

**Charter School Facilities Program
2022 Filing Round
Staff Summary Report – September 2025
Item #6 Resolution 25-24**

Executive Summary

Applicant/Obligor:	Natomas Unified School District
Project School:	Natomas Pacific Pathways Prep Elementary
CDS (County – District – School) Code:	34 75283 0134049
School Address:	3700 Del Paso Road, Sacramento, CA
Type of Project:	New Construction/Rehabilitation
Type of Apportionment:	Final Apportionment
County:	Sacramento County
District in which Project is Located:	Natomas Unified School District
Charter Authorizer:	Natomas Unified School District
Total New Construction Project Cost:	\$16,415,174.00
Total Rehabilitation Project Cost:	\$4,725,684.00
Total Combined Project Cost:	\$21,140,858.00
State Apportionment (50% Project Cost):	\$10,570,429.00
First Year of Occupancy of New Project:	Occupied 2022-23

Staff recommends that the California School Finance Authority (Authority or CSFA) Board determine that Natomas Unified School District (NUSD) on behalf of Natomas Pacific Pathways Prep Elementary (NP3), is financially sound for Charter School Facilities Program (Program or CSFP) Final Apportionment. This determination, as it relates to Final Apportionment, shall remain in effect for twelve months and assumes no financial, operational, or legal material findings within this period. Staff recommends that the CSFA Board direct staff to immediately notify the Office of Public School Construction (OPSC) and the State Allocation Board (SAB) regarding this determination.

Application Highlights: Below staff highlighted key criteria evaluated when conducting the financial soundness review for NP3. Detailed information is contained in the body of the report:

Criteria	Comments
Demographic Information	In FY24/25, NP3 had a total enrollment of 485 students in grades K-5; the average daily attendance (ADA) rate was 97.2%, and the Unduplicated Pupil Percentage (UPP) of ADA was 55.6%. In FY24/25, NUSD had a total enrollment of 11,074 students in grades K-12; the ADA rate was 92.8%.
Origin of Lump Sum	NUSD has satisfied the local matching share requirement by drawing from general obligation bond proceeds raised by the passage of Measure L (2018), which specified \$20.83 million for this site. Staff would note this project was fully funded and completed as of Aug. 2022.
Eligibility Criteria	NP3 has met all eligibility criteria: (1) NP3 commenced operations in 2016; (2) NP3 charter is in place through June 2028. (3) NP3 is currently in good standing with its chartering authority.
Student Performance	NP3 students' performance consistently exceeded that of peers in their local district during the period examined, based on California standardized testing (CAASPP).

Program Eligibility: NUSD has confirmed that as of September 19th, 2025, that NP3 is in compliance with the terms of its Charter Agreement and has no pending or outstanding Notices of Violation or Intent to Revoke.

Legal Status Questionnaire: Staff reviewed the applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed that would lead staff to question the financial or legal integrity of this applicant.

Project Description: The rehabilitation scope of this project consisted of the replacement-in-kind of six portable classrooms, restrooms, and administration area with permanent modular buildings. The rehab/replacement area is comprised of 5,760 square feet of classroom area, 960 square feet of 'other' area, and 360 square feet of restroom space. The expected capacity of this project will be 150 students.

The new construction scope of this project consisted of 13 permanent modular classrooms, restrooms, and support space constructed in two permanent modular buildings. The expected capacity of this project will be 325 students.

This project was completed in the Fall of 2022 and occupied at the beginning of the 2022-23 school year.

School Organizational Information: NP3 manages three high performing schools in a K12 continuum. Students matriculate from the elementary school to the middle school, and to the high school where nearly every student graduates (98%) and completes the requirements to enroll at a UC or CSU campus (92%).

NP3 is governed by a seven-member board, which is elected annually and includes a parent representative from each school (elementary, middle, high), as well as one student

representative. Marcie Dart is the current school principal. Staff reviewed the credentials of the principal and board members, and determined that collectively and individually, the management team demonstrates having the required experience and educational background to effectively oversee the operations of NP3.

