



OHIO COUNCIL OF
COMMUNITY SCHOOLS

FISCAL MEASUREMENTS SUMMARY



TOTAL MARGIN

Total Margin = Net Income / Total Revenue

This measures the surplus or deficit a school yields out of its total revenue resources. A school is operating within its available resources if its Total Margin is Positive.

The standard is set at -2.5% to allow for a very small margin of overspending in one year.

EXCEEDS STANDARD	MEETS STANDARD	DOES NOT MEET STANDARD	FALLS FAR BELOW STANDARD
Total Margin is Positive for each year of the contract.	Total Margin is Greater Than or Equal to -2.5%.	Total Margin is Less Than -2.5%.	Total Margin is Less Than -10%.



ASSETS TO LIABILITIES

Total Assets / Total Liabilities

This measurement will determine if the school has sufficient assets to cover its liabilities and obligations.

A ratio of 1.0 means that all of a school's assets are leveraged by liabilities. A school should have a ratio of 1.0 or more.

EXCEEDS STANDARD	MEETS STANDARD	DOES NOT MEET STANDARD	FALLS FAR BELOW STANDARD
Ratio is Greater Than or Equal to 1.1.	Ratio is Greater Than or Equal to 1.0.	Ratio is Less Than 1.0.	Ratio is Less Than 0.5.



DAYS CASH ON HAND

Cash / Daily Budgeted Expenses

This measurement determines how many days a school can continue to operate with no additional collection of a revenue resource.

Having 30 Days Cash on Hand will allow a school to operate for about a month if no funding were available.

EXCEEDS STANDARD	MEETS STANDARD	DOES NOT MEET STANDARD	FALLS FAR BELOW STANDARD
Cash on Hand is 60 Days or More.	Cash on Hand is 30 Days or More.	Cash on Hand is Less Than 30 Days.	Cash on Hand is Less Than 5 Days.



ENROLLMENT TRENDS

Calculating % Changes in Enrollment

This measurement is usually calculated based on FTE as reported by The Ohio Department of Education.

In Ohio, funding resources are derived from Enrollment (Full-Time Equivalency). Budgets are based on enrollment. It is imperative for schools to track enrollment and its trends to monitor its available resources.

EXCEEDS STANDARD	MEETS STANDARD	DOES NOT MEET STANDARD	FALLS FAR BELOW STANDARD
Steady Increase in Enrollment for 2 or More Years.	No unplanned Decrease in Enrollment of More than 15%.	Unplanned Decrease in Enrollment of More than 15%.	Unplanned Decrease in Enrollment of More than 15% for more than 1 Year.



FIVE YEAR FORECAST

Five Year Forecasts are required to be filed with The Ohio Department of Education twice a year, once in October of the fiscal year and an update filed in May.

A forecast is the future plan for the school and estimates what revenue resources will be and estimates corresponding expenses. The schools can determine if there will be a shortfall one year and make plans to fix the shortfall or find additional resources. Or the school can plan for surpluses to be used in future years for expansion of learning opportunities for students.

EXCEEDS STANDARD	MEETS STANDARD	DOES NOT MEET STANDARD	FALLS FAR BELOW STANDARD
Submitted on time and no projected deficits and reasonable assumptions.	Submitted on time and no projected deficit in the 1 st 3 years and reasonable assumptions.	Not submitted on time or deficit projected in 1 st 3 years or unreasonable assumptions.	Not submitted on time or deficit projected in all forecasted years or unreasonable assumptions.



FINANCIAL AUDIT RESULTS

Each fiscal year a school must prepare GAAP basis financials. These financials are then audited by the Ohio Auditor of State or an approved Independent Public Auditor.

OCCS expects audits to be clean, unmodified opinions and free of findings.

Audited financial information is also used in the annual fiscal monitoring and intervention processes.

EXCEEDS STANDARD	MEETS STANDARD	DOES NOT MEET STANDARD	FALLS FAR BELOW STANDARD
If the School Meets this Standard for 2 or More Consecutive Years.	Audit contains Unmodified Opinions, Finding that have been Corrected, no Finding For Recover in excess of \$2,500 or any FFR for more than 2 years.	If any of the Standards are Not Met.	Does Not Meet Standard for 2 or More Consecutive Years or has an FFR in excess of \$5,000.