

First-Year Financial Review Report

CHARTER INFORMATION

Charter Holder Name	Unbound Academic Institute	School Name	Unbound Academy
Charter Holder Entity ID	1002639	Report Date	November 21, 2025

FOLLOW-UP SUMMARY AND OPERATIONAL DASHBOARD IMPLICATIONS

	Follow-up Action Required	Operational Dashboard Items
STUDENT COUNT	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES 12/15/2025	
PAYROLL AND RELATED OBLIGATIONS	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES 12/15/2025	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> MEASURE 2F <input type="checkbox"/> MEASURE 3
FINANCIAL OVERSIGHT AND DECISION-MAKING	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	
CURRENT FINANCIAL SITUATION	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES 12/15/2025	<input type="checkbox"/> N/A <input type="checkbox"/> MEASURE 2F <input type="checkbox"/> MEASURE 3

Failure to provide the required follow-up, as described in this report, by **Monday, December 15, 2025**, will be recorded in Measure 2e of the Charter Holder's operational performance dashboard. Submissions must be uploaded to ASBCS Online using the following steps:

- Log in to ASBCS Online (<https://asbcs.my.site.com>) with your charter representative credentials.
- Select the "Charter Holder Organization" option on the home dashboard.
- Click on the charter holder name for the school undergoing the first-year financial review.
- Select the "Document Management" tab.
- In the "Financial Review" portion of the "Reviews" section (top of "Document Management" page), choose or drag files from your device to upload and then click on the "Upload" button.

In accordance with A.A.C. R7-5-501(H), if the specified deadline has not passed, Board staff may grant a charter holder an extension to the specified deadline. To request an extension, please send an email to Andrea.Leder@asbcs.az.gov.

STUDENT COUNT

FINDINGS

The school operates as an Arizona Online Instruction ("AOI") school, which allows students to receive instruction online and does not require students to physically attend classes. Therefore, instead of counting students, Board staff conducted a document review.

Board staff reviewed estimated count and ADM summary reports issued by the Arizona Department of Education ("ADE"), as well as reports from the school's attendance, learning management and other systems documenting, for example, minutes logged, assignments completed or progress made. Based on attendance system documentation provided in September 2025, 123 students had logged minutes during the school year.¹

As part of the document review, Board staff contacted the Charter Holder for clarification regarding how the Charter Holder ensures only daily time on academic tasks is reported to ADE. During that process, the Charter Holder indicated it is "currently developing a strategy to prevent the logging of inactive time for students in the future, and we will share this strategy with you once it is finalized."

¹ Please note if an enrolled AOI student does not log minutes or otherwise participate in the program, then the school receives no funding for that student.

REQUIRED SUBMISSIONS

1. An update on the strategy developed by the Charter Holder to ensure students' inactive time is not reported to ADE. At a minimum, the update should identify the specific steps the Charter Holder has already completed, the specific steps that are in-process, and the Charter Holder's timeline for fully implementing its strategy.
2. An update on the Charter Holder's progress in identifying each student's daily inactive minutes for the first part of the school year and the Charter Holder's timeline for uploading corrected data to ADE with each student's inactive minutes removed.

The information requested above must be uploaded to ASBCS Online (see page 1 of this report).

Follow up due by **December 15, 2025**.

PAYROLL AND RELATED OBLIGATIONS

FINDINGS

School employees are to be paid weekly. Benefits provided to school employees include medical, vision, life and disability insurance, along with paid sick leave. The school is in the process of setting up a 403(b) retirement option for employees. Payroll-related documentation was reviewed and the following determinations made.

SCHOOL EMPLOYEES PAID ☒ YES ☐ NO

WITHHOLDINGS/DEDUCTIONS OCCURRING ☒ YES ☐ NO

REQUIRED WITHHELD/DEDUCTED AMOUNTS BEING REMITTED ☒ YES ☐ NO

At the end of October, the Charter Holder provided copies of the returns filed with the Arizona Department of Revenue and Arizona Department of Economic Security for the quarter ending September 30, 2025.

REQUIRED SUBMISSIONS

For the quarter ending September 30, 2025, all first-year schools must also submit to the Board a copy of the quarterly return filed with the Internal Revenue Service (Form 941).

The information requested above must be uploaded to ASBCS Online (see page 1 of this report).

Follow up due by **December 15, 2025**.

FINANCIAL OVERSIGHT AND DECISION-MAKING

FINDINGS

The members of the corporate board and school governing body are the same. The board approves the annual budget and budget revisions, reviews quarterly financial reports and oversees the annual audit process, which includes assessment of financial risk and long-term sustainability. In addition, the board approves major expenditures and financial policies and hires key personnel, including the head of school. Quarterly, the board receives financial reports, including budget-to-actual comparisons, enrollment updates and expenditure summaries. The board will also receive annual audit reports and periodic updates on financial performance and compliance matters.

REQUIRED SUBMISSIONS

NO FOLLOW-UP REQUIRED

CURRENT FINANCIAL SITUATION

FINDINGS

For this section, Board staff reviewed the Charter Holder's fiscal year 2026 budget, student count reports and the state equalization reports available through the ADE website, as well as information provided by the Charter Holder.

The table below summarizes the school's student counts at two different points and includes the school's break-even ADM as identified by the Charter Holder. Please note that as the school year progresses and the AOI students log more instructional hours, the school's average daily membership or ADM should increase along with the school's state equalization payment for the year.

ADE ADOPTED BUDGET STUDENT COUNT	200
ADE STUDENT COUNT REPORT (NOVEMBER PAYMENT)	114.5964
BREAK-EVEN ADM	135

According to the Charter Holder, "We are materially at break-even for the current school year as anticipated in the budget." Based on attendance system documentation provided by the Charter Holder, 123 students had logged minutes during the school year as of September 2025. The Charter Holder indicates the vast majority of the school's costs are variable and additional staffing will only be hired as enrollment is realized.

REQUIRED SUBMISSIONS

All first-year schools must submit the following financial reports to the Board:

1. An unaudited balance sheet (statement of financial position) that identifies the school's results at November 30, 2025 (year-to-date) and the school's unrestricted and restricted cash balances at November 30, 2025.
2. An unaudited profit and loss statement (statement of activities) that identifies the school's results for the period of July 1, 2025 through November 30, 2025.
3. The school's revenue and expense budget that compares year-to-date actual results for July 1, 2025 through November 30, 2025 and, for each line item, identifies the percentage of the school's annual budget (July 1, 2025 through June 30, 2026) represented by the actual results. Please note this information may be provided separately or included on the profit and loss statement submitted under bullet 2 above.

The information requested above must be uploaded to ASBCS Online (see page 1 of this report).

Follow up due by **December 15, 2025**.