

**Charter School Facilities Program  
Prop 2 Filing Round  
Staff Summary Report – February 2026  
Item #09 – Resolution# 26-08**

**Executive Summary**

<b>Applicant/Obligor:</b>	<b>Natomas Charter School</b>
<b>Project School:</b>	<b>Natomas Charter School</b>
<b>CDS (County – District – School) Code:</b>	<b>34-75283-3430659</b>
<b>School Address:</b>	<b>4600 Blackrock Dr, Sacramento, CA</b>
<b>Type of Project:</b>	<b>Rehabilitation</b>
<b>Type of Apportionment:</b>	<b>Preliminary and Advance Apportionment</b>
<b>County:</b>	<b>Sacramento</b>
<b>District in which Project is Located:</b>	<b>Natomas Unified</b>
<b>Charter Authorizer:</b>	<b>Natomas Unified</b>
<b>Total OPSC Project Cost:</b>	<b>\$1,908,132</b>
<b>State Apportionment (50% Project Cost):</b>	<b>\$954,066</b>
<b>Total CSFP Financed Amount:</b>	<b>\$954,066</b>
<b>Length of CSFP Funding Agreement:</b>	<b>30 Years</b>
<b>Assumed Interest Rate:</b>	<b>3.00%</b>
<b>Estimated Annual CSFP Payment:</b>	<b>\$48,676</b>
<b>First Year of Occupancy of New Project:</b>	<b>2028</b>

Staff recommends that the California School Finance Authority (Authority or CSFA) Board determine that Natomas Charter School (NCS), is financially sound for Charter School Facilities Program (Program or CSFP) Preliminary Apportionment. This determination, as it relates to Preliminary Apportionment shall remain in effect for twelve months and assumes no financial, operational, or legal material findings within this period. This recommendation is contingent upon NCS electing to have its CSFP payments intercepted at the state-level, under Sections 17199.4 and 17078.57(a)(1)(A) of the Education Code. 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 NCS. Detailed information is contained in the body of the report:

Criteria	Comments
Demographic Information	In FY 2024-25, NCS had a total enrollment of 1,872 students in grades TK-12; the average daily attendance (ADA) rate was 96.6%, and the Unduplicated Pupil Percentage (UPP) of ADA was 42.56%.
Debt Service Coverage	NCS debt service coverage from adjusted net income on this CSFP loan is projected to average 180.2% over the first two years that payments are due.
Eligibility Criteria	NCS has met all eligibility criteria: (1) NCS commenced operations on July 1, 1993; (2) NCS charter is in place through June 30, 2029; (3) Natomas Unified (NU) has confirmed that as of January 13, 2026 NCS is in compliance with the terms of its Charter Agreement and has no pending or outstanding Notices of Violation or Intent to Revoke.
Student Performance	NCS students' performance consistently exceeded that of peers in their local district during the period examined, based on California standardized testing (CAASPP).

**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 project scope consists of replacement-in-kind of two portable classrooms, comprising 1,920 square feet of classroom area. The classrooms are grades 7-8, as shown on the corresponding site map. It is anticipated that the project will be completed in the summer of 2028 and occupied in August 2028, housing a total projected enrollment of no more than 1,588 students.

**School Organizational Information:** Natomas Charter School (NCS) is a TK–12, directly funded independent charter school serving students from the Natomas community through a diverse set of academies designed to meet varied student needs. Instruction is grounded in active, student-centered learning aligned to all applicable California State Standards, including Common Core State Standards (CCSS), Next Generation Science Standards (NGSS), English Language Development (ELD), and related frameworks. NCS is operated as a California nonprofit public benefit corporation governed by a Board of Directors composed primarily of parents and community representatives, with optional district and required student representation when applicable. The Board meets regularly to set policy and provide strategic direction, which is implemented by the Executive Director, who oversees day-to-day operations, instructional programs, and staff, and incorporates faculty input as appropriate to support the school's mission and educational goals.

