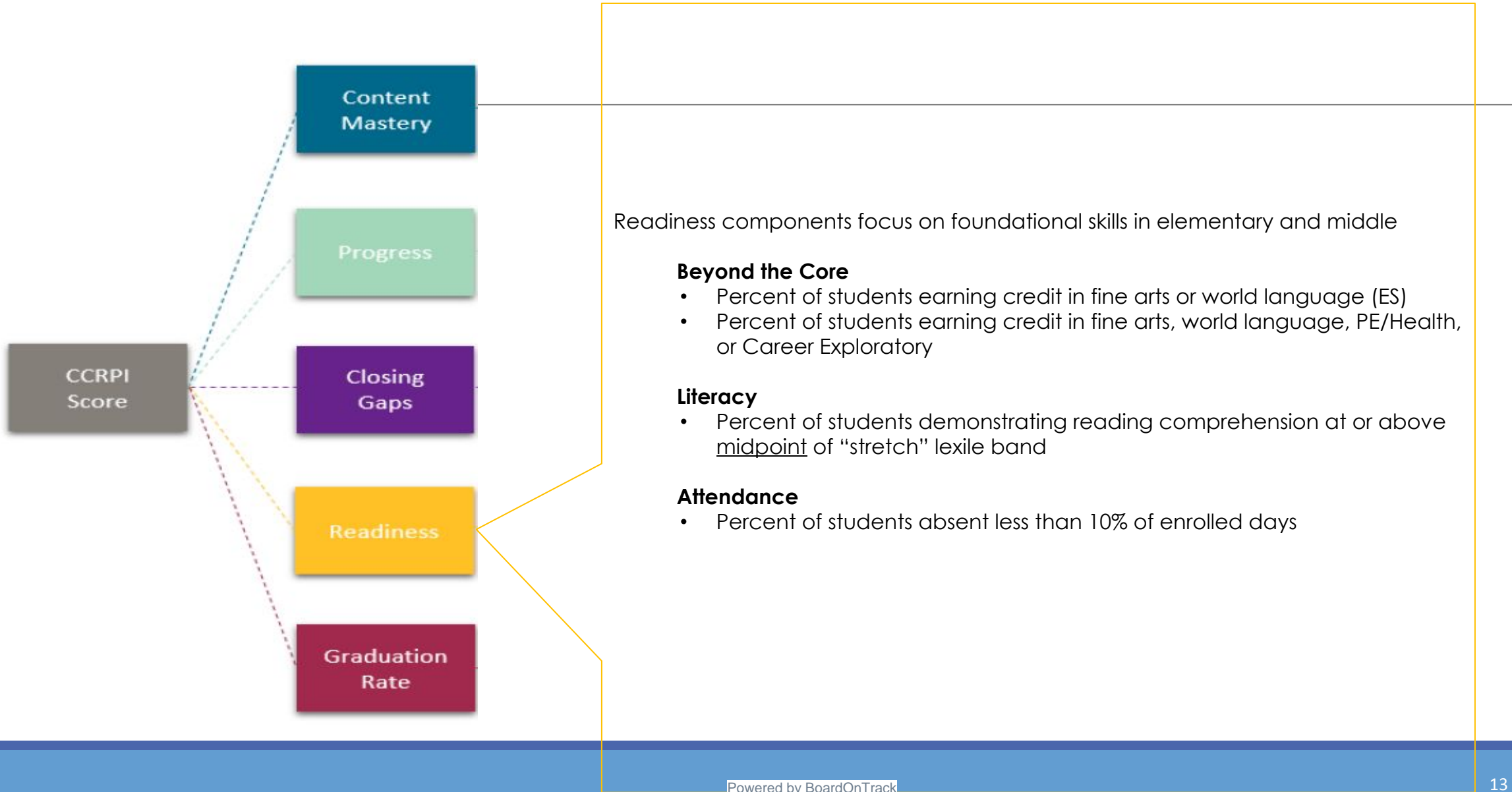


## Closing Gaps

Subgroup Performance	End of Grade			
	English Language Arts	Mathematics	Science	Social Studies
American Indian/Alaskan	NA	NA	NA	NA
Asian/Pacific Islander	P-S	P	P	P-S
Black	P	P-SG	P-SG	P
Hispanic	P	P	P	P
Multi-Racial	P	P	P	P
White	P	P	P	P
Economically Disadvantaged	P	P	P-SG	P-SG
English Learners	P	P	P	P
Students With Disability	P-SG	P-SG	P	P

# Readiness

Are students participating in activities preparing them for and demonstrating readiness for the next level, college, or career?



