INNOVATIONS
INTERNATIONAL CHARTER SCHOOL

August 3, 2026
Dear Melissa Mackedon,

Thank you for the opportunity to provide additional context regarding our delayed PERS payment.

The delinquency was the result of several significant and unforeseen financial obligations that occurred during the fiscal year, creating an unexpected strain on the school's operating budget. These circumstances were not the result of a lack of commitment to meeting our financial obligations, but rather the convergence of several extraordinary expenses that required immediate attention to ensure the continued operation and safety of the school.

Among the most significant factors were:

- An unexpected loss of more than **$100,000 in anticipated Title I funding**, which substantially reduced available operating revenue.
- More than **$100,000 in building maintenance and repair costs** that became the responsibility of the school after necessary repairs were not covered by the landlord. These expenditures were essential to maintain a safe and functional learning environment for students and staff.
- A substantial increase in the cost of our annual external audit. While the school contracted for audit services at **$48,900**, the final audit expenses totaled **$98,400**, nearly doubling the anticipated cost and creating an additional unplanned financial obligation.

Despite these unforeseen financial challenges, the school has already begun addressing its outstanding PERS obligation. A payment was submitted to PERS last Friday, and we are continuing to make payments toward the outstanding balance with the goal of resolving the delinquency as quickly as possible.

At the same time, the school's leadership team and Governing Board have been actively evaluating and implementing additional financial management strategies to strengthen cash flow, improve long-term fiscal stability, and ensure that all statutory obligations are met in a timely manner going forward.

In addition, the school has implemented several proactive measures to strengthen its financial position. These actions include:

- Reducing discretionary expenditures and limiting purchases of consumable materials by expanding the use of instructional technology and digital resources where appropriate.
- Conducting a comprehensive review of operational expenditures to identify additional cost-saving opportunities while preserving high-quality educational services for students.
- Implementing strategic enrollment and retention efforts to increase student enrollment, thereby strengthening future DSA revenue.
- Continuing to recruit and retain high-quality staff to support long-term student success and organizational stability.

- Actively pursuing grant opportunities and cultivating donor partnerships to secure additional funding sources.
- Exploring additional fundraising opportunities and community partnerships to diversify revenue streams.
- Closely monitoring cash flow and financial projections to ensure required obligations are prioritized and future financial risks are mitigated.

The school recognizes the seriousness of this matter and understands the implications of Senate Bill 418 regarding delinquent PERS contributions. We remain fully committed to resolving the outstanding balance as quickly as possible while continuing to exercise prudent fiscal stewardship. Our leadership team and Governing Board are actively monitoring the school's financial position and implementing strategies designed to strengthen long-term financial stability.

We appreciate the opportunity to provide this explanation and remain committed to maintaining open communication with SPCSA and PERS. Innovations International Charter School of Nevada remains dedicated to fulfilling its financial responsibilities while continuing to provide a safe, high-quality educational program for the students and families we serve.

Sincerely,

Dr. Connie Malin
Superintendent
Innovations International Charter School of Nevada