**2025-26 NCS Board of Directors**

<b>Name</b>	<b>Position</b>	<b>Term Expiration</b>
Dr. Joe Wood	Executive Director	October 2026
Jennifer Morgan	Member	October 2026
Sean King	Member	October 2026
Gina Leigh	Member	October 2026
Doug Gaffney	Member	October 2026
Arsenio Mataka	Member	October 2026
Justin Garrett	Member	October 2026

**School Academic Performance:** The following tables represent the recent academic performance of NCS; a similar local elementary school, Natomas Park Elementary School; a similar local middle school, Natomas Middle School; a similar local high school, Inderkum High School; and Natomas Unified. Results are provided through the California Department of Education’s CAASPP Smarter Balanced testing data. Percentages represent students who met or exceeded performance standards.

**English Language Arts Achievement**

	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
<b>NCS</b>	<b>63.78%</b>	<b>66.30%</b>	<b>65.66%</b>	<b>66.36%</b>
Inderkum High	47.22%	49.22%	53.15%	53.32%
Natomas Middle	32.54%	26.38%	20.94%	23.49%
Natomas Park	38.35%	26.38%	29.48%	30.73%
Natomas Unified	44.16%	40.94%	42.53%	41.38%

**Mathematics Achievement**

	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
<b>NCS</b>	<b>42.19%</b>	<b>42.46%</b>	<b>41.94%</b>	<b>40.68%</b>
Inderkum High	28.31%	29.27%	25.26%	28.30%
Natomas Middle	14.41%	11.33%	9.54%	11.64%
Natomas Park	31.40%	27.36%	27.33%	30.03%
Natomas Unified	28.83%	28.07%	28.74%	29.51%

**Enrollment Trends and Projections:** The tables below present enrollment and average daily attendance information for NCS from FY 2023 through FY 2030. NCS administration anticipates occupying the proposed project facility by the start of FY 2028. The assumptions made in the projected years are considered reasonable by staff and consistent based on historical data.

**NCS Student Enrollment and Average Daily Attendance**

<b>Year (FY)</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Enrollment	1896	1869	1863	1850	1872	1872	1872	1872
ADA (%)	95.9%	95.6%	96.6%	96.5%	95%	95%	95%	95%

**Financial Analysis**

**Financial Data Sources:** This financial analysis is based on the consideration and review of the following for NCS: (1) audited financial statements for FY 2021-22 through 2023-24 (2) budget projections for FYs 2025-26 through 2030-31 along with assumptions.

**Assumptions:** Staff's financial analysis of NCS is based upon the following assumptions: (1) occupancy of the project facilities in FY 2028; (2) the repayment of NCS's CSFP matching share loan in the amount of \$823,163 at 3.0% interest commencing in FY 2029; (3) school 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 NCS'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.

