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MEMORANDUM

TO:	SPCSA Board
FROM:	Katie Broughton, Director of Authorizing Michael Gawthrop-Hutchins, Management Analyst III
SUBJECT:	Financial Performance Framework Recommendations for Fiscal Year 2024: Schools Recommended for No Action and Removal of Notice
DATE:	March 7, 2025

Background

All SPCSA charter schools are evaluated on the SPCSA Financial Performance Framework (FPF). All public charter schools are required to undergo an annual financial audit conducted by an independent third-party, as outlined in NAC 387.775 . The results of the annual audits are then analyzed against the SPCSA Financial Performance Framework.

The SPCSA is responsible for ensuring that sponsored schools are financially stable and meet the SPCSA board-approved financial performance standards, adopted pursuant to NRS 388A.273. These standards are designed to ensure schools maintain financial stability, safeguarding their ability to operate effectively and serve students both now and in the future.

The SPCSA Financial Performance Framework includes eight indicators, four aimed at assessing the near-term health of a school and four aimed at assessing the long-term sustainability and viability of a school. For each indicator, schools receive one of three ratings: Meets Standard (MS), Does Not Meet the Standard (DNMS), or Falls Far Below the Standard (FFBS).

As stated in the SPCSA Financial Performance Framework Technical Guide, poor financial performance measure ratings may result in intervention by the SPCSA. A school with financial framework profile results that include at least one indicator rated Falls Far Below Standard and/or at least three indicators rated at Does Not Meet Standard is generally considered out of compliance with the Financial Performance Framework. The indicators are as follows.

	Meets Standard	Does Not Meet Standard	Falls Far Below Standard
Near Term Indicators			
Current Ratio	Greater than or equal to 1.1	Between 0.90 and 1.0	Less than 0.9
Unrestricted Days Cash-On-Hand	Y1 Schools: 15+ days Y2 Schools: 30+ days All Others: 60+ days OR between 30 and 60 days with a one-year positive trend.	Between 15-30 days OR between 30 and 60 days with a one-year negative trend.	Less than 15 days
Enrollment Variance	Y1 Schools: 90%+ Y2 Schools: 92.5%+ All Others: 95%+	Between 85% and 95%	Less than 85%
Debt or Lease Default	School is not in default of any loans or lease payments.	N/A	School is in default of a loan or lease payment.
Sustainability Indicators			
Total Margin and Aggregated Three-Year Total Margin	Current Year and Aggregated Three-Year Margine are positive.	Current Year OR Aggregated Three-Year is negative.	Current Year AND Aggregated Three-Year are negative.
Debt to Asset Ratio	Less than 0.9	Between 0.90 and 1.0	Greater than 1.0
Cash Flow	Multi-year cash flow and most recent year cash flow are positive.	Muli-year cash flow OR most recent year cash flow are negative.	Both multi-year cash flow and most recent year cash flow are negative.
Debt/Lease Service Coverage Ratio	Ratio is greater than or equal to 1.10 or school does not have outstanding loan or long-term lease.	Ratio is less than 1.10.	N/A

Any school that materially fails to comply with the Financial Performance Framework may trigger revocation proceedings should financial performance not improve. Any school identified as such is typically issued a Notice to ensure the school and its governing board are aware of the material failure to comply with the Financial Performance Framework in alignment with NRS 388A.330. As a reminder, the Authority has three levels of intervention when schools do not meet organizational standards. These levels are as follows:

- Notice of Concern
- Notice of Breach
- Notice of Intent to Revoke

Mater Academy of Northern Nevada

	Current Ratio	UDCOH	Enrollment Variance	Debt Default	Total Margin	Debt to Asset Ratio	Cash Flow	Debt/Lease Coverage Ratio
Metric	≥1.1	60+ days	95%+	None	Both positive	Less than 0.9	Both Positive	≥1.1
FY24	3.3 MS	106 days MS	98.4% MS	None MS	Current Year: -2.8% 3-Year: 1.9% DNMS	0.911 DNMS	Multi: Pos 1-year: Neg DNMS	1.54 MS

Though Mater Academy of Northern Nevada (MANN) earned three "Does Not Meet Standard" ratings and is eligible for the issuance of a Notice of Concern, SPCSA staff does not recommend the Authority board issue MANN a financial Notice of Concern for FY 2024 based upon the following analysis of the above ratings:

- Debt to Asset Ratio: In order to be rated at "Meets Standard", MANN would need a debt to asset ratio of less than 0.9. The school's ratio is 0.911, which demonstrates that the school's assets are greater than their debts.
- Cash Flow: MANN experienced a negative change in their one-year cash flow; however, the change was a decrease of .9% of their total cash and 4% of their unrestricted cash. The school retained over $2 million total cash and $1.7 million dollars in unrestricted cash.

Based upon this additional ratings information, SPCSA staff does not recommend the Authority board issue MANN a financial Notice of Concern at this time.