

April 17, 2015

Mr. Matt Underwood
Atlanta Neighborhood Charter School, Inc.
688 Grant St. SE
Atlanta, GA 30315

Dear Matt:

I want to thank you and Atlanta Neighborhood Charter School, Inc. for your continued relationship with Warren Averett, LLC (the Firm). I appreciate this opportunity to further work with you and look forward to serving you in this capacity.

In an ongoing effort to provide exceptional service to our clients, we focus on preventing any misunderstandings regarding professional services and client expectations. Enclosed is our Terms of Engagement which outlines the services you have engaged our Firm to provide. This standard Firm document must be signed by all clients prior to the initiation of work to help both the Firm and the client have a clear understanding of the services to be provided and the terms and objectives of the engagement. The document provides for proper client communication and complies with the American Institute of Certified Public Accountants Ethics Interpretations addressing documentation of accountants' engagements to perform services.

Although the Terms of Engagement may appear formal, it is intended to support the professional and personal relationship we have with your organization. You can be assured that the Firm and I will continue to keep your best interests in mind. If you have concerns or questions regarding this document you would like to discuss, please contact me in our office at (770) 396-1100. Otherwise, please sign and return the original to me and retain a copy for your files.

I sincerely appreciate the opportunity to progress our professional relationship and look forward to many years of serving Atlanta Neighborhood Charter School, Inc.

Best regards,



Cindy Ethridge, CPA
Cindy.ethridge@warrenaverett.com
(770) 393-6380

TERMS OF ENGAGEMENT

April 17, 2015

1. ENGAGEMENT: Warren Averett, LLC is pleased to confirm our understanding of the services we are to provide for Atlanta Neighborhood Charter School, Inc. (the "Client" or "School"). This agreement confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

2. SERVICES PROVIDED: We will audit the statement of financial position of Atlanta Neighborhood Charter School, Inc. as of June 30, 2015 and the related statements of activities and cash flows for the year then ended. Also, the following additional information accompanying the basic financial statements will be subjected to the auditing procedures applied in our audit of the financial statements:

Supplementary information in accordance with Government Accounting Standards Board (GASB) ruling #34 format for each campus as required by The Atlanta Public Schools as follows: 1) Balance sheet and statement of activities and 2) detailed notes to the financial statements for any long term debt and fixed assets.

We will also prepare the School's federal and state information returns for the year ended June 30, 2015.

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may also request written representations from the School's attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of law or governmental regulations that are attributable to the School or to acts by management or employees acting on behalf of the School.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the School and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will

communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We will advise you with regard to tax positions taken in the preparation of the information returns, but the responsibility for the information returns remains with you.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, changes in net assets, and cash flows in conformity with U.S. generally accepted accounting principles. You are also responsible for management decisions and functions; for designating an individual with suitable skill, knowledge, or experience to oversee the tax services and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the School involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the School received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring the School complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud, illegal acts, or violations of contracts or grant agreements that we may report.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Cindy Ethridge is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We expect to begin our audit in June 2015 and issue our report no later than September 30, 2015.

3. DETECTION: This engagement will not include any procedures designed to detect theft or illegal acts that are immaterial to the financial statements, and the Client agrees that we will have no responsibility to do so.

4. FEES: Our fees for these services are estimated to be \$26,000 for the audit and \$3,500 for the Form 990 preparation plus any out-of-pocket costs. Other requested services will generally be billed at our standard per diem rates in effect at the time the services are performed.

5. BILLING: Invoices are due upon receipt. In the event that payment is not received within 30 days of the due date, the Client will be assessed interest charges of one percent per month on the unpaid balance. We reserve the right to suspend or terminate our work due to nonpayment. In the event that our work is suspended or terminated as a result of nonpayment, the Client agrees that we will not be responsible for the Client's failure to meet government and other filing deadlines, or for penalties or interest that may be assessed against the Client resulting from the Client's failure to meet such deadlines.

6. EMPLOYMENT: In the event you desire to employ a current employee of Warren Averett, LLC or a previous employee of Warren Averett, LLC whose termination date is within 6 months of the date services were provided to you by us, you agree to consult with us concerning such employment. In addition, if you employ such employee, you agree Warren Averett, LLC has the option to receive a reasonable placement

fee from you, in an amount determined by us not exceeding 25% of employee's annual compensation at the time of termination.

7. LEGAL FEES: In addition to the fees for services described in this agreement, the Client agrees to pay legal fees incurred in connection with any suit to recover fees due from you on this engagement, legal fees incurred by Warren Averett, LLC in responding to any third-party request for production and/or subpoenas related to your records and our work done for you in connection with an engagement thereon.

