

Core Question 2: Is the organization in sound fiscal health?

The Financial Performance Framework, outlined in Core Question 2, gauges both near-term financial health and longer-term financial sustainability while accounting for key financial reporting requirements. This accountability report reflects disaggregated calculations of the network's financial position only according to the annual accrual-based audit submitted to the [Indiana State Board of Accounts](#). School-specific information for near-term financial health, 2.1 A, can be found under Supplemental Information. All past school accountability reports can be found on OEI's [website](#).

Note: The Financial Performance Framework has been revised to include additional indicators, and for this reason, not all historical ratings are based on the listed indicator targets, and some historical ratings are not available. Ratings for networks were first issued in 2018-19.

Summary of Ratings							
Indicator	Year 1 2017-18	Year 2 2018-19	Year 3 2019-20	Year 4 2020-21	Year 5 2021-22	Year 6 2022-23	Year 7 2023-24
2.1 B. Short-term Health: Does the network demonstrate the ability to pay its obligations in the next 12 months?	N/A	N/A	ES	MS			
2.2 Does the organization demonstrate long-term financial health?	ES	ES	MS	ES			
2.3 Does the organization demonstrate it has adequate financial management and systems?	MS	MS	MS	MS			

2.1 B. Does the network demonstrate the ability to pay its obligations in the next 12 months?

Does not meet standard	The network does not meet standard for 2 or more of the following sub-indicators: Enrollment Variance, Current Ratio, Days Cash on Hand and Debt Default			
Approaching standard	The network approaches standard for all of the following sub-indicators: Enrollment Variance, Current Ratio, Days Cash on Hand and Debt Default OR The school meets standard for 3 of the sub-indicators and does not meet standard on the remaining sub-indicator OR the school approaches standard for two of the sub-indicators and meets standard for the remaining two sub-indicators.			
Meets standard	The network meets standard for 3 of the following sub-indicators and approaches standard for the remaining sub-indicator: Enrollment Variance, Current Ratio, Days Cash on Hand and Debt Default			
Exceeds Standard	The network meets standard for all of the following sub-indicators: Enrollment Variance, Current Ratio, Days Cash on Hand and Debt Default			
Sub-indicator	Sub-indicator targets		Result	Rating
Enrollment Ratio	DNMS	Enrollment ratio is less than 90%	99.33%	MS
	AS	Enrollment ratio is between 90 – 94%		
	MS	Enrollment ratio equals or exceeds 95%		
Current Ratio	DNMS	Current ratio is less than 1.0	3.99	MS
	AS	Current ratio is between 1.0 – 1.09		
	MS	Current ratio equals or exceeds 1.1		
Days Cash on Hand	DNMS	Days cash on hand is less than 30	44.55	AS
	AS	Days cash on hand is between 30-44		
	MS	Days cash on hand equals or exceeds 45		
Debt Default	DNMS	Default or delinquent payments identified	No	MS
	MS	Not in default or delinquent		

Basis for Rating/Additional Details

Enrollment Ratio: The Purdue Polytechnic High School network, which includes PPHS North and PPHS downtown, budgeted for 665 students at the beginning of the year, coming in at 669 students on September 2020 Count Day and 656 students for February 2021 Count Day, according to data from the Indiana Department of Education. This averaged to an enrollment variance of 99.33%.

Current Ratio: The network's current assets (cash or other assets that can be accessed in the next 12 months) exceeded its current liabilities (debt obligations due in the next 12 months).

Days Cash on Hand: This measure indicates how many more days after June 30, 2021, the network would have been able to operate at its same spending levels without receiving additional funds.

Debt Default: Neither the audit nor the network indicated the school was in default on its debt payments.

2.2. Does the organization demonstrate long-term financial health?

Does not meet standard	The school does not meet standard on any of the 3 sub-indicators OR meets standard on 1 sub-indicator but does not meet standard on the remaining 2.
Approaching standard	The school meets standard on 2 of the sub-indicators while not meeting on the third, OR approaches standard on all 3 sub-indicators.
Meets standard	The school meets standard on 2 of the sub-indicators and approaches standard on the third.

