

Pursuant to rule, the financial action plan must:

1. Detail the specific steps being taken by the charter holder to improve its financial performance in fiscal year 2021;
2. Identify the milestones the charter holder will use throughout fiscal year 2021 to benchmark its performance against; and
3. Be developed and approved by the charter holder's governing board.

Description	Explanation	Status
1. Use Data to Inform Decision Making at the Management Level		
Implementing the financial management process that includes monthly accountability to reporting timelines, and monthly Management Budget meetings.	Adopted a Calendar for: <ol style="list-style-type: none"> 1. Data Capture 2. Management Meetings 3. Board meetings 4. Bondholder Calls 5. Equalization Payments 	Annual Calendar Attached Below
Review enrollment levels and their implications no less than monthly, acting on negatively impactful changes as they occur	Enrollment Reports for all campuses and disaggregated bt campus are prepared and shared each month, as well as Entries and Withdrawals. Each Campus is tracking the reasons for withdrawal for each student.	Monthly
Creating payroll liability accounts to eliminate the incorrect practice of reporting payroll liabilities (specifically employee withholdings) as expenses (thereby inflating expenses significantly); ensuring account and class codes exist for the proper recording of expenses and income; creating and training employees on processes for accurate reporting of monies collected from parents; contacting vendors to ensure that invoices recorded as unpaid are valid, etc.	The Financial Team is providing updates and information as it becomes available to them. Reporting practices are pending the completion of this process.	On-going, reported monthly
. Do not make financial decisions of any consequence	Management Meeting Discussions ensure that all decisions are reviewed by	Monthly See Calendar Attached Below

<p>(or fail to make them) without understanding the full implication to the organization financial objectives in the current year, as well as how it affects the organization's financial position in the long-term.</p>		
<p>Identified Milestones</p>		
<p>2. Establish and Communicate Financial Accountability</p>		
<p>Establish formal cost centers and assign accountability to appropriate members of Management. Do this at the individual campus as well as the organizational level.</p>	<p>Cost-centers have been established for preschool, athletics, and food service. Accountability has been appropriately assigned. Accountable persons consult with the Financial Team frequently. New practices have been implemented in each cost-center to ensure the viability of those programs.</p>	<p>Identified cost Centers monitored monthly are:</p> <ul style="list-style-type: none"> -Preschool -Athletic Program -National School Lunch Program
<p>Communicate with vendors and/or staff responsible for the Borrower's accounting processes what forms and types of reports/information is necessary in order for each cost center to be effectively managed on a monthly basis.</p>	<p>Preschool: accounting, collections and fund sources with the goal of creating revenue now projected to be \$70K for SY20</p> <p>Athletic Program: increase in fees, number of players per team fundraising, cutback on expenses for coaching, referee expenses. Engaging more volunteers with the result of the program paying for itself or net zero.</p> <p>NSLP: The food service program is currently subject to further analysis. SCC improved collection procedures for students paying for lunch and is implementing stronger oversight of the Catering Service. SCC has plans to renegotiate vendor contracts associated with food service (catering in particular) with the goal of maximizing this</p>	<p>Reported at Monthly Management Meetings See Calendar Attached Below</p>

	program's financial performance. Additionally, SCC identified and is repairing a number of deficiencies in the recording process for income and expenses for food	
Identified Milestones		
3. Create Deliberate Financial Forecasting Practices		
<p>Develop a five-year financial plan for the organization that takes into account the financial imperatives facing the organization at this time.</p> <p>i. Identify where the organization needs to be (at a minimum) financially at the end of the five year period and, working backward, build a model of financial performance for each of the five years included in the projection that builds one year into the next toward the achievement of the specified goals.</p> <p>ii. Take into account financing projects, capital improvements, competitive pressures in the market, plans for expansion, programmatic improvement, etc.</p> <p>iii. Ensure that cash flows and minimum financial performance requirements are addressed in each of the years included in the projection. Year one of this projection should be the current budget year (and it should mirror the current year's budget).</p> <p>iv. Update current and future years of the projection throughout each year based on the current year's performance</p>	Example of Monthly Reports are being submitted with this document	Reported at Monthly Bondholder Calls See Calendar Attached Below
Begin the creation of the upcoming budget year's operating budget in February of	Preliminary budget meeting scheduled for February 5, 2021 during Management Meeting.	Reported at Monthly Management Meetings See Calendar Attached Below

each year. This will allow adequate time to fully vet all aspects of the budget for accuracy and still be complete by mid-late March.		
Prior to the beginning of each fiscal year, ensure the detailed operating budget described above is accurately entered into the Borrower's accounting software system.	Being implemented currently in FY21	Completed in June 2020 for FY21
Ensure the annual budget is broken down monthly in the Borrower's accounting system, based on historic patterns of receipt/expense, as well as any other timing information known at the time of entry.	Being implemented currently in FY21	Reported at Monthly Management Meetings See Calendar Attached Below
Ensure monthly budget vs. actual performance reports are presented at both the monthly budget meetings, as well as the monthly governing board meetings.	Being implemented currently in FY21	Reported at Monthly Management Meetings See Calendar Attached Below
Prior to the start of any budget year identify in rank order and by dollar amount the areas that will be cut (expenses) should enrollment deviate negatively from the projection and exceed the contingency capacity included in the budget.	FY21: Reductions will be made in non-grant funded staffing positions and/or purchased services commensurate with budgetary need	Reviewed at Monthly Management Meetings See Calendar Attached Below
Identified Milestones		
4. Implement Sound Financial Oversight Practices		
Include the following in the Monthly Board Financial Report that will be presented to Governance; Statement of Financial Position, Statement of Activities Budget vs. Actual, Statement of Cash Flows, and a		On-going since October 2019 Management Meetings See Calendar Attached Below

