



Finance Report

Advantix Development Corp. unaudited statements of revenues, expenses and changes in net assets as of December 31, 2017.

OPERATING REVENUES

Dwelling Rent	\$56,331
Excess Utilities	\$1,780
HUD Subsidy & Grant Income	\$87,849
Earned Section 8 Administrative Fees	\$0
Operating Transfers	\$0
Other Income	\$316,806
TOTAL INCOME	\$462,772

EXPENDITURES

Housing Assistance Payments	
Administrative & Office Expense	\$545,712
Salary & Wages	\$84,451
Fringe Benefits	\$14,449
Utilities	\$18,620
Maintenance Materials	\$4,281
Payment in Lieu of Property Taxes	(\$7,227)
Contract Costs	\$28,511
General Insurance	\$9,718
Bad Debt Write Off	\$2,454
Interest Expense	\$0
Bad Debt Recovery	\$0
Other (Gain) or Loss	(\$535,359)
TOTAL EXPENDITURES	\$165,610

NET INCOME

Depreciation Expense	\$125,395
INCOME (LOSS) AFTER DEPRECIATION	\$171,767
Capital Transfers	\$820,231

NET ASSETS

Beginning of Year	\$2,184,538
End of Year	\$3,176,536

This financial statement has not been audited, reviewed or compiled by independent auditors. This statement has been prepared internally and has omitted certain disclosures required by generally accepted accounting principles in the United States of America and are subject to adjustment and additional disclosures pending an independent audit. — Danial Berry, CFO



ADVANTIX

DEVELOPMENT CORPORATION

2017 ANNUAL REPORT



ADVANTIX BOARD OF DIRECTORS

- David G. Hatfield - Chairman
- Glenda Hampton - Vice Chairman
- Mildred Thacker - Secretary
- Vanessa Brown - Director
- Richard Engbers - Director
- Daphne Robinson - Director
- Michael Szakaly - Director



Equal Housing Opportunity Statement: We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, national origin or any other classification protected by applicable federal, state or local law.



A Message from the CEO

Advantix is now a development corporation, and as such, our efforts are producing tangible results. Our presence, as well as our vendor booth at conferences, enables us to attract and engage strong contacts at the state and regional levels. In addition to Advantix construction growth, other housing authorities are seeking our guidance with their own RAD conversions and Tax Credit projects.

property to Chicago-based Vermillion Development for a senior living facility here in Evansville. In partnership with the YMCA, the Advantix-owned central office building was recently purchased by the Y to provide much-needed space to further expand its mission in our community.

Perhaps among the most important aspects of our undertakings involving multi-million dollar projects, is the ability to offer tenants improved housing they can afford—energy-efficient residences updated with environmentally-friendly, sustainable materials. It's important to note throughout every phase of our RAD conversions, we have not eliminated a single unit. In fact, all this positive activity has enabled Advantix to grow employment—I'm pleased to report we now have ten employees at Advantix.

To you, our supporters, team members, and residents, thank you for your efforts in keeping us moving forward.

— Rick Moore, CEO

Indeed, Advantix is expanding its footprint throughout Indiana, including serving as Construction Manager in the community of Corydon: transforming an old school building into assisted living loft units for senior residents. In other news, Advantix sold land from our Erie

Project Updates

Corydon, IN: Imagine an old school building given new life as affordable—and beautiful—housing. That's exactly what's in store for a construction project Advantix has secured in Corydon, Indiana. The Historic Corydon High School, along with a newly constructed adjacent building, will be freshly transformed into 45 Senior Lofts to serve those who are 55 and older in the community. Construction began on the project in January 2018.

Kokomo, IN: Trailside Townhomes, in Kokomo, Indiana, will construct 50 new units of affordable lease purchase housing. The townhomes will be outfitted with Energy Star HVAC units and appliances. The surrounding area will include on-site parking, play areas for children and attractive landscaping.