Exceeds standard	The school meets standard for all 3 sub-indicators.			
Sub-indicator	Sub-indicator targets		Result	Rating
Aggregate Three-Year Net Income	DNMS	Aggregate three-year net income is negative.	\$2,472,075	MS
	AS	Aggregate three-year net income is positive, but most recent year is negative.		
	MS	Aggregate three-year net income is positive, and most recent year is positive.		
Debt to Asset Ratio	DNMS	Debt to Asset ratio exceeds .95	0.10	MS
	AS	Debt to Asset ratio is between .91 - .95		
	MS	Debt to Asset ratio is less than or equal to .9		
Debt Service Coverage (DSC) Ratio	DNMS	DSC ratio is less than 1.05	N/A	MS
	AS	DSC ratio is between 1.05 - 1.1		
	MS	DSC ratio equals or exceeds 1.2		
Basis for Rating/Additional Details				
Debt-to-Asset Ratio: The school had a ratio of 0.10, meaning that it had debts that were equivalent to 10% of its assets for the 2020-21 fiscal year.				
Debt Service Coverage Ratio: The debt service coverage ratio was not applicable to Purdue Polytechnic, as the school did not have any long-term debt on its books.				
2.3. Does the organization demonstrate that it has adequate financial management and systems?				
Does not meet standard	The school does not meet standard on 1 of the sub-indicators.			
Approaching standard	The school meets standards on 1 sub-indicator but approaches standard for the remaining sub-indicator.			
Meets standard	The school meets standard on both sub-indicators.			
Sub-indicator	Sub-indicator targets		Rating	
Financial Audit	DNMS	The school receives an audit with multiple significant deficiencies, a material weakness, or has an ongoing concern.	MS	
	AS	The school receives a clean audit opinion with few significant deficiencies noted, but no material weaknesses.		
	MS	The school receives a clean audit opinion.		
Financial Reporting Requirements	DNMS	The school fails to satisfy financial reporting requirements.	MS	
	MS	The school satisfies all financial reporting requirements.		
Basis for Rating/Additional Details				
Financial Audit: The network received a clean financial audit opinion from Greenwalt CPAs, Inc.				
Financial Reporting Requirements: The network had timely submission of all financial but did not submit its audit information to State Board of Accounts before the 2021 deadline. However, SBOA granted PPHS an extension to this deadline so OEI considers the network to be meeting standards for this indicator.				

Supplemental Information

This section includes school-specific information for sub-indicator 2.1 A, presented in order of school age.

Purdue Polytechnic High School - Downtown

Summary of Ratings – Purdue Polytechnic High School - Downtown							
Indicator	Year 1 2017-18	Year 2 2018-19	Year 3 2019-20	Year 4 2020-21	Year 5 2021-22	Year 6 2022-23	Year 7 2023- 24
2.1 A. Does the school demonstrate the ability to pay its obligations in the next 12 months?	ES	AS	ES	ES			

2.1 A. Does the school demonstrate the ability to pay its obligations in the next 12 months?				
Does not meet standard	The school does not meet standard for 2 or more of the following sub-indicators: Enrollment Variance, Current Ratio, Days Cash on Hand and Debt Default			
Approaching standard	The school approaches standard for all of the following sub-indicators: Enrollment Variance, Current Ratio, Days Cash on Hand and Debt Default OR The school meets standard for 3 of the sub-indicators and does not meet standard on the remaining sub-indicator OR the school approaches standard for two of the sub-indicators and meets standard for the remaining two sub-indicators.			
Meets standard	The school meets standard for 3 of the following sub-indicators and approaches standard for the remaining sub-indicator: Enrollment Variance, Current Ratio, Days Cash on Hand and Debt Default			
Exceeds Standard	The school meets standard for all of the following sub-indicators: Enrollment Variance, Current Ratio, Days Cash on Hand and Debt Default			
Sub-indicator	Sub-indicator targets		Result	Rating
Enrollment Ratio	DNMS	Enrollment ratio is less than 90%	99.83%	MS
	AS	Enrollment ratio is between 90 – 94%		
	MS	Enrollment ratio equals or exceeds 95%		
Current Ratio	DNMS	Current ratio is less than 1.0	8.32	MS
	AS	Current ratio is between 1.0 – 1.09		
	MS	Current ratio equals or exceeds 1.1		
Days Cash on Hand	DNMS	Days cash on hand is less than 30	128	MS
	AS	Days cash on hand is between 30-44		
	MS	Days cash on hand equals or exceeds 45		
Debt Default	DNMS	Default or delinquent payments identified	No	MS
	MS	Not in default or delinquent		
Basis for Rating/Additional Details				
Enrollment Ratio: PPHS budgeted for 525 students at the beginning of the year, coming in at 536 students on September 2020 Count Day and 523 students for February 2021 Count Day, according to data from the Indiana Department of Education. This averaged to an enrollment variance of 99.83%.				

