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## STATE PUBLIC CHARTER SCHOOL AUTHORITY

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### MEMORANDUM

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**TO:** SPCSA Board  
**FROM:** Katie Broughton, Director of Authorizing  
**SUBJECT:** Financial Performance Framework Recommendations for Fiscal Year 2025:  
Nevada State High School Flagship  
**DATE:** January 23, 2026

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#### 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 thirteen indicators, four aimed at assessing the near-term health of a school, four aimed at assessing the long-term sustainability and viability of a school, and five related to financial management. 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 four 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
<b>Near Term Indicators</b>			
<b>Current Ratio</b>	Greater than or equal to 1.1 OR Greater than or equal to 1 with a one-year positive trend	Between 0.90 and 1.0	Less than 0.9
<b>Unrestricted Days Cash-On-Hand</b>	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
<b>Enrollment Variance</b>	Y1 Schools: 90%+ Y2 Schools: 92.5%+ All Others: 95%+	Between 90% and 95%	Less than 90%
<b>Debt or Lease Default</b>	School is not in default of any loans or lease payments.	N/A	School is in default of a loan or lease payment.
<b>Sustainability Indicators</b>			
<b>Total Margin and Aggregated Three-Year Total Margin</b>	Current Year and Aggregated Three-Year Margin are positive.	Current Year OR Aggregated Three-Year is negative.	Current Year AND Aggregated Three-Year are negative.
<b>Debt to Asset Ratio</b>	Less than 0.9	Between 0.90 and 1.0	Greater than 1.0
<b>Cash Flow</b>	Multi-year cash flow and most recent year cash flow are positive.	Multi-year cash flow OR most recent year cash flow are negative.	Both multi-year cash flow and most recent year cash flow are negative.
<b>Debt/Lease Service Coverage Ratio</b>	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
<b>Financial Management and Oversight</b>			
<b>Annual Financial Audit</b>	The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to financial management and oversight expectations as evidenced by an annual independent audit	The school has failed to materially comply in the manner specified.	N/A
<b>Financial Reporting and Compliance</b>	The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to financial reporting requirements,	The school has failed to materially comply in the manner specified.	N/A

	Meets Standard	Does Not Meet Standard	Falls Far Below Standard
<b>Financial Oversight</b>	The school and its governing board have established, approved, and monitored annual budget execution and safeguarded the financial health and activities of the school	The school has failed to materially comply in the manner specified.	N/A
<b>Chart of Accounts</b>	The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to the use of the Chart of Accounts prescribed by the Nevada Department of Education.	The school has failed to materially comply in the manner specified.	N/A
<b>Grant Subrecipient Compliance</b>	The school materially complies with applicable laws, rules, regulations, and terms and conditions of all applicable subaward agreements; submits timely and accurate applications, reimbursement requests, and required reports; ensures completion of an annual single audit if required; and complies with the risk assessment and subrecipient monitoring process.	The school has failed to materially comply in the manner specified.	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

## Nevada State High School Flagship

Near Term Indicators	Current Ratio	Unrestricted Days Cash	Enrollment Variance	Debt Default
FY25 Result	14.51	482.9	86%	None
FY25 Rating	MS	MS	FFBS	MS

Sustainability Indicators	Total Margin	Debt-to-Asset Ratio	Cash Flow	Debt/Lease Coverage Ratio
FY25 Result	Both Positive	0.12	Both Positive	5.04
FY25 Rating	MS	MS	MS	MS

Financial Management and Oversight	Annual Audit	Financial Reporting and Compliance	Financial Oversight	Chart of Accounts	Grant Subrecipient Compliance
FY25 Rating	MS	MS	MS	MS	MS

Nevada State High School (NSHS) Flagship earned one ‘Falls Far Below Standard’ rating for Fiscal Year 2025. Overall, the school appears to be in a strong financial position; however, actual enrollment at 86% of the budgeted enrollment results in lower state revenue and operating costs that were likely established based on the higher budgeted enrollment. This misalignment can place pressure on cash flow and lead to operating deficits, if not addressed.

The school adopted both a final and amended final budget in FY2025 with a projected enrollment of 903 students. However, the October 1 count of students was 777, which is used to calculate this metric. The school did experience growth in their Average Daily Enrollment (ADE) throughout the year, as shown below; however, the variance between actual and budgeted enrollment remained at less than 90%.

	Q1	Q2	Q3	Q4
ADE	757.4	773.84	798.43	797.21
Enrollment Variance	83.8%	85.7%	88.4%	88.3%

The FY2026 Enrollment Variance can be calculated using the projected enrollment included in the school’s final budget, submitted on June 8, 2025, and the school’s actual enrollment as of the October 1, 2025 student count day. NSHS Flagship’s FY2026 enrollment data are as follows:

- Final Budgeted Enrollment: 810
- October 1, 2025, Actual Enrollment Count: 769
- Enrollment Variance: 94.9%, which falls within the ‘Does Not Meet Standard’ category but is only 0.1 percentage points below the ‘Meets Standard’ threshold.

Given that the majority of NSHS Flagship’s financial indicators were strong in FY2025, and that the FY2026 enrollment variance is very close to the standard established in the Financial Performance Framework, SPCSA staff recommends no action at this time. As a result, the school would remain in good standing.