

<i>Indicator – Financial performance and sustainability</i>		
Measure	Metric	Minimum Standard
Audit findings or recommendations	Number of unresolved material findings, financial condition findings, or significant findings	0
Unrestricted days cash	$\frac{((\text{Cash} + \text{Investments}) \div \text{Total Annual Operating Expenses})}{360}$	30 days OR Cash reserve as required by bond covenants (whichever is greater)
<i>Indicator – Financial performance and sustainability</i>		
Measure	Metric	Target
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	≥ 1.1
Enrollment variance	$\frac{\text{Oct. 1 enrollment}}{\text{Budgeted enrollment}}$	$\geq 95\%$
Debt to asset ratio	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$	≤ 0.9
Maintain applicable bond covenants	No Default Certification, Audited Financial Statements	No default
Debt service coverage ratio	$\frac{(\text{Net Income} + \text{Depreciation} + \text{Interest Expense})}{(\text{Annual Principal} + \text{Interest OR Lease Payments})}$	≥ 1.1
Multi-year cash flow	Year 3 Total Cash – Year 1 Total Cash	Positive cash flow (yrs. 1-2) OR Multi-Year cumulative cash flow is positive and cash flow is positive each year (yrs. 3+)
Total margin	$\frac{\text{Net Income}}{\text{Total Revenue}}$	Total Margin is positive (yrs. 1-2) OR Aggregated 3-year total margin is positive and most recent year Total Margin is positive (yrs. 3+)
Occupancy costs	$\frac{\text{Facility Costs}}{\text{Total Operating Revenues}}$	Staff is calculating an appropriate target using FY13 charter school data