8. LIABILITY: Warren Averett, LLC's maximum liability to the Client for any reason shall be limited to the fees paid by the Client for the services or work product giving rise to the liability except and to the extent finally determined to have resulted from our willful misconduct. Without limiting the foregoing, Warren Averett, LLC's liability under this agreement is limited to the actual and direct damages incurred by the Client arising out of or related to Warren Averett, LLC's performance hereunder. In no event shall Warren Averett, LLC be liable for any incidental, consequential, special, indirect, punitive or third-party damages or claims, including, without limitation, lost profits or revenue, lost savings, lost productivity, loss of data, loss of use of equipment and loss from interruption of business, regardless of whether the form of action is based upon breach of warranty, breach of contract, negligence, strict liability in tort or any other legal theory even if Warren Averett, LLC has been advised about the possibility of such damages.

9. INDEMNITY: The Client agrees to release, defend, indemnify and hold Warren Averett, LLC and its members, managers, officers and employees and the respective heirs, executors, personal representatives, successors, and assigns of each of them harmless from any and all claims which arise from knowing misrepresentations to Warren Averett, LLC by the Client, or intentional withholding or concealment of information from Warren Averett, LLC by the Client.

10. DISPUTE RESOLUTION: By signing this agreement, you agree that any controversies, issues, disputes or claims ("Disputes") asserted or brought by or on behalf of you shall be resolved exclusively by binding arbitration administered by the American Arbitration Association (the "AAA") in accordance with the Commercial Arbitration Rules of the AAA then in effect; provided, that, by written notice delivered to you prior to or after the initiation of any arbitration claim, Warren Averett, LLC as the defendant in a Dispute may elect (a) that the Dispute shall be resolved pursuant to litigation in an Agreed Court (as defined below) and/or (b) submitted to nonbinding mediation prior to the commencement or continuation of an arbitration claim or lawsuit. If any Dispute is not arbitrated for any reason, (i) any litigation, proceedings or other legal actions related to a Dispute shall be instituted in the courts in the state of the service provider, or if it has jurisdiction, a Federal court in Birmingham, Alabama (the "Agreed Courts") and (ii) the parties, for themselves and their successors and assigns, hereby waive trial by jury of any dispute. Each party to this Agreement irrevocably submits to the exclusive jurisdiction of the Agreed Courts in connection with any such litigation, action or proceeding. Each party to this Agreement irrevocably waives, to the fullest extent permitted by applicable law, any defense or objection it may now or hereafter have to the laying of venue of any proceeding brought in Agreed Courts, and any claim that any proceeding brought in any such court has been brought in an inconvenient forum. If you recover less than that which may be offered by Warren Averett, LLC or its representatives prior to, or during the course of, any such arbitration, litigation, mediation or other settlement negotiation, then you agree to reimburse Warren Averett, LLC for any legal fees or costs incurred in the defense by Warren Averett, LLC relating to the resolution of the Dispute, discontinuance, and/or abandonment of the Dispute presented by you within 90 days subsequent to the issuance of any arbitration award or final judgment, the effective date of any mediation/settlement agreement, or the date of abandonment of the Dispute by you as perceived by Warren Averett, LLC. The parties acknowledge that (x) they have read and understood the provisions of this agreement regarding arbitration and (y) performance of this agreement will be in interstate commerce as that term is used in the Federal Arbitration Act, 9 U.S.C. § 1 et seq., and the parties contemplate substantial interstate activity in the performance of this Agreement including, without limitation, interstate travel, the use of interstate phone lines, the use of the U. S. mail services and other interstate courier services.

11. INVALIDATION: In the event that any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this agreement.

12. TERM: This agreement shall survive the termination of the Client's engagement of Warren Averett, LLC.

13. AMENDMENT: The terms and conditions of this agreement (i) apply exclusively to the services specifically set forth in the "Services Provided" section herein (the "Current Specified Services") and do not apply to any other services specifically addressed in a separate Terms of Engagement entered into between Warren Averett, LLC and the Client. This agreement replaces and amends all previous Terms of Engagement entered into between Warren Averett, LLC and the Client for the services specifically set forth in the "Services Provided" section herein (the "Current Specified Services"). This agreement does not impose upon Warren Averett, LLC any additional obligations or responsibilities with respect to any other Terms of Engagement entered into between Warren Averett, LLC and the Client.

Warren Averett, LLC

WARREN AVERETT, LLC

CLIENT SIGNATURE: If the foregoing is in accordance with the Client's understanding, please sign the copy of this letter in the space provided and return it to us.

Acknowledged:

Date