



Examining School Fiscal Performance: Understanding your Finances through Key Performance Indicators

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Introductions

Jason Sarsfield

Deputy Director

Michael Wrobel

Director of Fiscal Performance and Accountability



The Governor John Engler
**Center for
Charter Schools**







Session Objectives:

1. Reconnect, celebrate success and enhance our partnership.
2. Develop an understanding of Key Performance Indicators (KPIs).
3. Apply a working knowledge of the KPIs to your operating context.
4. Learn and grow together.

Key Performance Indicators



An introduction

Why Develop Key Performance Indicators?

1. Financial Literacy
2. Provide Direction
3. Measuring Fiscal Health*

*context matters

Who uses KPIs?

1. Tool for boards, finance committees, management and administrators.
2. The KPIs are used by other relevant stakeholders:
 - Bond Counsel
 - Financial Advisors
3. Can inform Center supports including topics for annual conferences or future BDS events.

How the Center's KPIs were Developed



Financial Key Performance Indicators

If you want to know if your school is in solid fiscal health,
what questions do you need to ask?

Can your school pay its short-term obligations?

KPI: Current Ratio

Current Ratio

Can your school pay its short-term obligations?

Source

Audited Financial Statement

	General Fund	Non Major Special Revenue Fund-School Lunch Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents (Note 3)	\$ 44,008	\$ -	\$ 44,008
Due From Other Funds	-	62,094	62,094
Due From Other Governmental Units (Note 4)	643,053	16,919	659,972
Prepaid Expenses	17,302	-	17,302
Total Assets	\$ 704,363	\$ 79,013	\$ 783,376
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 64,030	\$ -	\$ 64,030
Accrued Expenses	280,519	-	280,519
Loans Payable (Note 7)	86,361	-	86,361
Due To Other Funds	62,094	-	62,094
Total Liabilities	493,004	-	493,004
Fund Balance			
Nonspendable - Prepaid Expenses	17,302	-	17,302
Restricted	-	79,013	79,013
Unassigned	194,057	-	194,057
Total Fund Balance	211,359	79,013	290,372
Total Liabilities and Fund Balances	\$ 704,363	\$ 79,013	\$ 783,376

Rule

A basic measure of a partner school's total assets over total liabilities.

$$\text{Assets} / \text{Liabilities} \geq 1.0$$

Question to ask:

How does this tie to our budgets?

Is your school living
within its means?

KPI: Change in Fund
Balance Ratio

Change in Fund Balance Ratio

Is your school living within its means?

Source

Audited Financial Statement

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Federal Sources	\$ 361,128	\$ 418,298	\$ 414,510	\$ (3,788)
State Sources	3,166,292	3,418,699	3,418,696	(3)
Local Sources	20,000	43,474	45,406	1,932
Total Revenue	3,547,420	3,880,471	3,878,612	(1,859)
Expenditures				
Instructional Services	1,146,370	1,205,481	1,291,893	86,412
Added Needs	394,685	473,788	422,256	(51,532)
Supporting Services:				
Pupil Support Services	178,398	134,924	145,019	10,095
Instructional Staff Services	231,446	289,089	379,528	90,439
General Administration	472,864	474,029	471,558	(2,471)
School Administration	267,936	339,377	362,729	23,352
Business Services	33,780	158,525	166,358	7,833
Operations/Maintenance	540,568	530,629	577,328	46,699
Transportation	5,000	5,234	3,986	(1,248)
Central	11,250	40,306	32,366	(7,940)
Athletics	5,000	5,206	5,050	(156)
Community Service	63,959	69,396	77,481	8,085
Principal & Interest	92,601	82,681	79,574	(3,107)
Total Expenditure	3,443,857	3,808,665	4,015,126	206,461
Excess (Deficiency) of Revenue over Expenditures				
Net Change in Fund Balance	103,563	71,806	(136,514)	(208,320)
Fund Balance - July 1, 2018	347,873	347,873	347,873	-
Fund Balance - June 30, 2019	\$ 451,436	\$ 419,679	\$ 211,359	\$ (208,320)

Rule

Most recent year change in fund balance ratio is positive and aggregated three year change in fund balance ratio is positive.

Question to ask:

What is a “healthy” fund balance?
How does Board Policy effect this?

Does your school have the cash
available to pay its bills?

KPI: Days Cash on Hand

Days Cash on Hand

Does your school have the cash available to pay its bills?

