### 1. NEAR TERM INDICATORS

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<tbody>
<tr>
<td><strong>Meets Standard:</strong></td>
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<td>or</td>
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**Note:** For schools in their first or second year of operation, the current ratio must be greater than or equal to 1.1.

**Does Not Meet Standard:**
- Current Ratio is between 0.9 and 1.0 or equal to 1.0
- Current Ratio is between 1.0 and 1.1 and one-year trend is negative

**Falls Far Below Standard:**
- Current ratio is less than or equal to 0.9

<table>
<thead>
<tr>
<th>1.b. Cash to Current Liabilities: Cash divided by Current Liabilities</th>
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<tbody>
<tr>
<td><strong>Meets Standard:</strong></td>
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**Does Not Meet Standard:**
- Ratio is between 0.5 and 0.75

**Falls Far Below Standard:**
- Ratio is lower than 0.5

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<tr>
<th>1.c. Unrestricted Days Cash: Unrestricted Cash divided by ((Total Expenses-Depreciation Expenses)/365)</th>
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<tr>
<td><strong>Meets Standard:</strong></td>
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<td>or</td>
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**Note:** For schools in their first or second year of operation, they must have a minimum of 30 Days Cash.

**Does Not Meet Standard:**
- Days Cash is between 15 and 30 days
- Days Cash is between 30 and 60 days and one-year trend is negative

**Falls Far Below Standard:**
- Less than 15 Days Cash
1.d. Enrollment Variance: Actual Enrollment divided by Enrollment Projection in Charter School Board-Approved Budget

**Meets Standard:**
- Enrollment Variance equals or exceeds 95% in the most recent year

**Does Not Meet Standard:**
- Enrollment Variance is between 85% and 95% in the most recent year

**Falls Far Below Standard:**
- Enrollment Variance is less than 85% in the most recent year

1.e. Default

**Meets Standard:**
- School is not in default of loan covenant(s) and/or is not delinquent with debt service payments

**Does Not Meet Standard:**
- Blank

**Falls Far Below Standard:**
- School is in default of loan covenant(s) and/or is delinquent with debt service payments

2. SUSTAINABILITY INDICATORS

2.a. Total Margin: Net Income divided by Total Revenue and Aggregated Total Margin:

**Total 3 Year Net Income divided by Total 3 Year Revenues**

**Meets Standard:**
- Aggregated Three-Year Total Margin is positive and the most recent year Total Margin is positive
- Or Aggregated Three-Year Total Margin is greater than -1.5%, the trend is positive for the last two years, and the most recent year Total Margin is positive

**Note:** For schools in their first or second year of operation, the cumulative Total Margin must be positive.

**Does Not Meet Standard:**
- Aggregated Three-Year Total Margin is greater than -1.5%, but trend does not meet standard

**Falls Far Below Standard:**
- Aggregated Three-Year Total Margin is less than or equal to -1.5%
- Or The most recent year Total Margin is less than -10%

2.b. Debt to Asset Ratio: Total Liabilities divided by Total Assets

**Meets Standard:**
- Debt to Asset Ratio is less than 0.90

**Does Not Meet Standard:**
- Debt to Asset Ratio is between 0.90 and 1.0

**Falls Far Below Standard:**
- Debt to Asset Ratio is greater than 1.0
### 2.c. Cash Flow

**Multi-Year Cash Flow =**

**One-Year Cash Flow =**

**Meets Standard (in one of two ways):**
- Multi-Year cumulative cash flow is positive *and* cash flow is positive each year
- Multi-Year cumulative cash flow is positive, cash flow is positive in one of two years, *and* cash flow in the most recent year is positive

**Note:** For schools in their first or second year of operation, they must have positive cash flow.

**Does Not Meet Standard:**
- Multi-Year cumulative cash flow is positive, but trend does not meet standard

**Falls Far Below Standard:**
- Multi-Year cumulative cash flow is negative

### 2.d. Debt Service Coverage Ratio: (Net Income + Depreciation + Interest Expense)/(Annual Principal, Interest, and Lease Payments)

**Meets Standard:**
- Debt Service Coverage Ratio is equal to or exceeds 1.10

**Does Not Meet Standard:**
- Debt Service Coverage Ratio is less than 1.10

**Falls Far Below Standard:**
- Not Applicable