Vincennes, IN: River View in Vincennes, Indiana will create 46 affordable housing units and 13 market rate units of new construction. It is part of a larger planned community development supporting the economic progress already made in Knox County. The project is being constructed on a site adjacent to the recently completed \$1 million River Walk Trail with views of the Wabash River. The site will consist of on-site parking, outdoor play areas for children, and mature landscaping. Each unit will be equipped with Energy Star rated appliances.

Supportive Housing Institute: In another section of Indiana, Advantix is partnering with the Kokomo Housing Authority (KHA) to develop plans for creating permanent supportive housing. The five month initiative is a segment of the 2018 Indiana Supportive Housing Institute. Advantix and KHA are among the seven teams participating as announced by the Indiana Housing and Community Development Authority (IHCDA) and the Corporation for Supportive Housing (CSH).



RAD: WE NEVER STOP PROGRESSING

RAD Updates: RAD Phases I and II are finished, and all families are moved into their homes. We're pleased to report both phases were completed on-budget and on-time. RAD Phase IV, which encompasses Fulton Square, is a 12-month project involving 194 units and will be wrapped up by the end of 2018. In March 2018, the conversion process will begin for RAD Phase V, a 135-unit endeavor in Evansville, IN.

RAD: A Positive Move – It has been a fast and furious 2017, but the end result for tenants living at each of the EHA sites is rewarding. The transition for the five properties has been completed. Residents who endured the

construction process said, "It was worth the wait." They are extremely happy with the new improvements to the units and the property itself. Staff is now greeted with smiles when they arrive on site.

There are 559 units for five properties (Buckner Tower, Caldwell Homes, Kennedy Tower, Schnute Tower & White Oak Manor). The existing resident count from the transition from public housing to the new RAD program was 217. EHA moved in 296 new families from the RAD Project Based waiting list. EHA has worked extremely hard with Flaherty & Collins, who manage the property, to move in a large number of new residents this year.



Making Our Presence, and Impact, Known

As one of the inaugural cities in the US selected for RAD, ADVANTIX is attracting positive attention to our collective efforts and achievements. However, we are also proactively and enthusiastically promoting our capabilities to continue growing our roster of projects and opportunities. And we've developed some excellent resources to help us engage our audiences. We have a dynamic website which we invite you to visit frequently as we keep it updated with newsworthy content about our latest

endeavors. In addition to our digital presence, we also have a branded vendor booth for getting the word out at trade shows and civic events. We love discussing our stories of success via one-on-one conversations, as well as sharing our PowerPoint presentation with community groups, city leaders, potential supporters, and corporate decision makers. The interest and questions generated by these marketing efforts are energizing—and the partnerships we're building are significant.

EHA and Advantix Staff Promote Spirit of Giving Thanks

When Family Self Sufficiency (FSS) Coordinators invited EHA and Advantix staff members to donate non-perishable food items for a Thanksgiving project, an individual from the Advantix team more than answered the call by donating cash to purchase turkeys. FSS used the donations to assemble three Thanksgiving baskets. As a thank you for attending workshops, FSS participants were entered into a drawing for the baskets. The FSS facilitators extend their thanks to the EHA and Advantix donors and hope to make the "Baskets of Thanks" an annual event.



ADVANTIX PROGRESS: WE'RE STEPPING UP AND STAFFING UP

As of 2017, Advantix Development hired 10 new employees. We are in the process of hiring three additional employees for 2018.

In September 2017, we hired Miranda Meeks as the new Development Manager. In this position, Miranda oversees Development projects for Advantix. Also in September 2017, Rachel Bullington joined Advantix as Administrative Assistant.

In October 2017, we added Danial Berry as Advantix CFO, as well as Marisa Tidwell, who

will manage Advantix Rental Properties.

At the same time, we hired two construction employees. Construction associates will work on home renovations under Advantix.

In November 2017, we hired three staffers who are associated with the YouthBuild Department of Labor (DOL) grant and are Advantix employees. We also added two team members on contract for the YouthBuild grant. George Flowers is Director of the YouthBuild program.

In January 2018, we hired a Construction Manager for the Fulton Development project that converted from RAD on December 31, 2017.

During 2018 we expect to hire two Maintenance Technicians for the Advantix Rental Properties.