2025-26 NP3 Board of Directors

Name	Position	Term Expiration
David Hunt	Board President	2025-26
Chris Minero	Member	2025-26
Douglas Cancer	Member	2025-26
Deb Wurgler	Member	2025-26
Pak Tang	Member	2025-26
Troy Nunley	Member	2025-26
Morgan Flournoy	Student Board Member	2025-26

School Academic Performance: The following tables represent the recent academic performance of NP3, a similar local elementary school, Natomas Park Elementary; and NUSD. Results are provided through the California Department of Education's CAASPP Smarter Balanced testing data. The percentages represent students who met or exceeded performance standards.

English Language Arts Achievement

	FY22	FY23	FY24
NP3	63.63%	61.27%	67.36%
Natomas Park	38.35%	26.38%	29.48%
NUSD	44.16%	40.94%	42.53%

Mathematics Achievement

	FY22	FY23	FY24
NP3	53.41%	55.39%	65.70%
Natomas Park	31.40%	27.36%	27.33%
NUSD	28.83%	28.07%	28.74%

Enrollment Trends and Projections: The tables below present enrollment and average daily attendance information for NP3 and NUSD from FY 2021-22 through FY 2026-27. The

assumptions made in the projected years are considered reasonable by staff and consistent based on historical data.

NP3 Student Enrollment and Average Daily Attendance

Year (FY)	2022	2023	2024	2025	2026	2027
Enrollment	401	401	440	485	504	504
ADA (%)	96%	97%	96%	97%	95%	95%

NUSD Student Enrollment and Average Daily Attendance

Year (FY)	2022	2023	2024	2025	2026	2027
Enrollment	10,800	11,000	11,229	11,074	11,071	11,071
ADA (%)	91%	91%	92%	93%	92%	92%

Financial Analysis

When evaluating a project wherein the local matching share will be satisfied by a lump sum, rather than evaluating debt service coverage (as in the case of a state loan), staff seek to determine: 1) whether the school is being managed in a responsible and sustainable manner; and 2) the origin and availability of funds set aside for the local matching share.

Financial Data Sources: This financial analysis is based on the consideration and review of the following for NUSD: (1) audited financial statements for FY2021-22 through FY 2023-24; (2) budget projections for FYs 2025-26 through 2026-27 along with assumptions.

Assumptions: Staff's financial analysis of NUSD is based upon the following assumptions: (1) Project was completed in 2022 and occupied in 2022-23; (2) NUSD's local matching share totaling \$10,570,429, has already been contributed to the project; (3) district enrollment and ADA projections as provided above under Enrollment Trends and Projections.

Long-Term Liabilities: Based on available data, staff are not aware of any foreseeable long-term liabilities at this time. Additionally, obligors are required to notify the Authority before taking on additional debt that exceeds certain thresholds.

Benchmark Summary and Analysis: The following table and summary listing sets forth the results of staff's analysis regarding NP3's financial soundness. Where a threshold has been established based on industry standards or practice, the listing indicates whether or not the threshold was met.

