

Performance Indicators

The following indicators will be used to assess financial performance.

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| Occupancy Rate (Not applicable to nursing homes) | $\frac{\text{Net Rental Revenue} \times 100}{\text{Total Rent Revenue}}$ | $(\$152N/\$100T) \times 100$ |
| Operating Cost Coverage | $\frac{\text{Total Revenue}}{\text{Cash Requirements}}$ | $\frac{5000T}{(6000T - 6800T) + (\$1000-020 - \$1000-030 - \$1000-040)}$ |
| Quick Ratio | $\frac{(\text{Cash and Cash Equivalents} + \text{Current Receivables})}{\text{Current Liabilities}}$ | $\frac{1120 + 1130N + 1135 + 1165 + 1170}{(2122T - 2111 - 2113) - (11/12 \times 2170)}$ Zero is an acceptable result. |
| Debt Service Coverage (This ratio cannot be used for Section 202/811 that were funded via capital advance) | $\frac{\text{Net Operating Income}}{\text{Debt Service}}$ | $\frac{(5060T + 6820 + 6850) - (\$1000-020 - \$1000-030 - \$1000-040)}{\$1000-010 + 6820 + 6850}$ |
| Reserves per Unit (For nursing homes, this is reserves per bed) | $\frac{(\text{Reserve for Replacement} + \text{Residual Receipts Balance})}{\text{No. of Units}}$ | $\frac{1320 + 1340}{\text{No. of Units (REMS)}}$ zero is acceptable result |

Management Indicators

The following indicators are used to assess management performance

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| Excessive Bad Debts Value in excess of 1 percent indicates excessive bad debts. | $\frac{\text{Bad Debt Expense}}{\text{Total Rent Revenue}}$ | $\frac{6370}{(5120 + 5121)}$ |
| Excessive Tenant Accounts Receivable Value in excess of 10 percent indicates excessive tenant accounts receivable | $\frac{\text{Net Tenant Accounts Receivable}}{\text{Monthly Rent Revenue}}$ | $\frac{1130}{((5120 + 5121) / 12)}$ |