<p>closing projection that clearly presents where the Borrower will close the current fiscal year for both the financial framework requirements established by the ASBCS as well as any financial covenant requirements to which the Borrower is obligated related to the Series 2017 Bonds or other Indebtedness.</p>		
<p>Ensure that Governance understands its roles and responsibilities as it relates to ensuring the proper financial management of the organization.</p>	<p>Sustainability Charter Consultants (SCC) will provide training on financial reporting, and additional training will be provided as board members are added.</p>	<p>On-going</p>
<p>Ensure that individual members of the governing body understand their personal liabilities/exposure as it relates to the financial operations of the Borrower as well as certain decisions made by Management.</p>	<p>The School carries Directors and Officers Insurance, and is aware of their personal liabilities and exposure as it relates to financial operations. This will be part of training for new Board Members</p>	<p>On-going</p>
<p>Identified Milestones</p>		
<p>5. Establish, implement and Monitor an Adequate Accounting System Structure and Improve Utilization</p>		
<p>Adapted the current chart of account to make it less cumbersome. A revenue and expense chart that is intuitive and easier to understand will increase visibility into the Borrower's financial operation.</p>	<p>Recommended by Sustainability Charter Consultants in March 2019 after their initial review of the chart of accounts. Planning stages for these changes began in April 2019</p>	<p>Completed 9/2019 On-going Implementation and Monitoring</p>
<p>Moved the function designations in the current chart of account (expenses) to the "class" side of the chart of accounts. The expense chart could then be grouped by natural object (intuitive). This will</p>	<p>Recommended by Sustainability Charter Consultants in March 2019 after their initial review of the chart of accounts. Planning stages for these changes began in April 2019</p>	<p>Completed 9/2019 On-going Implementation and Monitoring</p>

make reporting much easier to utilize and create.		
Consider adding additional detail in certain of the expense accounts in order to better designate one type of expense from another. This will increase visibility into expenses, making the management of expenses easier. This should also have the effect of reducing expenses overall. Visibility often prompts questions, questions require answers, answers inform decisions, decisions change things.	Recommended by Sustainability Charter Consultants in March 2019 after their initial review of the chart of accounts. Planning stages for these changes began in April 2019, and changes began in June 2019.	Completed 9/2019 On-going Implementation and Monitoring
Revise and document Policies and Procedures and Accounting Timelines and to support a proper monthly accrual method of accounting. Consider the creation of a monthly accounting task checklist, including dates.	In Process	Projected Completion of Revised Policies and Procedures due by February 2021 Monthly Accounting Task Checklist is completed and used at Monthly Management Meetings See Calendar Attached Below
Implement and Monitor the above timelines and procedures.	On-going	Monthly Accounting Task Checklist is completed and used at Monthly Management Meetings See Calendar Attached Below
Ensure Management has the knowledge and capacity to follow up on the completion of the monthly accounting checklist described above.	Completed	Monthly Accounting Task Checklist is completed and used at Monthly Management Meetings See Calendar Attached Below
Identified Milestones		

PROPOSED
Monthly Management and Board Meetings
Champion Schools FY21
(subject to change)

Data Capture	Management Meeting	Board Meeting	Bondholder Call	Payment
August 11, 2020	August 17	August 18	August 26 at 9am	September 1, 2020
September 8, 2020	September 11 Priority/Checklist Reviewed	September 15	September 23 at 9am	October 1, 2020
October 6, 2020	October 9 Priority/Checklist Reviewed	October 13	October 28 at 9am	November 2, 2020
November 3, 2020	November 6 Priority/Checklist Reviewed	November 10	November 25 at 10am	December 1, 2020
December 1, 2020	December 4 Priority/Checklist Reviewed	December 8	December 23 at 10am	January 4, 2021
January 5, 2021	January 8 Priority/Checklist Reviewed	January 12	January 27 at 10am	February 1, 2021
February 2, 2021	February 5 Priority/Checklist Reviewed	February 9	February 24 at 10am	March 1, 2021
March 2, 2021	March 5 Priority/Checklist Reviewed	March 9	March 24 at 9am	April 1, 2021
April 6, 2021	April 9 Priority/Checklist Reviewed	April 13	April 28 at 9am	May 3, 2021
May 4, 2021	May 7 Priority/Checklist Reviewed	May 11	May 26 at 9am	June 1, 2021
June 1, 2021	June 4 Priority/Checklist Reviewed	June 8	June 23 at 9am	June 30, 2021