Debt Service Coverage Calculation

Purpose of Metric

- Indicates the financial margin to meet current debt service with current revenues available for debt service

Calculation

- Debt Service Coverage = \frac{\text{Net Revenue} (*)}{\text{Debt Service Requirement}}
- (*) Net Revenue = Gross Revenue less Operating Expense
### Days Cash On Hand Calculation

#### Purpose of Metric
- Measures an entity’s available resources to meet short-term liabilities, particularly in the event of unforeseen hardships or difficult operating conditions.

#### Calculation
- Days Cash on Hand = \( \frac{\text{Operating Cash Balance} \times 365 \text{ days}}{\text{Operating Requirements (*)}} \)
- (*) Operating Requirements = O&M expense and other operating transfers excludes debt and other transfers.
Cash Financing of Capital Projects Calculation

**Purpose of Metric**

- Measures the degree to which an entity limits debt exposure by utilizing cash funding for a significant portion of its’ capital programs

**Calculation**

- Cash Financing % = \( \frac{\text{Capital projects funded with Current Revenue (*)}}{\text{Total Capital Spending}} \times 100\% \)
- (*)Current Revenue is the transfer from service revenue to fund capital projects for the year.