

Be prepared for the Expiry of Operating Agreements with **portfolio viability assessments and analysis** that help you plan for the future

Successfully navigating the complexities of expiring of operating agreements (EOA) means understanding the impacts EOA will have on your portfolio and devising a strategic asset management plan that addresses your individual needs.

HSC Data & Asset Support Services can help you define your capital and funding needs so that you're ready for EOA. For a modest fee we work with you to perform a viability assessment of your portfolio by program and housing provider both leading up to and post-EOA. Then, through a detailed analysis of your capital plans, operating costs, subsidy streams and funding levels, we help you determine the operational viability of your housing providers with or without a subsidy and mortgage post-EOA. We can even help you prepare for future scenarios, modelling potential funding or financing proposals, changes to tenure mix or redevelopment and intensification opportunities.

EOA Analysis Options

HSC offers a suite of data analysis packages at costs that can be combined and customized to meet your needs. These packages are offered on a competitive, fee-for-service basis.

**Create/Update
Portfolio Analysis Report**
Your data foundation for EOA
planning

**Custom
Reporting**
Enables you to
model different
financing
scenarios

**Projection
Compass**
Time-series tool
to estimate
subsidy levels
to EOA and
beyond

For highly
sophisticated
EOA reporting
requirements

Option Details

Create/Update Portfolio Analysis Report:

Your Portfolio Analysis Report includes a viability assessment with ratings at EOA, the aggregate, program and project level. For Service Managers who obtained reports in 2013 through their participation in HSC's EOA study, we can update your report to reflect new capital needs, operating costs or newly collected data; you can choose either to have the Project Viability Table with ratings updated or to receive a fully updated written report.

Custom Reporting:

HSC can produce custom reports that build on your Portfolio Analysis Report in order for you to model different financing scenarios. Reports can:

- Segment your portfolio analysis by specific program types or client mixes
- Model different subsidy or funding options
- Model changes to non-subsidy cost factors

Projection Compass (Our Premier Offering)

To supplement your Portfolio Analysis Report, we offer a time-series tool that estimates subsidy through EOA year-over year and up to 20 years based on the scenario data you enter. This will help you navigate and understand, how much you are paying now, how much you may need to give at EOA, including other potential financial scenarios.

Key Features:

- Automated projections, viability ratings based on selection of buildings and program type
- Reporting year, current year, and EOA years(s) are automatically highlighted
- Filtering and drill down capabilities that includes financial information from your AIRs
- Easy-to-read presentation of your data

PROJECTION COMPASS: GREENFIELDS
HSC Data & Asset Services

Housing Provider: Blue Sky Community Homes | Project address: 23 Stevens Drive | Program Type: Private NP (LPS) | Debt retire date (EOA): 2014

Provider: Blue Sky Community Homes | Address: 2 addresses selected | Units: 309 (41% RGI, 59% MCT, 0% ADJ) | Project from: 2010 | Current year: 2014 | EOA range: 2021-2022

PROJECT VIABILITY RATING (Green: X, Yellow: X, Red: X)

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue of Subsidy	\$ 3,207,712	\$ 3,312,569	\$ 3,420,202	\$ 3,530,825	\$ 3,644,548	\$ 3,761,371	\$ 3,881,294	\$ 4,004,317	\$ 4,131,440	\$ 4,262,663	\$ 4,400,000	\$ 4,543,541	\$ 4,693,382	\$ 4,850,623	\$ 5,015,364
Expenses	\$ 2,988,000	\$ 3,088,000	\$ 3,192,000	\$ 3,300,000	\$ 3,412,000	\$ 3,528,000	\$ 3,648,000	\$ 3,772,000	\$ 3,900,000	\$ 4,032,000	\$ 4,168,000	\$ 4,308,000	\$ 4,452,000	\$ 4,600,000	\$ 4,752,000
Net	\$ 219,712	\$ 224,569	\$ 228,202	\$ 230,825	\$ 232,548	\$ 233,371	\$ 233,294	\$ 232,317	\$ 231,440	\$ 230,663	\$ 232,000	\$ 235,541	\$ 235,382	\$ 235,623	\$ 233,364
Net Capital Reserve	\$ 404,400	\$ 404,400	\$ 404,400	\$ 404,400	\$ 404,400	\$ 404,400	\$ 404,400	\$ 404,400	\$ 404,400	\$ 404,400	\$ 404,400	\$ 404,400	\$ 404,400	\$ 404,400	\$ 404,400

