

Financial Ratios for Cooperative:				
Ratio	Target	Year	Year	Year
Liquidity				
Working Capital Percentage	>10%			
Current Ratio	>1.5			
Modified Debt Service Coverage	>1.35			
Times Interest Earned	>1.35			
Days Sales in Receivables	<90			
Solvency				
Collection Efficiency	>95%			
System Losses	<15%			
Ownership Percentage	>20%			
Leverage Ratio	>2.1			
Write-offs as a % of Revenue	<5%			
Days Sales in Payables	<45			
Profitability				
Return on Sales	>5%			
Capital Cost to Total Capitalization	<10%			
Return on Equity	>10%			
Return on Assets	>8%			
Labor to Goss Income Ratio	<25%			
Purchased Power Cost as % of Income	>60%			

Year	Year	Year	Year	Year	Year	Year

Computation

(Current Assets- Current Liabilities)/Total Cost of Operations
 Current Assets/Current Liabilities
 (Depreciation + Interest Expense+ Margins)/(Interest Expense +Principle payments)= CFC Ratio 2
 (Operating Margins+Interest Expense)/Interest Expense= CFC Ratio 1
 365*Accounts Receivable/Operating Income
 (Operating Income received/Operating Income billed)
 (kWH Purchased-kWH Sold)/kWH Purchased
 Total Margins and Equities/Total Assets = CFC Ratio 7
 Long Term Debt/Member Equity
 Amount written off/Total Operating and non-Operating Income= CFC Ratio 12
 365*Accounts Payable/Operating Income
 Total Operating Margin/Operating Income
 (Interest Expense+Total Operating and non-Operating Margin)/(Total Margins and Equities+Total Long Term Debt)= CFC Ratio 4
 Total Annual Margin/Total Margins and Equities
 Operating Margin/(Current Assets+Net Fixed Assets)
 Labor Expense/Total Income
 Purchased Power Cost/Operating Income= CFC Ratio 21

Attachment 5.1

Financial Ratios for Cooperative:												Computation	
Ratio	Target	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year		
Liquidity													
Working Capital to Sales	>8%	2.3%	183.1%	77.3%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	(Current Assets- Current Liabilities)/Operating Income
Debt Service Coverage	>2.0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	(Depreciation + Interest Expense+ Margins)/(Interest Expense +Principle payments)
Current Ratio	>1.8	1.25	22,211.59	15.31	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	Current Assets/Current Liabilities
Interest Cover Ratio	>3.0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	(Operating Margins+Interest Expense)/Interest Expense
Days Sales in Receivables	n/a	2.86	21.68	10.66	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	365*Accounts Receivable/Operating Income
Solvency													
Term Debt to Total Fixed Assets	<50%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	Long Term Debt/(Total Fixed Assets-Net)
Local Leverage Ratio	<50%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	Total Long Term Debt/(Total Members Equity+Equity in Associated Organizations)
Ownership Percentage	>50%	2.3%	53.3%	49.1%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	Total Equity/Total Assets
Total Debt to EBITDA	<3.0	0.0	0.0	0.0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	Total Debt/(Earnings before Interest, Taxes, Depreciation or Amortization)
EBITDA/Interest	>5.0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	(Earnings before Interest, Taxes, Depreciation, and Amortization)/Total Interest Expense
Days Sales in Payables	n/a	3.1	0.0	1.8	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	365*Accounts Payable/Operating Income
Writeoffs as % Revenue	<5%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	Amount written off/Total Operating and non-Operating Income
Profitability													
Return on Sales	>2.5%	0.3%	97.0%	40.4%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	Total Operating Margin/Operating Income
Return on Assets	>8%	2.3%	53.0%	48.9%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	Operating Margin/(Current Assets+Net Fixed Assets)
Productivity Ratio	<10%	99.7%	0.0%	58.4%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	(Total Expenses-Cost of Goods sold)/Total Operating Income
Labor to Goss Income Ratio	<30%-40%	26.0%	0.0%	15.2%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	Labor Expense/Total Income
Days Sales in Inventory	n/a	-	\$ -	\$ -	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	365*Value of Inventory/Operating Income

As stated on page 52, due to Polish Condominium law, the financial statements we obtained do not comply with the agreed OCDC financial accounting standards. Therefore, we have entered the data on a separate spreadsheet (attachment 5.2) using National Cooperative Bank (NCB) standards.