

**Computation of Surplus Cash,  
Distributions and Residual  
Receipts  
Section 232**

**U.S. Department of Housing  
and Urban Development**  
Office of Residential  
Care Facilities

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|   |  |                                  |                                       |                     |       |
|---|--|----------------------------------|---------------------------------------|---------------------|-------|
| Project Name:   |  | Fiscal Period Ended: ___/___/___ |                                       | FHA Project Number: |       |
| <b>PART A – Compute Surplus Cash</b>  |  |                                  |                                       |                     |       |
| <b>Cash</b>   |  |                                  |                                       |                     |       |
| 1. Cash (Accounts 1120, 1170, 1191)   |  | \$                               |                                       |                     |       |
| 2. Medicare/Medicaid Receivables to be received within 60 days and not encumbered by Accounts Receivable Financing  |  | \$                               |                                       |                     |       |
| 3. Other (describe)   |  | \$                               |                                       |                     |       |
| (a) <b>Total Cash</b> (Add Lines 1, 2 and 3)  |  |                                  |                                       | \$                  |       |
| <b>Operating Obligations</b>  |  |                                  |                                       |                     |       |
| 4. Accrued Mortgage Interest Payable (Account 2131)   |  | \$                               |                                       |                     |       |
| 5. Delinquent Mortgage Principal Payments   |  | \$                               |                                       |                     |       |
| 6. Delinquent Deposits to Reserve for Replacements  |  | \$                               |                                       |                     |       |
| 7. Accounts Payable (due within 30 days)  |  | \$                               |                                       |                     |       |
| 8. Loans and Notes Payable (due within 30 days)   |  | \$                               |                                       |                     |       |
| 9. Deficient Tax Insurance or MIP Escrow Deposits   |  | \$                               |                                       |                     |       |
| 10. Accrued Expenses (not escrowed)   |  | \$                               |                                       |                     |       |
| 11. Prepaid Revenue (Account 2210)  |  | \$                               |                                       |                     |       |
| 12. Tenant Security Deposits Liability (Account 2191)   |  | \$                               |                                       |                     |       |
| 13. Other (describe)  |  | \$                               |                                       |                     |       |
| (b) <b>Total Current Obligations</b> (add Lines 4 through 13)   |  |                                  |                                       | \$                  |       |
| (c) <b>Surplus Cash (Deficiency)</b> (Line 3(a) minus Line 13(b))   |  |                                  |                                       | \$                  |       |
| <b>PART B – Compute Distribution to Owners and Required Deposit to Residual Receipts</b>  |  |                                  |                                       |                     |       |
| 1. <b>Surplus Cash (Deficiency).</b>  |  |                                  |                                       | \$                  |       |
| 2. <b>Residual Receipts</b> (As applicable, non-profit Borrowers shall deposit with Lender within 90 days after Fiscal Period ends, as governed by applicable Regulatory Agreement) |  |                                  |                                       | \$                  |       |
| Preparer (Signature, Name and Title):   |  | Date:                            | Approver (Signature, Name and Title): |                     | Date: |

## Instructions for Preparation of Form HUD-93486-ORCF, Computation of Surplus Cash, Distributions and Residual Receipts

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### Part A

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**Line 1.** Do not include escrow deposits or HUD required reserves.

**Line 2.** Medicare/Medicaid Receivables (to be received within 60 days)

**Line 3.** Include amounts related to replacement reserve draws for items which have:

- Been paid from project funds, and
- Approved by HUD prior to the end of the fiscal year, but
- For which reimbursement has not been received from the lender.

**Line 4.** For projects current under the mortgage, include the interest payment due the first of the next month (Account 2131). Remember interest is paid in arrears: interest for the month of December is payable January 1. For projects in default under the mortgage, include delinquent interest payments shown on the Form HUD-92426, Notice of Default; or the Multifamily Delinquency and Default Reporting (MDDR) System; use the Form HUD-92426 or the MDDR for the month following the last month covered by the financial statement. For HUD-held projects, include delinquent interest shown on the Form HUD-92771 or the MDDR, Notice of Mortgage Payment Due; use the HUD-92771 or the MDDR for the month following the last month covered by financial statements.

**Line 5.** Include principal delinquent under the mortgage. This should be the difference between the unpaid balance shown on the amortization schedule and the amount shown in Account 2320 as the Balance Sheet date. Alternatively, use the MDDR which includes the current principal amount of delinquency.

**Line 6.** Include any delinquent deposits to the reserve for replacement account (Account 1320). Be sure to include any lump-sum deposits required by special workout agreements or subsidy contracts.

**Line 7.** Exclude accounts payable related to replacement reserve draws which were:

- Approved by HUD prior to the end of the fiscal year, but
- Which have not yet been released by the lender and deposited in the project account.

**Line 8.** The thirty-day or past due portion of any written loan or note (besides the mortgage obligations) or underwritten advance or loan of funds or goods and services considered akin to a more formally written loan or note.

**Line 9.** Include any deficiency reported in the mortgage escrow deposits schedule or the MDDR of the Supplemental Data to the financial statement. Note that replacement reserve deposits are not included; delinquent replacement reserve deposits are included in Line 6.

**Line 10.** Any expenses recognized in the project's books before it is paid for. This line is intended to capture all other project expenses that have specific REAC Chart of Account Labels and that are not included in Lines 4-9, like accrued management fees, payroll taxes, real estate taxes, insurance expenses, etc.

**Line 11.**

This account reflects rents received from tenants (including commercial tenants) and certain contracts, that apply to future accounting periods.

**Line 12.** The monetary deposits given to the owner as proof of intent or resident funds that are held in trust on behalf of the residents.

**Line 13.** Amounts due within thirty days that are expressed in the REAC Chart of Account Line 2190, Miscellaneous Current Liabilities.

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### Part B

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**Note:** Requirements regarding surplus cash, deficiency, or residual receipts as calculated herein are contained in the applicable regulatory agreement specific to the particular FHA loan. A nonprofit borrower's ability, if any, to distribute part or all of any positive amount, and a borrower's obligation, if any, to repay any deficiency, are controlled by the applicable regulatory agreement and any other applicable HUD-approved agreement addressing such matters, particularly including a Surplus Cash Note.

**Line 1.** If the amount on Line 13(c) of Part A was zero or negative, enter zero. If the amount on Line 13(c) of Part A was positive, enter that amount here. This amount is available for distribution during the next fiscal period (as permitted in the Healthcare Regulatory Agreement – Borrower, form HUD-92466-ORCF or its predecessors).

**Line 2.** As applicable, if the amount on Line 13(c) of Part A was zero or negative, enter zero. If the amount on Line 13(c) of Part A was positive, enter that amount here. This amount must be deposited with Mortgagee within 90 days after Fiscal Period ends (as required in the Healthcare Regulatory Agreement – Borrower, form HUD-92466-ORCF or its predecessors).