

OCCS Fiscal Measurements

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.

Meets Standard	Does Not Meet Standard
Total Margin is Greater Than or Equal to -2.5%.	Total Margin is Less Than -2.5%.

Assets to Liabilities

Current Assets / Current Liabilities

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

A ratio of 1.0 means that a school has the ability to pay its short-term obligations.

Meets Standard	Does Not Meet Standard
Ratio is Greater Than or Equal to 1.0.	Ratio is Less Than 1.0.

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.

Meets Standard	Does Not Meet Standard
Cash on Hand is 30 Days or More.	Cash on Hand is Less Than 30 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.

Meets Standard	Does Not Meet Standard
Enrollment stays steady and does not decrease by more than 15% in one year.	Unplanned decrease in enrollment of 15% or more.

Annual Budget

The school's annual budget is in alignment with the annual total margin standard and includes reasonable assumptions that align with trend data.

The budget is the future plan for the school and estimates what revenue resources and estimates corresponding expenses.

Meets Standard	Does Not Meet Standard
Submitted timely, aligns with total margin standard, and contains reasonable assumptions.	Not submitted on time, budget does not meet total margin standard, or assumptions are unreasonable.

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.

Meets Standard	Does Not Meet Standard
Clean audits with Unmodified Opinions and no findings.	Audit that contains a Qualified Opinion, the same finding for two consecutive years, or a finding for recovery in excess of \$2,500.