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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:	April 18, 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

CIVICA Nevada Career and Collegiate Academy

	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	1.31 MS	85 days MS	99.1% MS	None MS	Current Year: 6.5% 3-Year: 2.5% MS	0.986 DNMS	Multi: Pos 1-year: Pos MS	2.85 MS

CIVICA Nevada Career and Collegiate Academy earned a "Meets Standard" rating in seven of the eight financial indicators. The school's Debt to Asset ratio improved from 1.03 in FY23 to 0.986 in FY24, indicating the school's assets are greater than their debts. Due to this rating improving, SPCSA staff recommends the removal of the financial Notice of Concern.

Proposed Motion: Remove the financial Notice of Concern from CIVICA Nevada Career and Collegiate Academy and return the school to financial good standing.

Democracy Prep Nevada

	Current Ratio	UDCOH	Enrollment Variance	Debt Default	Total Margin	Debt to Asset Ratio	Cash Flow	Debt/Lease Coverage Ratio
Metric	≥1.1	30-60 days with Pos 1-Year Trend	95%+	None	Both positive	Less than 0.9	Both Positive	≥1.1
FY24	2.0 MS	37 days with Pos 1-Year Trend MS	91.3% DNMS	None MS	Current Year: 18.6% 3-Year: -1.7% DNMS	0.465 MS	Multi: Pos 1-year: Pos MS	N/A MS

Democracy Prep Nevada earned a "Meets Standard" in five of the eight financial indicators. Improvements to the ratings include:

- The Current Ratio improved from 0.43 in FY23 to 2.0 in FY24, indicating the school's current assets are greater than the current liabilities.
- Both the Aggregated 3-Year Margin and Current Year Margin improved from FY23 to FY24. The Current Year Margin is positive for FY24, and the Aggregated 3-Year Margin improved to -1.7%, indicating the school is operating within its available resources.
- The Debt to Asset ratio improved from 202.6% in FY23 to 46.5% in FY24, indicating a significant reduction in total debt.
- The school paid off all long-term debt in FY24 and does not have a lease.

Based on the improvements in metrics, SPCSA staff recommends the removal of the financial Notice of Concern.

Proposed Motion: Remove the financial Notice of Concern from Democracy Prep Nevada and return the school to financial good standing.

Mater Academy of 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	3.5 MS	64 days MS	107.9% MS	None MS	Current Year: 11.1% 3-Year: 4.2% MS	.918 DNMS	Multi: Pos 1-year: Pos MS	2.76 MS

Mater Academy of Nevada earned a "Meets Standard" rating in seven of the eight financial indicators. Improvements to the ratings include:

- The Unrestricted Days Cash on Hand increased from 21 days in FY23 to 64 days in FY24.
- Both the Aggregated 3-Year Margin and Current Year Margin improved from FY23 to FY24 and are positive for FY24, indicating the school is operating within its available resources.
- The Debt to Asset ratio also decreased from 0.987 in FY23 to 0.918 in FY24, indicating the school still has assets greater than their debts and is close to meeting the 0.9 ratio set by the Financial Performance Framework.
- The school showed a 47% increase in Cash Flow from FY23 to FY24, with a balance of over $13.6 million dollars.

Due to the improvement of these ratings, SPCSA staff recommends the removal of the financial Notice of Concern.

Proposed Motion: Remove the financial Notice of Concern from Mater Academy of Nevada and return the school to financial good standing.

Signature Preparatory

	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	6.09 MS	108.9 days MS	101.6% MS	None MS	Current Year: 7.5% 3-Year: 2.3% MS	0.977 DNMS	Multi: Pos 1-year: Pos MS	1.65 MS

Signature Preparatory earned a "Meets Standard" rating in seven of the eight financial indicators. The school's Debt to Asset ratio improved from 1.01 in FY23 to 0.977 in FY24, indicating the school's assets are greater than their debts. Due to the improvement of this rating, SPCSA staff recommends the removal of the financial Notice of Concern.

Proposed Motion: Remove the financial Notice of Concern from Signature Preparatory and return the school to financial good standing.

Sports Leadership and Management Academy 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	1.2 MS	169 days MS	98% MS	None MS	Current Year: 11.2% 3-Year: 3.9% MS	0.898 MS	Multi: Pos 1-year: Pos MS	1.64 MS

Sports Leadership and Management Academy (SLAM) Nevada earned a "Meets Standard" rating in all eight financial indicators. Improvements to the ratings include:

- Both the Aggregated 3-Year Margin and Current Year Margin improved from FY23 to FY24 and are positive for FY24, indicating the school is operating within its available resources.
- The Debt to Asset ratio improved from 0.986 in FY23 to 0.898 in FY24, indicating the school's assets are greater than their debts.

Due to the improvement of these ratings, SPCSA staff recommends the removal of the financial Notice of Concern.

Proposed Motion: Remove the financial Notice of Concern from Sports Leadership and Management Academy Nevada and return the school to financial good standing.