OPERATIONAL, FINANCIAL & STUDENT PERFORMANCE M											
	Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030	AVERAGE	THRESHOLD LEVEL
<b>OPERATIONAL &amp; FINANCIAL</b>											
Enrollment	1,896	1,869	1,863	1,850	1,872	1,872	1,872	1,872	1,872	1,871	
Average Daily Attendance (ADA)	1,819	1,787	1,799	1,784	1,778	1,778	1,778	1,778	1,778	1,787	
Average Daily Attendance (%)	95.9%	95.6%	96.6%	96.5%	95.0%	95.0%	95.0%	95.0%	95.0%	95.5%	< 94.0%
Retention Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	< 80.0%
FTE Teachers	0	0	0	0	0	0	0	0	0	0	
LCFF Sources/ADA	\$ 9,937	\$ 11,402	\$ 12,930	\$ 12,042	\$ 12,467	\$ 12,834	\$ 13,270	\$ 13,710	\$ 13,846	\$ 12,449	
% Change		14.7%	9.9%	-3.9%	3.5%	2.9%	3.4%	3.3%	1.0%	4.4%	
Operating Revenues/ADA	\$ 12,511	\$ 14,870	\$ 17,277	\$ 15,867	\$ 15,561	\$ 15,473	\$ 15,947	\$ 16,426	\$ 16,580	\$ 15,613	
% Change		18.9%	16.2%	-8.2%	-1.9%	-0.6%	3.1%	3.0%	0.9%	3.9%	
Operating Expenses plus CSFP Loan/ADA	\$ 11,587	\$ 12,906	\$ 13,737	\$ 14,391	\$ 15,547	\$ 15,464	\$ 15,940	\$ 16,452	\$ 16,511	\$ 14,726	
% Change		11.4%	6.4%	4.8%	8.0%	-0.5%	3.1%	3.2%	0.4%	4.6%	
Free Cash Flow/ADA	\$ 924	\$ 1,965	\$ 3,540	\$ 1,476	\$ 14	\$ 9	\$ 7	\$ (26)	\$ 70	\$ 886	< 0
<b>DEBT SERVICE COVERAGE</b>											
Total Operating Revenues	\$22,752,306	\$26,570,615	\$31,084,024	\$28,313,429	\$27,666,939	\$27,511,467	\$28,353,957	\$29,206,008	\$29,479,394		
Total Operating Expenses	21,072,070	23,060,019	24,715,137	25,679,711	27,642,872	27,495,380	28,341,000	29,203,000	29,307,000		
Total Other Sources/Uses	-	-	-	-	-	-	-	-	-		
Net Income Available for CSFP Loan Payment	\$ 1,680,436	\$ 3,510,596	\$ 6,368,887	\$ 2,633,718	\$ 24,067	\$ 16,087	\$ 12,957	\$ 3,008	\$ 172,394		
Add Back Capital Outlay	-	-	-	-	-	-	-	-	-		
Add Back Depreciation	-	-	-	-	-	-	-	-	-		
Adjusted Net Income Available for CSFP Loan Payment	\$ 1,680,436	\$ 3,510,596	\$ 6,368,887	\$ 2,633,718	\$ 24,067	\$ 16,087	\$ 12,957	\$ 3,008	\$ 172,394		
CSFP Loan Payments	-	-	-	-	-	-	-	48,676	48,676		
Free Cash Flow	\$ 1,680,436	\$ 3,510,596	\$ 6,368,887	\$ 2,633,718	\$ 24,067	\$ 16,087	\$ 12,957	\$ (45,668)	\$ 123,718	\$ 1,591,644	< 0
DSC from Adj. Net Income								6.2%	354.2%	180.2%	< 110.0%
DSC from LCFF Sources subject to CSFA Intercept								49949.6%	50449.1%	50199.3%	> 15.0%
CSFP Loan Payments/Oper. Revenues	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%	0.2%	> 15.0%
<b>FUNDRAISING</b>											
Fundraising for Operations	\$ -	\$ 113,954	\$ 235,946	\$ 373,668	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,396	
Fundraising/Oper. Revenues	0.0%	0.4%	0.8%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	> 15.0%
DSC without Fundraising								6.2%	354.2%	180.2%	< 100.0%
% of Fundraising Required for 100% DSC											> 50.0%
<b>LIQUIDITY</b>											
Current Assets	\$19,560,381	\$21,954,299	\$26,955,123								
Current Liabilities	4,172,303	3,111,191	2,586,190								
Net Working Capital	\$15,388,078	\$18,843,108	\$24,368,933								
Net Working Capital/Oper. Expenses	73.0%	81.7%	98.6%							84.4%	< 5.0%
Unrestricted Cash & Cash Equivalents	\$18,171,246	\$19,570,066	\$25,346,099								
Unrest. Cash & CE/Oper. Expenses (Days)	315	310	374								
Unrest. Cash & CE/All Expenses (Days)	315	310	374							333	< 90

**Benchmark Summary:**

- Enrollment – Average ADA rate consistently exceeds the threshold at 95.5%.
- Free Cash Flow and/or per ADA – NCS operates with positive cash flow; Staff finds projections reasonable and within tolerance given the length of the period examined.
- Debt Service Coverage from Adj. Net Income – Estimated average debt service coverage is robust at 108.2%.
- CSFP Lease Payment relative to Operational Revenues: Representing an estimated 0.2% of annual operating revenues, projected CSFP lease payments are unlikely to create any financial hardship.
- Net Working Capital relative to Operating Expenses – NCS liquidity metrics are strong with a ratio of Net Working Capital to Operational Expenses slightly over 84% and operate with 333 days of Unrestricted Cash on hand.

**Staff Recommendation:** Staff recommends that the California School Finance Authority (CSFA) Board determine that NCS is financially sound for the purposes of Charter School Facilities Program (CSFP) Preliminary and Advance Apportionment. This determination, as it relates to Preliminary and Advance Apportionment, is in place for twelve months and assumes no financial, operational, or legal material findings within this time period. This recommendation is contingent upon NCS electing to have its CSFP payments intercepted at the state-level, pursuant to Sections 17199.4. 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.