CSFA Charter School Facilities Program									
	School>>	Natomas Pacific Pathways Prep Elementary			CDS Code>>	34 75283 0134049			
	Obligor>>	Natomas Unified School District			Open Date>>	08/01/2016			
OPERATIONAL, FINANCIAL & STUDENT PERFORMANCE M									
		Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Projected FY 2026	Projected FY 2027	AVERAGE	THRESHOLD LEVEL
OPERATIONAL & FINANCIAL									
Enrollment		10,800	11,000	11,229	11,074	11,071	11,071	11,041	< 94.0%
Average Daily Attendance (ADA)		9,806	10,014	10,374	10,279	10,179	10,179	10,139	
Average Daily Attendance (%)		90.8%	91.0%	92.4%	92.8%	91.9%	91.9%	91.8%	
LCFF Sources/ADA	\$	11,251	\$ 12,772	\$ 13,576	\$ 14,159	\$ 14,604	\$ 15,074	\$ 13,573	< 0
% Change			13.5%	6.3%	4.3%	3.1%	3.2%	6.1%	
Operating Revenues/ADA	\$	16,090	\$ 20,038	\$ 18,957	\$ 19,610	\$ 19,526	\$ 19,937	\$ 19,026	
% Change			24.5%	-5.4%	3.4%	-0.4%	2.1%	4.9%	< 0
Operating Expenses plus CSFP Loan/ADA	\$	15,524	\$ 16,924	\$ 17,911	\$ 20,623	\$ 20,241	\$ 20,716	\$ 18,656	
% Change			9.0%	5.8%	15.1%	-1.9%	2.3%	6.1%	
Free Cash Flow/ADA	\$	566	\$ 3,114	\$ 1,046	\$ (1,013)	\$ (715)	\$ (778)	\$ 370	< 0
		Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Projected FY 2026	Projected FY 2027	AVERAGE	THRESHOLD LEVEL
DEBT SERVICE COVERAGE									
Total Operating Revenues		\$157,778,688	\$200,663,314	\$196,657,580	\$201,574,648	\$198,751,501	\$ 202,943,035		< 0
Total Operating Expenses		152,228,445	169,477,728	185,807,272	211,984,383	206,028,935	210,865,483		
Total Other Sources/Uses		1,166,680	310,559	(1,122,245)	(9,445,352)	(4,415,804)	(4,363,387)		
Net Income Available for CSFP Loan Payment	\$	6,716,923	\$ 31,496,145	\$ 9,728,063	\$(19,855,087)	\$(11,693,238)	\$ (12,285,835)		< 0
Add Back Capital Outlay		2,048,875	1,627,844	1,365,293	1,713,860	30,700	70,700		
Add Back Depreciation		-	-	-	-	-	-		
Adjusted Net Income Available for CSFP Loan Payment	\$	8,765,798	\$ 33,123,989	\$ 11,093,356	\$(18,141,227)	\$(11,662,538)	\$ (12,215,135)		< 0
CSFP Loan Payments		-	-	-	-	-	-		
Free Cash Flow	\$	8,765,798	\$ 33,123,989	\$ 11,093,356	\$(18,141,227)	\$(11,662,538)	\$ (12,215,135)	\$ 1,827,374	
LIQUIDITY									
Current Assets	\$	66,345,821	\$116,009,834	\$ 99,306,772					< 5.0%
Current Liabilities		24,275,951	42,443,819	16,012,694					
Net Working Capital	\$	42,069,870	\$ 73,566,015	\$ 83,294,078					
Net Working Capital/Oper. Expenses		27.6%	43.4%	44.8%				38.6%	< 5.0%
Unrestricted Cash & Cash Equivalents	\$	51,347,765	\$ 79,143,533	\$ 86,788,710					< 90
Unrest. Cash & CE/Oper. Expenses (Days)		123	170	170					
Unrest. Cash & CE/All Expenses (Days)		123	170	170				155	

Benchmark Summary:

- Enrollment – NUSD’s average ADA rate, though slightly under our 94% benchmark, is still reasonable at 91.8%
- Free Cash Flow – NUSD operates with positive cash flow of \$1.8 million; Staff finds projections reasonable and within tolerance given the length of the period examined.
- NUSD demonstrates substantial Net Working Capital relative to Operating Expenses at 38.6%; as well as excellent Unrestricted Cash and Equivalents relative to daily Operating Expenses with over 150 days of cash on hand.
- Debt Service Coverage is not applicable for this review as the 50% local matching share was met with a lump sum contribution by NUSD.

Staff Recommendation: Staff recommends that the California School Finance Authority (CSFA) Board determine that NUSD on behalf of NP3 is financially sound for the purposes of Charter School Facilities Program (CSFP) Final Apportionment. This determination, as it relates to Final Apportionment is in place for twelve months and assumes no financial, operational, or legal material findings within this time period. Staff recommends that the CSFA Board direct staff to immediately notify the Office of Public School Construction and the State Allocation Board regarding this determination.