

**Joe Lombardo**  
*Governor*

**STATE OF NEVADA**

**Melissa Mackedon**  
*Executive Director*



**STATE PUBLIC CHARTER SCHOOL AUTHORITY**

**1749 North Stewart Street Suite 40**  
**Carson City, Nevada 89706-2543**  
**(775) 687-9174 • Fax (775) 687-9113**

**2080 East Flamingo Road Suite 230**  
**Las Vegas, Nevada 89119-5164**  
**(702) 486-8895 • Fax (702) 486-5543**

---

**ACTION MEMORANDUM**

---

**TO:** Eagle Charter School  
**FROM:** Melissa Mackedon  
**SUBJECT:** Response to Eagle Charter School's April 11, 2024 Email  
**DATE:** April 19, 2024  
**CC:** Kara Hendricks, Esq.

---

After careful review of Eagle Charter School's April 11, 2024, email response to SPCSA concerns, we wanted to flag a few matters for you.

- 1) The twelve-month cash flow requested and submitted as "02. Exhibit A Eagle+charter+Schools+of+Nevada Cash Flow 03-31-24" is not a twelve-month cash flow. It is a 3-month class flow showing April, May, and June 2024. A twelve-month cash flow is required. That said, there are multiple concerns outlined in this document.
  - a. The cash flow indicates a reimbursement amount of \$64,413.60 in April from Title I & II grants managed by the SPCSA. The school only submitted \$4,500 in reimbursement requests, so that is the maximum amount of cash they will be eligible for in April (assuming all paperwork was done correctly). The cash flow also indicates an additional \$27,405 from Title grants in May and June. The school amended several of its grant programs, and those are awaiting NDE approval. We cannot confidently say those approvals will happen in time to get those reimbursements by June.
  - b. The cash flow indicates \$217,300.52 in CSP reimbursement in May. As of April 10, 2024, the documents required by Opportunity 180 for the school to receive CSP reimbursements had not been submitted or were still under review, meaning the school is not eligible for reimbursements at this time. When SPCSA staff asked Opportunity 180 when Eagle could expect a reimbursement, assuming they met all the requirements, they indicated that if they were compliant and had everything submitted by April 11, the earliest the school could receive a payment

would be the end of June. Taking this into consideration, this money should not be included in any budget calculations until July or later. The SPCSA will consider a cash flow and budget that includes CSP dollars only after Opportunity180 states in writing that all conditions have been met and Eagle is eligible to receive CSP reimbursements.

- c. Removing these grant reimbursements from the April, May, and June cash flow significantly impacts the ending cash balance. The FY25 budget must reflect a more accurate picture of when the school can expect reimbursements.
  - d. Because the school has not been submitting reimbursements monthly, as required, the SPCSA has no track record of the school submitting accurate and correct reimbursement requests. When reimbursement requests are not submitted accurately, it delays reimbursement.
- 2) The tentative FY25 budget received was not submitted using the appropriate forms, required by the SPCSA, Department of Education, and Department of Taxation. Please use the proper forms that SPCSA sent to the school and included within the Epicenter task. Michael Dang also shared a copy with your financial officer of record on March 20, 2024, and a copy was given to Ms. Hendricks on April 18, 2024. In an effort to save the school time, the following issues should be addressed and approved by the Eagle board based on SPCSA preliminary analysis of what was submitted as “02. Exhibit A Eagle NV Tentative FY budget – 448- 24-25 (7).”
- a. The SPCSA will accept a budget of no more than 325 students at this time. An increase to 448 students is not reasonable or aligned with trends in Nevada. The number of students fully enrolled at the June 3 audit will be the final enrollment number and a budget with that enrollment number will be required. Any budget provided should account for current enrollment numbers anticipated at the audit. The SPCSA has encouraged Eagle to submit multiple FY25 budgets to account for multiple enrollment possibilities, including the lowest enrollment numbers for viable operation.
  - b. With a budgeted enrollment of 325 students, the amount of time to repay NDE will be extended beyond what is calculated using a 448-student count. The final budget should be updated to reflect a more reasonable enrollment, not to exceed 325.
  - c. The school submitted an FY25 grant application for Title I, totaling \$34,571.99, but included Title I revenue of \$109,702. Amend the revenue to match the grant award.
  - d. The school submitted an FY25 grant application for Title IIA, totaling \$16,803.55, but included Title IIA revenue of \$54,130 on two line items. Amend the revenue to match the grant award.
  - e. The school submitted an FY25 grant application for Title III, totaling \$5,355.06, but included Title III revenue of \$12,470. Amend the revenue to match the grant award.

