











Financial Performance Framework Ratings Recommendations





















Agenda

- Overview of Financial Performance Ratings
- Recommendation to issue seven notices of concern
- Recommendation to maintain four notices of concern
- Recommendation to maintain/update a Financial Improvement Plan









Financial Framework: Indicators

Category/Indicator How is this evaluated by the Authorizer?

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Sustainability Measures

- 1. Current Ratio
- 2. Unrestricted Days Cash-on-Hand Ratio
- Enrollment Variance¹
- 4. Debt Default
- 1. Total Margin
- 2. Debt to Asset Ratio
- 3. Cash Flow
- 4. Debt Service Coverage Ratio

^{1.} Enrollment Variance was adopted by the Authority at its June 25, 2021 board meeting for FY 23. As such, no results for FYE 22 will be presented. This leaves a total of seven indicators being reported for FY22.









Ratings

Meets Standard Rating

- Schools earning this rating in all or nearly all indicators are performing well and are generally financially viable in both the short and long-term
- The targets for this rating category set the minimum expectations for charter school performance

Does Not Meet Standard

- Schools earning this rating in some indicators have failed to meet minimum expectations which may signal potential concerns
- At a minimum, they should be subject to closer monitoring, and their status for renewal is in question

Falls Far Below Standard

- Schools earning this rating in some indicators have failed to meet minimum expectations by a significant margin signaling concerns, some of which may be immediate
- Staff will closely monitor schools with these designations, and their status for renewal is in question







SPCSA Staff's Analysis & Considerations

- 1. 37 of 44 final audits received and included
- 2. Adjustments in accordance with the Technical Guide
- 3. Extraordinary noncash PERS expenses
- 4. GASB 87
- 5. Reclassifications and Recognition Timing
- 6. Audit Findings & Deficiencies







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Indicators and Ratings

- 1. Schools will receive 8 formal ratings, or one for each indicator within the framework.
- 2. Poor financial performance measures ratings may trigger a Notice of Concern or Notice of Breach recommendation
 - 1. At least one indicator scoring at "Falls Far Below Standard" OR
 - 2. At least three indicators scoring at "Does Not Meet Standard"
- 3. Continued or significant evidence of materially weak financial performance observed through ongoing/oversight, and/or failure to make substantial progress towards remedying previously-identified concerns may result in escalated intervention.





As of March 1, 2024

Authorizing staff monitor quarterly reports throughout FY24

Audits were presented to individual charter boards

Audits were required to be submitted to SPCSA, LCB and NDE by December 1

Preliminary results were provided to schools for review

Final data presented to the Authority on March 1, 2024







Agenda Item 9a: Proposed Motion

Adopt the SPCSA Financial Performance Framework results presented for the schools listed in Appendix A for fiscal year 2023, for all eight indicators.





Agenda Item 9b: Issue Notices of Concern

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	School	Current Ratio	UDCOH	Enrollment Variance	Debt Default	Total Margin	Debt to Asset Ratio	Cash Flow	Debt Coverage Service Ratio
1	Battle Born Academy	MS	MS	MS	MS	MS	FFBS	NA-y1	DNMS
2	Discovery Charter School	DNMS	DNMS	DNMS	MS	DNMS	FFBS	DNMS	MS
3	Mater Academy of Nevada	MS	DNMS	MS	MS	FFBS	DNMS	DNMS	MS
4	Nevada Connections Academy	MS	MS	MS	MS	FFBS	MS	FFBS	DNMS
5	pilotED Cactus Park	FFBS	FFBS	FFBS	MS	DNMS	FFBS	NA-ya	DNMS
6	Sage Collegiate	FFBS	MS	DNMS	DNMS	DNMS	FFBS	NA-y1	DNMS
7	Sports Leadership and Management Academy	FFBS	MS	MS	MS	FFBS	DNMS	MS	MS









Agenda Item 9b: Proposed Motion

Issue a Notice of Concern under the Financial Performance Framework to the following seven schools and require each to develop and submit a financial improvement plan. Require each school to provide quarterly updates regarding the implementation of the improvement plan, including progress in correcting any findings:

- i. Battle Born Academy
- ii. Discovery Charter School
- iii. Mater Academy of Nevada
- iv. Nevada Connections Academy
- v. pilotED Cactus Park
- vi. Sage Collegiate Public Charter School
- vii. Sports Leadership and Management Academy







Agenda Item 9c: Maintain Notices of Concern



	School	Current Ratio	UDCOH	Enrollment Variance	Debt Default	Total Margin	Debt to Asset Ratio	Cash Flow	Debt Coverage Service Ratio
1	CIVICA Academy	MS	MS	MS	MS	MS	FFBS	MS	MS
2	Democracy Prep	FFBS	MS	MS	MS	FFBS	FFBS	MS	DNMS
3	Pinecrest Academy of Northern Nevada	MS	DNMS	MS	MS	FFBS	FFBS	DNMS	DNMS
4	Signature Preparatory	MS	MS	MS	MS	MS	FFBS	MS	MS







Agenda Item 9c: Proposed Motion

Maintain a Notice of Concern for the following schools:

- i. CIVICA Academy
- ii. Democracy Prep, and require additional monitoring as stated within the recommendation memo,
- iii. Pinecrest Academy of Northern Nevada
- iv. Signature Preparatory







Agenda Item 9d: Maintain Financial Improvement Plan

	School	Current Ratio	UDCOH	Enrollment Variance	Debt Default			Cash Flow	Debt Coverage Service Ratio
-	Legacy Traditional Schools	MS	MS	MS	MS	MS	FFBS	MS	MS

<u>Proposed Motion:</u> Maintain existing Financial Improvement Plan for Legacy Traditional Schools and require the school to develop and submit an updated plan for the fiscal years ending 2024 and 2025.















Thank you!

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