# Coversheet

## GaDOE Charter Schools Annual Report

**Section:** III. Executive Director's Report  
**Item:** C. GaDOE Charter Schools Annual Report  
**Purpose:** Discuss  
**Submitted by:** Matt Underwood  
**Related Material:** 2017 ANCS annual report highlights for board.pdf



## 2017 ANCS Annual Report to GaDOE

Per Georgia charter school law and individual charter contracts, all public charter schools must submit an annual report to the Georgia Department of Education with highlights of performance accountability in the areas of academics, finances, and operations along with general school information, such as the number of students on waiting lists, grade levels served, etc. Information from each individual school's annual report feeds the state's "Charter Schools and Charter Systems" annual report published on the GaDOE website.

Annual reports are submitted from schools to the GaDOE by November 1<sup>st</sup>. Below are the key highlights from the ANCS report that will be submitted later this month.

### **Accomplishments from the 2016-17 School Year**

Each school is invited to list up to six accomplishments from the school year that will be featured in the state's annual report. Below are the accomplishments listed for ANCS for the prior school year:

1. The percentage of ANCS students passing the 2016 Georgia Milestones tests in ELA and Math were among the highest of all Atlanta elementary and middle schools and exceeded scores for the state of Georgia.
2. Our middle campus officially became a "candidate school" for the International Baccalaureate "Middle Years Programme".
3. Our strong special education and support services team worked with a higher percentage of students receiving special education services than any other charter school in Atlanta and ANCS students receiving special education services outperformed peers in APS on the 2016 Georgia Milestones by 50%.
4. ANCS became the first charter school in Georgia to use a weighted student enrollment lottery to help attain a more economically diverse student body.
5. With support from a grant from the Community Foundation, we've made over \$300,000 in energy-efficient improvements to our facilities this year, including soon-to-be installed solar panels for renewable energy production at the elementary campus, to create a healthy learning environment for students.
6. Our CREATE teacher residency program expanded its work by serving over 40 residents across 8 schools. The success of the program led to an additional \$720,000 in funding from the RH Dobbs Foundation, JB Fuqua Foundation, and the Georgia Governor's Office of Student Achievement.

### **Academic Accountability**

This information below is pre-populated by the GaDOE for each charter school based on the prior school year's data. On the following page is the info for ANCS.