Actual Cash Flow	Jul-19
Beginning Cash Balance	\$ 289,785.00
Receipts	
State Aid	\$ 338,778.00
Federal Grants	\$ -
Note Proceeds	\$ -
Transfers	\$ -
Other Receipts	\$ 12,994.00
Total Receipts	\$ 351,772.00
Disbursements	
Payroll	\$ 134,678.00
ORS Payments	\$ -
Note Payments	\$ 40,000.00
Accounts Payable	\$ 35,503.00
Debt Service	\$ -
Other Disbursements	\$ -
Total Disbursements	\$ 210,181.00
Net Change	\$ 141,591.00
Ending Cash Balance	\$ 185,238.00

Rule

1. At least 60 days of unrestricted cash on hand, OR
2. Between 30 and 60 days of unrestricted cash on hand with a positive increase from previous year.

Question to ask:

How and why does our cash balance change throughout the year?

Is your school's main
revenue source stable?

KPI: Enrollment Stability

Enrollment Stability

Is your school's main revenue source stable?

Source

Current Year: The headcount reported on fall count day (first Wednesday of October)

AND

Previous Year: Audited headcount (available on mischooldata.org)

Question to ask:

What are our enrollment projections?

Rule

Current year enrollment is greater than or equal to 97% of enrollment five years ago AND current year enrollment is greater than or equal to 97% of previous year enrollment.

Current Enrollment Stability

Is your school's main revenue source stable?

Source

Current Year: The headcount reported on fall count day (first Wednesday of October)

AND

Previous Year(s): Audited headcount (available on mischooldata.org)

Rule

Current year enrollment is greater than or equal to 95.0% of previous year enrollment.

How Can Schools use the KPIs?

What they can do
&
What they shouldn't do

How can schools use the KPIs?

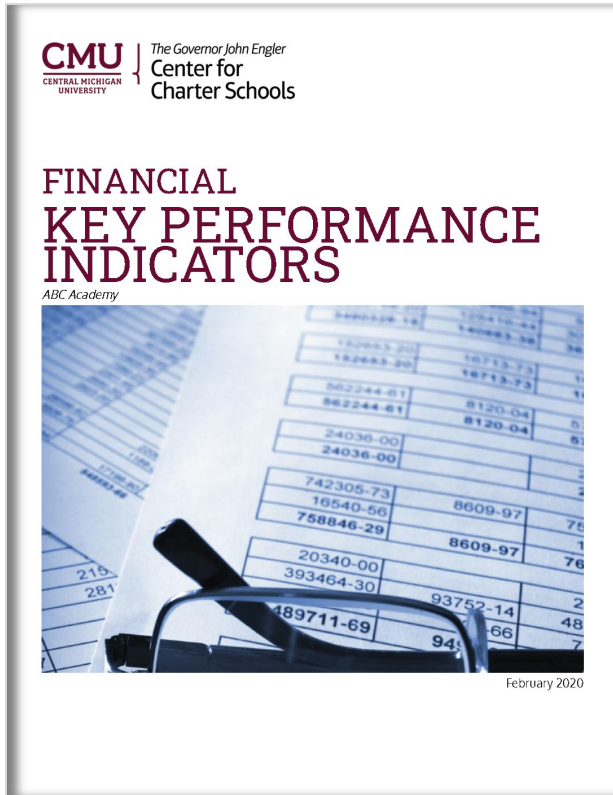
1. Tool for measuring industry standards.
2. Conversation starters.
3. Resource allocation.

How shouldn't KPIs be viewed?

The KPIs are by no means a prescriptive framework used to force schools into austere measures.

There are no predetermined outcomes or requirements associated with numbers that fall in any category.

Table Conversations



You have handouts that show where your school falls on the KPIs.

You will note your current ratio, fund balance ratio, days cash on hand, and enrollment stability.

Questions and Reflections

Objectives & Acknowledgements

Hopefully you all have a general understanding of KPIs and how they work.

We're happy to answer specific questions individually.

Please feel free to reach out and look forward to other resources and opportunities from the Fiscal Performance and Accountability team!

Evaluation and Feedback



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Contact Information

Jason Sarsfield (jsarsfield@thecenterforcharters.org; 989-774-2100)

Michael Wrobel (mwrobel@thecenterforcharters.org; 989-774-2100)