

For Governmental Operating Funds				
(General Fund, General Purpose School Fund, and Other Funds with Recurring Payroll Expenditures)				
Financial Health Metric	Description	No Concern	Slight Concern	Distress Concern
Cash as a Percent of Expenditures	Do we have enough cash reserves to manage cash flow and fund unexpected spending?	Greater than 15%	15% to 8%	Less than 8%
Current Liabilities as a Percent of Cash	Do we have the ability to pay short-term obligations?	Less than 25%	25% to 75%	Greater than 75%
For Counties, Metros, and Municipalities with a Property Tax - General Governmental Debt as a Percent of Assessed Value*	How burdensome is our debt load?	Less than 8%	8% to 10%	Greater than 10%
For Municipalities without a Property Tax - General Governmental Debt per households as a Percent of Median Household Income	How burdensome is our debt load?	Less than 8%	8% to 10%	Greater than 10%
For Utility Systems				
(Utility Systems Operated by a City/Town, County, Metro Govt, Utility District, Authority, or Joint Venture)				
Financial Health Metric	Description	No Concern	Slight Concern	Distress Concern
Cash as a Percent of Cash Expenses	Do we have enough cash reserves to manage cash flow and fund unexpected spending?	Greater than 15%	15% to 8%	Less than 8%
Current Assets as a Percent of Current Liabilities	Do we have the ability to pay short-term obligations?	Greater than 1.25x	1.0x to 1.25x	Less than 1.25x
Statutory Change in Net Position as a Percent of Operating Revenue for Systems under TBOUR Jurisdiction	Are my rates sufficient to cause a positive statutory change in net position?	Positive	N/A	Negative
Business Type Activity Debt Coverage Ratio**	Do we have revenues sufficient to cover debt service?	Greater than 1.20x	N/A	Less than 1.20X

* Debt as a Percent of Assessed Value is calculated as: total general governmental debt divided by total assessed value of property in the local government as reported by the Comptroller on the Tax Aggregate Report.

** Debt Coverage Ratio is calculated as annual operating revenues minus annual operating expenses excluding depreciation divided by annual debt service (principal and interest) payments.