Previous Year Comparison	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
	2012-13		2013-14		2014-15		2015-16		2016-17	
<b>End-of-Grade Performance Targets</b>										
<b>3rd Grade</b>										
English/Language Arts	N/A	N/A	N/A	N/A	N/A	N/A	59.4	83.1	83.1	91.3
Mathematics	N/A	N/A	N/A	N/A	N/A	N/A	53.1	78.9	78.9	87.0
Science	N/A	N/A	N/A	N/A	N/A	N/A	66.1	88.0	88.0	
Social Studies	N/A	N/A	N/A	N/A	N/A	N/A	64.6	77.5	77.5	
<b>4th Grade</b>										
English/Language Arts	N/A	N/A	N/A	N/A	N/A	N/A	88.9	84.0	84.0	88.9
Mathematics	N/A	N/A	N/A	N/A	N/A	N/A	81.9	92.4	92.4	93.1
Science	N/A	N/A	N/A	N/A	N/A	N/A	65.3	76.4	76.4	
Social Studies	N/A	N/A	N/A	N/A	N/A	N/A	90.3	92.4	92.4	
<b>5th Grade</b>										
English/Language Arts	N/A	N/A	N/A	N/A	N/A	N/A	59.4	81.3	81.3	84.7
Mathematics	N/A	N/A	N/A	N/A	N/A	N/A	76.8	68.8	68.8	90.3
Science	N/A	N/A	N/A	N/A	N/A	N/A	78.9	73.6	73.6	79.2
Social Studies	N/A	N/A	N/A	N/A	N/A	N/A	85.9	86.1	86.1	91.7
<b>6th Grade</b>										
English/Language Arts	N/A	N/A	N/A	N/A	N/A	N/A	83.1	80.2	80.2	84.6
Mathematics	N/A	N/A	N/A	N/A	N/A	N/A	51.9	64.8	64.8	85.9
Science	N/A	N/A	N/A	N/A	N/A	N/A	56.3	57.6	57.6	
Social Studies	N/A	N/A	N/A	N/A	N/A	N/A	40.0	40.9	40.9	
<b>7th Grade</b>										
English/Language Arts	N/A	N/A	N/A	N/A	N/A	N/A	81.3	82.7	82.7	92.5
Mathematics	N/A	N/A	N/A	N/A	N/A	N/A	80.6	88.1	88.1	93.8
Science	N/A	N/A	N/A	N/A	N/A	N/A	67.4	74.4	74.4	
Social Studies	N/A	N/A	N/A	N/A	N/A	N/A	55.6	55.8	55.8	
<b>8th Grade</b>										
English/Language Arts	N/A	N/A	N/A	N/A	N/A	N/A	82.7	48.1	48.1	93.5
Mathematics	N/A	N/A	N/A	N/A	N/A	N/A	78.7	50.2	50.2	79.2
Science	N/A	N/A	N/A	N/A	N/A	N/A	55.5	49.0	49.0	72.7
Social Studies	N/A	N/A	N/A	N/A	N/A	N/A	55.0	37.0	37.0	80.5

**Financial Accountability**

As required by the GaDOE, ANCS will submit the FY17 financial audit conducted by the audit firm of Warren Averett that was presented to the ANCS board at the October 2017 board meeting.

**Operational Accountability**

The GaDOE asks for information related to the operational and organizational goals from the charter contract. This information is indicated below.

Contract Terms and Performance Goals	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Essential or Innovative Features (Indicate whether each essential or innovative feature was implemented. Enter 1 for Yes and 0 for No and Use the color legend to indicate the implementation of each feature.)</b>					
Learning to use one's mind well		1	1	1	1
Less is more, depth over coverage		1	1	1	1
Goals apply to all students		1	1	1	1
Personalization		1	1	1	1
Student-as-worker, teacher-as-coach		1	1	1	1
Demonstration of mastery		1	1	1	1
A tone of decency and trust		1	1	1	1
Commitment to the entire school		1	1	1	1
Resources dedicated to teaching and learning		1	1	1	1
Democracy and equity		1	1	1	1
<b>Operational Goals:</b>					
Are the curricular and educational programs aligned with mission?	1	1	1	1	1
Are you complying with all applicable laws, rules, regulations and provisions of your charter contract?	1	1	1	1	1
Does the school comply with reporting requirements?	1	1	1	1	1
QBE/FTE Reporting	1	1	1	1	1
Personnel Reporting	1	1	1	1	1
Student Record Reporting	1	1	1	1	1
CCRPI Data Reporting	1	1	1	1	1
Special Education Data Reporting	1	1	1	1	1
Required Data Surveys	1	1	1	1	1
<b>School Climate Rating</b>					
	2012-13	2013-14	2014-15	2015-16	2016-17
		2 ES 5 MS	4	4	1
				Legend:	1 0



# Coversheet

## Monthly financial statements & reports

**Section:** IV. Business & Operations  
**Item:** A. Monthly financial statements & reports  
**Purpose:** Discuss  
**Submitted by:**  
**Related Material:** October 2017 Board Memo.docx  
Revised Template 09\_30\_17 Finance Committe Report FY181.pdf



From: Ryan Camp

To: Governing Board of Directors

Cc: Kari Lovell, Matt Underwood

Re: October 2017 Business and Operations Report Summary

Date: October 17, 2017

**Cash Position** – Cash and investment balance is \$1,672,471 with \$874,847 in operating cash and \$797,624 in CD and Money market accounts. \$604,820 of invested funds are allocated as reserve funds.

**Allocation** – ANCS’s monthly allocation remained unchanged this month. All indications are that there will be an adjustment in December but we will not know what that adjustment is until we receive the allocation sheets in December.