Variable	Index	Trend	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	EOA range 2021	EOA range 2022	EOA range 2023	EOA range 2024	
Occupancy Revenues (Shelter)																		
RGV Income Taked Units	0.00%		710,711	711,280	711,849	712,418	712,987	713,556	714,125	714,694	715,263	715,832	716,401	716,970	717,539	718,108	718,677	
Market Rent	1.03%		1,878,307	1,888,783	1,899,259	1,909,735	1,920,211	1,930,687	1,941,163	1,951,639	1,962,115	1,972,591	1,983,067	1,993,543	2,004,019	2,014,495	2,024,971	2,035,447
Gross Occupancy Revenue			2,689,018	2,709,883	2,731,159	2,752,547	2,774,151	2,795,872	2,818,012	2,840,275	2,862,761	2,885,474	2,908,415	2,931,588	2,954,994	2,978,635	3,002,516	
Lease Vacancy Loss on Market Units	0.00%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal			2,689,018	2,709,883	2,731,159	2,752,547	2,774,151	2,795,872	2,818,012	2,840,275	2,862,761	2,885,474	2,908,415	2,931,588	2,954,994	2,978,635	3,002,516	
Investment Income (includes interest)																		
Non-Rental Revenue	1.00%		485,526	490,381	495,236	500,091	504,946	509,801	514,656	519,511	524,366	529,221	534,076	538,931	543,786	548,641	553,496	
Subsidy Revenue			33,168	33,168	33,168	33,168	33,168	33,168	33,168	33,168	33,168	33,168	33,168	33,168	33,168	33,168	33,168	
Total Revenue			\$ 3,207,712	\$ 3,233,332	\$ 3,259,412	\$ 3,285,492	\$ 3,311,572	\$ 3,337,652	\$ 3,363,732	\$ 3,389,812	\$ 3,415,892	\$ 3,441,972	\$ 3,468,052	\$ 3,494,132	\$ 3,520,212	\$ 3,546,292	\$ 3,572,372	
Shelter Expenses																		
Maintenance and administration	1.03%		1,387,040	1,401,313	1,415,586	1,430,000	1,444,414	1,458,828	1,473,242	1,487,656	1,502,070	1,516,484	1,530,898	1,545,312	1,559,726	1,574,140	1,588,554	
Utilities	1.03%		714,546	721,889	729,232	736,575	743,918	751,261	758,604	765,947	773,290	780,633	787,976	795,319	802,662	810,005	817,348	
Insurance	3.00%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bad debts	0.00%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1.03%		603,880	610,884	617,888	624,892	631,896	638,900	645,904	652,908	659,912	666,916	673,920	680,924	687,928	694,932	701,936	
Capital reserve contribution	1.00%		339,849	343,247	346,645	350,043	353,441	356,839	360,237	363,635	367,033	370,431	373,829	377,227	380,625	384,023	387,421	
Subtotal Operating expenses	1.03%		\$ 3,045,315	\$ 3,076,563	\$ 3,108,111	\$ 3,139,959	\$ 3,172,107	\$ 3,204,255	\$ 3,236,403	\$ 3,268,551	\$ 3,300,700	\$ 3,332,848	\$ 3,364,996	\$ 3,397,144	\$ 3,429,292	\$ 3,461,440	\$ 3,493,588	
Municipal property taxes	1.11%		397,480	391,445	385,410	379,375	373,340	367,305	361,270	355,235	349,200	343,165	337,130	331,095	325,060	319,025	312,990	
Mortgage principal and interest	0.00%		209,398	209,398	209,398	209,398	209,398	209,398	209,398	209,398	209,398	209,398	209,398	209,398	209,398	209,398	209,398	
Total Shelter Expenses			\$ 3,672,202	\$ 3,647,396	\$ 3,622,590	\$ 3,611,811	\$ 3,702,170	\$ 3,791,853	\$ 3,828,905	\$ 3,865,343	\$ 3,902,166	\$ 3,938,989	\$ 3,975,812	\$ 4,012,635	\$ 4,049,458	\$ 4,086,281	\$ 4,123,104	
NET INCOME (LOSS) - Shelter			\$ 404,400	\$ 413,941	\$ 423,482	\$ 433,023	\$ 442,564	\$ 452,105	\$ 461,646	\$ 471,187	\$ 480,728	\$ 490,269	\$ 499,810	\$ 509,351	\$ 518,892	\$ 528,433	\$ 537,974	
Capital Reserve																		
Beginning Balance / Surplus, beginning of the year			-	6,394,551	6,863,941	7,595,056	8,229,537	8,865,004	9,500,471	10,270,305	11,000,672	11,757,096	12,540,484	13,351,717	14,191,645	15,061,181	15,961,330	
Interest	3.00%		191,835	209,818	227,801	245,884	263,967	282,050	300,133	318,216	336,299	354,382	372,465	390,548	408,631	426,714	444,797	
Manufacturer / Transfer / Allocation from operating fund	1.00%		329,849	343,247	356,645	370,043	383,441	396,839	410,237	423,635	437,033	450,431	463,829	477,227	490,625	504,023	517,421	
Subtotal Capital Expenses			\$ 549,684	\$ 549,684	\$ 549,684	\$ 549,684	\$ 549,684	\$ 549,684	\$ 549,684	\$ 549,684	\$ 549,684	\$ 549,684	\$ 549,684	\$ 549,684	\$ 549,684	\$ 549,684	\$ 549,684	
Net Capital Reserve / surplus, end of the year			\$ 6,394,551	\$ 6,863,941	\$ 7,595,056	\$ 8,229,537	\$ 8,865,004	\$ 9,500,471	\$ 10,270,305	\$ 11,000,672	\$ 11,757,096	\$ 12,540,484	\$ 13,351,717	\$ 14,191,645	\$ 15,061,181	\$ 15,961,330	\$ 16,861,479	

For more information on our EOA services or to obtain a quote, contact **Scott Robertson** at srobertson@hscorp.com or 705-561-5765