

Joe Lombardo
Governor

STATE OF NEVADA

Melissa Mackedon
Executive Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

3427 Goni Rd., Suite 103
Carson City, Nevada 89706-8011
(775) 687-9174 · Fax (775) 687-9113

500 East Warm Springs Rd., Suite 116
Las Vegas, Nevada 89119-4344
(702) 486-8895 · Fax (702) 486-5543

MEMORANDUM

TO: SPCSA Board
FROM: Katie Broughton, Director of Authorizing
SUBJECT: Financial Performance Framework Recommendations for Fiscal Year 2025:
Pinecrest Academy of Northern Nevada
DATE: January 23, 2026

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
Near Term Indicators			
Current Ratio	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
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 90% and 95%	Less than 90%
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 Margins 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.	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.
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
Financial Management and Oversight			
Annual Financial Audit	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
Financial Reporting and Compliance	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
Financial Oversight	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
Chart of Accounts	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
Grant Subrecipient Compliance	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

Pinecrest Academy of Northern Nevada

Near Term Indicators	Current Ratio	Unrestricted Days Cash	Enrollment Variance	Debt Default
FY25 Result	2.94	81.4	100.1%	None
FY25 Rating	MS	MS	MS	MS

Sustainability Indicators	Total Margin	Debt-to-Asset Ratio	Cash Flow	Debt/Lease Coverage Ratio
FY25 Result	Both Positive	1.08	Both Positive	1.50
FY25 Rating	MS	FFBS	MS	MS

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

Pinecrest Academy of Northern Nevada (PANN) earned one ‘Falls Far Below Standard’ rating and one ‘Does Not Meet Standard’ rating for Fiscal Year 2025. The school is currently under a financial Notice of Concern, which was continued in FY2024, and the ratings for FY2025 make the school eligible for additional intervention.

PANN’s Debt-to-Asset Ratio improved between FY2024 and FY2025, decreasing from 1.10 to 1.08. While a ratio of 1.08 resulted in a ‘Falls Far Below Standard’ rating under the FY2025 Financial Performance Framework, the SPCSA board revised this metric in the updated framework beginning in FY2026. Under the revised standards, a Debt-to-Asset Ratio of 1.08 would be rated as ‘Does Not Meet Standard,’ and PANN would not be eligible for additional intervention.

The school’s audit did identify one finding related to amounts due to the school from the Pinecrest Academy of Northern Nevada Foundation; however, the necessary adjustments was recorded to correct the reported balances due to the school.

Given the school’s improved financial Debt-to-Asset Ratio and the updated Financial Performance Framework, SPCSA staff recommends that the SPCSA board remove the Notice of Concern for Pinecrest Academy of Northern Nevada and return the school to financial good standing.

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