- f. The school submitted an FY25 grant application for IDEA, totaling \$15,140.35, but included IDEA revenue of \$51,675. Amend the revenue to match the grant award.
- g. The difference between the grant awards the school was awarded and applied for and the revenue indicated in the budget is over \$150,000.00, a significant amount of money.
- h. The budget indicates that 15% of students have an IEP and are eligible for special education funding. As of April 17, 2024, there 159 students enrolled, 13 of whom have an IEP. This equates to 8%. Please redo the budget to show 8% of students as qualifying.  
\*\*It is important to note that should the school have 448 students enrolled and a 15% special education rate, as this budget says, that would equate to 67 students. This budget includes two special education teachers, which exceeds statutory caseload requirements. All budget line items must purport with statutory requirements.
- i. The school indicated that 77% of students are English Language Learners (ELL). The current ELL percentage is 21.7%. Please redo the budget to show 21.7%.  
\*\*It is important to also note that should the school have 448 students enrolled and a 77% ELL rate, as this budget says, that would equate to 344 students. This budget includes 2 ELL teachers, resulting in a caseload of 172 students per teacher.
- j. This budget contemplates a net profit of \$144,800 from afterschool enrichment. It also indicates that the individuals working in this program will make \$15 an hour, which seems very low. As a separate attachment, please provide evidence that your profit margins in your after-school program are this high. If they are not this high, please adjust the profit to reflect current profit margins.
- k. The landlords of Eagle Charter have allowed a rent abatement in the first year of operations. The school has been paying a fraction of the required rent. According to the rent schedule provided by Odyssey Sahara, the rent schedule will increase to \$80,929.50 in July and \$123,817.55 in November. Neither of these figures are found in the budget under facility costs.
- l. Because Eagle Charter School is not in good financial standing with NDE, the school is not eligible for an Exceptional Enrollment and Growth Audit. As such, their budget and cash flow should indicate that they will be paid on Q4 ADE for the first quarter of the year. This will extend the time it takes to pay back NDE.
- m. The budget shows total salaries of \$1,547,461.00, but a PERS liability of \$270,806.00. The current PERS rate is 34%, which equates to \$526,136.74. Please update this section of the budget.
- n. The health care costs for the school are extremely low at \$50,302. Even if the school only pays ½ of teacher health care as they have indicated, the SPCSA expects that number to be closer to \$87,000. SPCSA did receive documents regarding health care costs on 4/22/2024 and will review that information;

however, in looking at the “Anthem Current Bill” it does not appear that \$50,302 would be enough.

- o. Adjust starting cash flow to match the concern addressed in item 1c above, taking into consideration that reimbursements will not be received in accordance with the 3-month cash flow provided.
  - p. This budget does not include a counselor or social worker.
- 3) Please submit evidence that the school has \$350,000 of cash reserves set aside.
  - 4) We still have not received recordings of your board meetings. Please submit those recordings or a link to where they are located on your website in accordance with Open Meeting Law.
  - 5) A bridge loan cannot be considered in a future budget without evidence that it has been secured. Please provide that if you have it.

We look forward to getting your 12-month cash flow and FY25 Tentative Budget on the correct forms. As you know, the next SPCSA board meeting will be held on May 17, 2024. Chair Holmes-Sutton has asked that all school representatives appear in person. In order for new information to be reviewed by the staff, we will need to receive it by May 6, 2024. SPCSA staff will not have time to adequately review materials received after that date.

*M. Machado*