**Grants to Green** – The last of our grants to green projects is almost complete. The electricians will be tying into the electrical system on Saturday.

**Audit** – Our 2016-2017 audit has been completed and we have received an unmodified opinion.

**CREATE** - ANCS and GSU were awarded \$8 million from US Department of Education's Supporting Effective Educator Development (SEED) grant program to continue and expand the work of the CREATE Teacher Residency Program.

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL**  
**FY 2018 - Pro Forma Monthly Cash Flow Statement**  
**September 30, 2017**

	Allocation based on FTE Count = 665											FY19	
	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
<b>Revenue</b>													
Local/State Funding	\$0	\$874,542	\$871,465	\$891,497	\$891,497	\$943,870	\$891,497	\$891,497	\$891,497	\$891,497	\$891,497	\$0	\$0
Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0
Title 2 Reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0
Contributions & Fundraising	\$6,128	\$3,022	\$4,637	\$16,000	\$14,000	\$14,000	\$14,000	\$14,000	\$100,000	\$14,000	\$20,000	\$4,872	\$0
Program Income	\$720	\$95,492	\$62,229	\$60,000	\$50,000	\$29,500	\$33,000	\$50,000	\$60,000	\$40,000	\$50,000	\$15,080	\$0
Nutrition Program Income	\$144	\$26,836	\$31,385	\$30,000	\$15,000	\$30,000	\$20,000	\$25,000	\$25,000	\$21,000	\$20,000	\$9,850	\$0
Other Income	\$149	\$353	\$208	\$500	\$500	\$700	\$700	\$800	\$1,000	\$1,000	\$1,200	\$1,200	\$500
<b>Total Revenue</b>	<b>\$7,141</b>	<b>\$1,000,245</b>	<b>\$969,924</b>	<b>\$997,997</b>	<b>\$970,997</b>	<b>\$1,018,070</b>	<b>\$974,197</b>	<b>\$981,297</b>	<b>\$1,077,497</b>	<b>\$967,497</b>	<b>\$983,697</b>	<b>\$31,002</b>	<b>\$500</b>
<b>Expenditures</b>													
Salaries and Benefits	\$609,264	\$647,806	\$683,503	\$670,000	\$675,000	\$675,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$610,000
Professional Development	\$11,147	\$4,842	\$80	\$10,000	\$5,350	\$8,000	\$3,000	\$3,000	\$3,000	\$10,000	\$3,500	\$9,500	\$0
Curriculum & Classroom Expenses	\$23,756	\$40,490	\$6,251	\$5,000	\$8,000	\$7,500	\$10,000	\$15,000	\$2,000	\$8,000	\$6,000	\$9,900	\$0
Program Expenses	\$5,887	\$8,288	\$12,839	\$20,000	\$11,500	\$15,000	\$15,000	\$25,000	\$40,000	\$10,000	\$40,000	\$4,110	\$0
Building & Grounds	\$38,451	\$66,945	\$47,396	\$40,000	\$40,000	\$35,000	\$50,000	\$35,000	\$35,000	\$50,000	\$35,000	\$33,182	\$32,000
Fixed Assets Expenditures	\$100,629	\$1,985	\$59,175	\$5,000	\$5,000	\$5,000	\$5,000	\$3,000	\$2,000	\$2,000	\$2,000	\$500	\$0
Professional Services	\$7,320	\$0	\$12,565	\$15,000	\$4,000	\$930	\$0	\$1,200	\$3,000	\$2,600	\$700	\$50	\$0
Gen&Admin/Insurance/Interest	\$19,265	\$20,680	\$20,165	\$15,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$15,000	\$15,000	\$6,235	\$4,000
Nutrition Program Expenses	\$500	\$22,381	\$20,492	\$20,000	\$15,000	\$14,000	\$17,000	\$17,000	\$21,000	\$16,000	\$16,000	\$2,500	\$0
Equipment Rental (Copiers)	\$240	\$379	\$2,014	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$3,500	\$0
Fundraising Expenses	\$0	\$4,564	\$0	\$3,000	\$2,500	\$700	\$1,500	\$2,000	\$30,000	\$500	\$500	\$0	\$0
<b>Total Expenditures</b>	<b>\$816,459</b>	<b>\$818,359</b>	<b>\$864,480</b>	<b>\$808,000</b>	<b>\$781,350</b>	<b>\$776,130</b>	<b>\$816,500</b>	<b>\$816,200</b>	<b>\$851,000</b>	<b>\$819,100</b>	<b>\$823,700</b>	<b>\$769,477</b>	<b>\$646,000</b>
<b>Total Revenues - Total Expenditures</b>	<b>(\$809,318)</b>	<b>\$181,886</b>	<b>\$105,444</b>	<b>\$189,997</b>	<b>\$189,647</b>	<b>\$241,940</b>	<b>\$157,697</b>	<b>\$165,097</b>	<b>\$226,497</b>	<b>\$148,397</b>	<b>\$159,997</b>	<b>\$(738,475)</b>	<b>\$(645,500)</b>
<b>EOM Cash Balance</b>	<b>\$874,847</b>	<b>\$874,847</b>	<b>\$874,847</b>	<b>\$1,064,844</b>	<b>\$1,254,491</b>	<b>\$1,496,431</b>	<b>\$1,654,128</b>	<b>\$1,819,225</b>	<b>\$2,045,722</b>	<b>\$2,194,119</b>	<b>\$2,354,116</b>	<b>\$1,615,641</b>	<b>\$970,141</b>
	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected

Note: Adjusted to reflect only Atlantic Capital Bank operating accounts. Not including \$797k of investments

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL**  
**Budget to Actual FY2017**  
**YTD September 30, 2017**

	Period Ended 9/30/17				
	YTD FY2017 Actual	YTD FY2018 Actual	YTD Budget	YTD \$Variance	FY2018 Budget
<b>Income</b>					
Local/State Funding	\$1,793,651	\$1,746,007	\$1,782,994	(36,987)	8,967,341
Grants	\$0	\$0	\$0	0	15,000
Title 2 Funding	\$9,791	\$0	\$0	0	1,000
Contributions & Fundraising	\$14,182	\$16,672	\$32,128	(15,456)	243,000
Prior year Facilites Grant & Title 1 Funds Received	\$121,225	\$0	\$0	0	0
Program Income	\$170,459	\$158,441	\$160,720	(2,280)	548,300
Nutrition Income	\$60,480	\$58,364	\$54,144	4,221	250,000
Other Income	\$1,373	\$710	\$1,099	(389)	8,700
<b>Total Income</b>	<b>\$ 2,171,161</b>	<b>\$1,980,194</b>	<b>\$2,031,085</b>	<b>\$ (50,891)</b>	<b>\$ 10,033,341</b>

0

<b>Expenditures</b>					
Salaries and Benefits	\$1,882,986	\$1,940,572	\$1,940,860	288	8,160,860
Professional Development	\$17,077	\$18,574	\$22,150	3,576	77,500
Curriculum & Classroom Expenses	\$106,263	\$75,618	\$124,752	49,134	196,152
Program Expenses	\$38,545	\$27,014	\$44,390	17,376	225,000
Building & Grounds	\$106,428	\$161,008	\$128,451	(32,557)	481,633
Fixed Asset Expenditures	\$105,175	\$161,789	\$156,335	(5,454)	185,835
Professional Services	\$23,750	\$19,885	\$22,520	2,635	50,000
Gen&Admin/Insurance/Interest Expense	\$69,843	\$68,811	\$64,265	(4,546)	165,500
Nutrition Program Purchases	\$41,570	\$43,370	\$41,500	(1,870)	180,000
Equipment Rental (Copiers)	\$10,129	\$2,634	\$6,500	3,866	50,000
Fundraising Expenses	\$2,679	\$4,564	\$2,500	(2,064)	43,200
Reserves Fund	\$52,500	\$42,000	\$42,000	0	210,000
<b>Total Expenditures</b>	<b>\$2,456,945</b>	<b>\$2,565,839</b>	<b>\$ 2,596,223</b>	<b>\$ 30,384</b>	<b>\$ 10,025,680</b>
Operating Income/Loss	\$ (285,784)	\$ (585,645)	\$ (565,138)	\$ (20,506)	\$ 7,661

