Attachment B.

FINANCIAL INDICATOR CHECKLIST

___________________ Company

Average of 1.5 to meet minimum standard for CDBG

For questions that are not applicable to the project, do not score those questions and do not include any points when determining whether project meets minimum score.

0 – Unacceptable
1 – Minimally acceptable
2 – Average
3 – In good standing

In the comment section of this form or an attached spreadsheet you MUST show work.

This Application Scores _____ Points

**BALANCE SHEET**

**SCORE (0-3)**

- Does the Company Collect?

1. Based on the company’s terms are the Receivables current? [Points]

Comment:

- Does the Company Pay?

1. Based on the company’s payment terms, are Days Payable nearly equal to Payment Terms? [Points]

Comment:
2. Is the payroll current? Have there ever been delays in making payroll?

Comment: 

3. Are Taxes current?

Comment: 

- Does the Company Control Its Inventory?
  1. Are Days Inventory nearly equal to the Inventory Cycle?

Comment: 

- Are Officers Committed?
  1. Are there Notes Payable or Subordinated Officer Debt?

Comment: 

  2. There is evidence that Officer Debt is truly subordinated

Comment: 

  3. Is Debt/Equity ratio reasonable?

Comment: 

- Does the Company Have Profitable Operating History?
  1. Are Retained Earnings positive?

Comment: 

PROFIT & LOSS STATEMENT

- Is Company Growing?
  1. Are current Sales rising, stable or falling?
2. Are projects Sales likely to rise, be stable or fall?  Points
   Comment:

- **Does the Company Maintain Margins?**
  1. Is COGS/Sales rising, stable or falling?  Points
     Comment:

- **Does Company Control Overhead**
  1. Is SGA/Sales stable or falling?  Points
     Comment:

- **Is the Company Profitable?**
  1. Is Operating Profit/Sales rising, stable, or falling?  Points
     Comment:
  2. Is EBT/Sales rising, stable, or falling?  Points
     Comment:

**CASH FLOW STATEMENT**

1. Is Cash Flow from operations positive?  Points
   Comment:

2. Is Cash Flow overall positive?  Points
   Comment:
OTHER

- Financial Statements

1. Are the reviewed or provided financial statements current and without findings?  
   Points

Comment:

- Is Officer Compensation reasonable?

1. Is Officer Compensation reasonable?  
   Points

Reasonable is defined as, compensation of officers and owners will be limited to an amount that, when taken, will not adversely affect the repayment ability of the Borrowers. This amount may not be increased year to year unless (1) an after tax profit was made in the preceding fiscal year, (2) the Borrowers are and will remain in compliance with covenants of the Loan Agreement, (3) all of Borrowers' debts are paid to a current status, and (4) prior written concurrence of the Lender is obtained.

(a) Total SCORE
(b) Total # of applicable Questions

Total score (a) divided by Total # of applicable Questions (b) = CDBG SCORE