Current Ratio: The school's current assets (cash or other assets that can be accessed in the next 12 months) exceeded its current liabilities (debt obligations due in the next 12 months).

Days Cash on Hand: This measure indicates how many more days after June 30, 2021, the school would have been able to operate at its same spending levels without receiving additional funds.

Debt Default: Neither the audit nor the network indicated the school was in default on its debt payments.

Purdue Polytechnic High School - North

Summary of Ratings – Purdue Polytechnic High School - North							
Indicator	Year 1 2019-20	Year 2 2020-21	Year 3 2021-22	Year 4 2022-23	Year 5 2023-24	Year 6 2024-25	Year 7 2025-26
2.1 A. Does the school demonstrate the ability to pay its obligations in the next 12 months?	MS	ES					

2.1 A. Does the school demonstrate the ability to pay its obligations in the next 12 months?				
Does not meet standard	The school does not meet standard for 2 or more of the following sub-indicators: Enrollment Variance, Current Ratio, Days Cash on Hand and Debt Default			
Approaching standard	The school approaches standard for all of the following sub-indicators: Enrollment Variance, Current Ratio, Days Cash on Hand and Debt Default OR The school meets standard for 3 of the sub-indicators and does not meet standard on the remaining sub-indicator OR the school approaches standard for two of the sub-indicators and meets standard for the remaining two sub-indicators.			
Meets standard	The school meets standard for 3 of the following sub-indicators and approaches standard for the remaining sub-indicator: Enrollment Variance, Current Ratio, Days Cash on Hand and Debt Default			
Exceeds Standard	The school meets standard for all of the following sub-indicators: Enrollment Variance, Current Ratio, Days Cash on Hand and Debt Default			
Sub-indicator	Sub-indicator targets		Result	Rating
Enrollment Ratio	DNMS	Enrollment ratio is less than 90%	97.50%	MS
	AS	Enrollment ratio is between 90 – 94%		
	MS	Enrollment ratio equals or exceeds 95%		
Current Ratio	DNMS	Current ratio is less than 1.0	9.66	MS
	AS	Current ratio is between 1.0 – 1.09		
	MS	Current ratio equals or exceeds 1.1		
Days Cash on Hand	DNMS	Days cash on hand is less than 30	98	MS
	AS	Days cash on hand is between 30-44		
	MS	Days cash on hand equals or exceeds 45		
Debt Default	DNMS	Default or delinquent payments identified	No	MS
	MS	Not in default or delinquent		
Basis for Rating/Additional Details				
Enrollment Ratio: PPHS North budgeted for 140 students at the beginning of the year, coming in at 133 students on September 2020 Count Day and 133 students for February 2021 Count Day, according to data from the Indiana Department of Education. This averaged to an enrollment variance of 97.50%.				
Current Ratio: The school’s current assets (cash or other assets that can be accessed in the next 12 months) exceeded its current liabilities (debt obligations due in the next 12 months).				

Days Cash on Hand: This measure indicates how many more days after June 30, 2021, the school would have been able to operate at its same spending levels without receiving additional funds.

Debt Default: Neither the audit nor the network indicated the school was in default on its debt payments.