\$2,362,050

**Total investments held by ANCS****9/30/2017**

<u>Institution</u>	<u>Investment</u>	<u>Amount</u>
Atlantic Capital Bank	Operating accounts	874,847
		<u>874,847</u>
Edward Jones - Amex Bank	CD	225,000 2 year - matures Nov 2017
Edward Jones - Ally Bank	CD	200,000 2 year - matures Apr 2018
Self-Help Credit Union	CD	229,548 1 year - matures Oct 2017
Edward Jones Bank	Money Market	104,677 Money Market account
Self-Help Credit Union	Money Market	<u>38,399</u> Money Market account
Total invested funds (not at ACB)		<b>797,624</b>
Total restricted funds - reserves		<u>-604,820</u>
Total unrestricted investments		<b>192,804</b>
Grand total ANCS funds		<b>\$1,672,471</b>

# Coversheet

## Monthly fund development report

**Section:** VI. Fund Development  
**Item:** A. Monthly fund development report  
**Purpose:** Discuss  
**Submitted by:** Meeghan Fortson  
**Related Material:** October 2017 Fund Development Board Report.pdf



**Fund Development Report // October 2017**  
**Prepared by Meeghan Fortson**  
**ANCS Governing Board Meeting // October 17, 2017**

**2017-2018 Gather & Grow Fund (Annual Campaign):**

September 2017 donations received: **\$2,891**

Year to date: **\$9,262**

# of donors: **115**

Goal: **\$125,000**

**Comparison to 2016:**

September 2016 donations received: **\$5,995**

Year to date: **\$13,333**

# of donors: **n/a**

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The **2017-2018 Gather & Grow Fund** officially kicked off at the beginning of October with a goal of \$125,000 and 100 percent participation from our community.

The totals above reflect gifts to the 2017-2018 Gather & Grow Fund received through the end of September, which is before solicitations were mailed. Most of the donations received so far are from donors who have set up recurring payments. We are tracking about \$4,000 behind where we were last year, and further research is needed to determine possible explanations. Now that the fall solicitation has been mailed (Oct 6), we expect to see a significant jump in donations over the next month.

The following activities in October are part of the launch of the 2017-2018 Gather & Grow Fund:

- On Tuesday, October 3, from 6-8pm, Matt Underwood and the Governing Board hosted a **Donor Appreciation Party** to thank *last* year's most generous donors to the school. Grant Park's Mediterranea Restaurant and Bakery closed its doors to the public to host our event. Over 50 guests attended and enjoyed heavy appetizers, cocktails, and the beautiful fall weather on the roof deck of Mediterranea. Guests included 2016-2017 Gather & Grow Fund donors at the Nurture donor level (\$1,000) or higher, 2017 Auction sponsors at the \$1,000 level and above, last year's and this year's ANCS Governing Board, and select special guests.



Mitch White, Matt Underwood, and Meeghan Fortson spoke at the event, emphasizing the importance of Fund Development to the ongoing success of ANCS. Matt announced that ANCS had been awarded a large federal grant for the CREATE program, which would not have been possible without the gifts to the operating budget that allow the school to focus on other initiatives such as CREATE. Meeghan encouraged guests to maintain their support of the Gather & Grow Fund at the leadership level and to be on the lookout for the solicitation mailing in the coming days. Meeghan thanked Mediterranean staff for their support of ANCS with a bag of ANCS gear, including t-shirts, magnets, and stickers.

On October 6, Matt Underwood sent a follow-up email to guests thanking them for coming and encouraging their leadership level support of ANCS. Photos from the event as well as the link to give online were included in the email.

- The **fall solicitation** was mailed on Friday, October 6. There were two versions of the mailing: one to Current Parents and one to Grandparents and Special Friends. The mailing included a message from Matt Underwood, a pledge card, and a reply envelope.
- The first **Fund Development Newsletter** will be emailed the week of Oct 16 to follow up on the mailing, announce the goal, and kick off the annual campaign. An announcement will also be included in the Courier.
- Meeghan Fortson attended the **Faculty and Staff meeting** on Oct 4 to encourage faculty and staff support of the 2017-2018 Gather & Grow Fund. Meeghan will email a PDF version of the fall solicitation mailing to Faculty and Staff the week of October 16.

## 2018 Auction:

We are actively recruiting leadership volunteers for the 2018 Wonderball auction. The auction is tentatively scheduled for **Saturday, March 3**. Anyone interested in volunteering for the auction should contact Meeghan Fortson at [mfortson@atlncs.org](mailto:mfortson@atlncs.org).





## **Fundraising Software Update:**

Meeghan, Matt, and Kim had the first onboarding call with Bloomerang, our new data/donor management software, on **September 19**. Kim Kurtz, Matt Underwood, and Kari Lovell met to determine next steps for gathering and preparing the data for implementation. Meeghan and Kim will meet this month to discuss the particulars of the data we plan to track with Bloomerang in an effort to meet our development/fundraising needs. It is our hope that this software will provide a more efficient and effective solution for our gift and donor tracking, reporting, and acknowledgment needs, while also allowing us to better personalize our solicitation and stewardship efforts in the future.

## **Other Meetings/Activities:**

- On September 28, Meeghan Fortson, Matt Underwood, and Kim Kurtz (Fund Development Assistant) met to discuss Fund Development activities, including the upcoming donor appreciation event and the Fall Gather & Grow Fund solicitation mailing.
- On October 6, Meeghan and Matt met to discuss Fund Development activities, including solicitation of Faculty and Staff, data/donor management software, the 2018 auction, and the Fund Development table at Grandparents and Special Friends Day.
- This week, Meeghan Fortson and Matt Underwood plan to meet with PTCA President Hannah Beth Millman, PTCA Fundraising Coordinator Rachel Ezzo, and PTCA Vice President Paige Teusink to discuss messaging around the differences between PTCA and Fund Development. This messaging will be included in Gather & Grow Fund Newsletter and PTCA Newsletter throughout the year to help clarify for parents the various ways to support ANCS.

***For a full list of Fund Development solicitations and activities, please see the calendar on the next page.***



**ANCS**  
**2017-2018 Fund Development**  
**Calendar of Solicitations & Activities**  
*Updated 10/14/17*

**July**

31 Open House at Elementary & Middle Campuses *(Fund Development has a table)*

**August**

13 New Parent Event

**October**

3 Donor Appreciation Event *(2016-2017 Gather & Grow Fund Donors at or above \$1,000)*  
4 Faculty Meeting *(Fund Development Chair to attend; encourage support of Gather & Grow Fund)*  
6 Fall solicitation letter to Parents and Grandparents (Mailed 10/6)  
6 Follow-up email to Donor Appreciation Event Attendees *(include giving link and photos)*  
17 Fund Development Newsletter #1 *(Kick off 2017-2018 Gather & Grow Fund, differences btwn PTCA & FD)*  
18 Announce 2017-2018 Gather & Grow Fund in Courier Post *(Submit by 10/17)*  
19 Email from FD Chair to Faculty/Staff with Gather & Grow PDF *(Include Participation goal)*  
20 Grandparents & Special Friends Day *(Fund Development has a table)*  
21 Fall Fest (PTCA)  
23 Follow-up email to Grandparents and Special Friends with PDF

**November**

13 Fund Development Newsletter #2 *(Promote GA Gives Day)*  
16 Georgia Gives Day *(Make your Gather & Grow Fund Donation if you haven't already!)*

**December**

18 End-of-year Email Solicitation *(Reminder of 2017 tax deadline)*  
21 Alumni Gathering *(tentative)*

**February**

12 Fund Development Newsletter #3 *(Promote Auction, Gather & Grow Reminder)*

**March**

3 Auction *(tentative)*

**May**

TBD Run With the Wolves (PTCA)  
7 Fund Development Newsletter #4 & Social Media Posts *(Promote Annual Campaign Week)*  
7-11 Annual Campaign Week *(tentative)*

**June**

11 June 30 Email Solicitation #1 – *Reminder to give by June 30*  
25 June 30 Email Solicitation #2 – *Reminder to give by June 30*  
30 June 30 Email Solicitation #3 – *Last day to give to 2017-2018 Gather & Grow Fund*

*\*\* Include messages in Courier as needed throughout the year*