Progression is Successful Advancement, and We are Progressing in So Many Ways:

• Progressively increased FSS grant funds from HUD
• YouthBuild adds progressive new office, new classroom, and new construction staff
• Progressively moving from exclusive dependence on federal funding
• Families progressing toward self-sufficiency

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.

LOCATIONS

1. JOHN M. CALDWELL HOMES
   736 Cross Street
   Evansville, IN 47713
   812.428.8527

2. FULTON SQUARE APARTMENTS
   1328 Dresden
   Evansville, IN 47710
   812.428.8516

3. BUCKNER TOWER
   717 Cherry Street
   Evansville, IN 47713
   812.428.8521

4. KENNEDY TOWER
   315 SE Martin Luther King Jr. Blvd.
   Evansville, IN 47713
   812.428.8520

5. JOHN CABLE APARTMENTS
   1111 Cherry Street
   Evansville, IN 47713
   812.402.5993

6. SCHNUTE APARTMENTS
   1030 West Franklin Avenue
   Evansville, IN 47710
   812.428.8531

7. WHITE OAK MANOR
   509 North St. Joseph Avenue
   Evansville, IN 47712
   812.428.8532

8. EVANSVILLE HOUSING AUTHORITY
   402 Court Street, Suite B
   Evansville, IN 47708
   812.428.8500
   Fax: 812.428.8565

9. HOUSING CHOICE VOUCHER PROGRAM
   411 SE 8th Street
   Evansville, IN 47713
   812.428.8548
   Fax: 812.428.8538

10. PROJECT BASED VOUCHER PROGRAM
    411 SE 8th Street
    Evansville, IN 47713
    812.428.7786

11. FSS PROGRAM
    411 SE 8th Street
    Evansville, IN 47713
    812.428.7786

12. YOUTHBUILD
    315 SE Martin Luther King Jr. Blvd.
    Evansville, IN 47713
    812.909.1962

OUR PERIOD OF PROGRESS

WASHINGTON AVE.  BELLEMEADE AVE.  LINCOLN AVE.  LLOYD EXPRESSWAY  DIAMOND AVENUE  FIRST AVE.  ST. JOSEPH AVE.  JOHN BLVD  5TH ST 62 66 41

148x606 SCHNUTE APARTMENTS
1030 West Franklin Avenue
Evansville, IN 47710
812.428.8531

148x606 WHITE OAK MANOR
509 North St. Joseph Avenue
Evansville, IN 47712
812.428.8532

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2017 ANNUAL REPORT

Progression is Successful Advancement, and We are Progressing in So Many Ways:

• Progressively increased FSS grant funds from HUD
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LETTER FROM THE EXECUTIVE DIRECTOR

It is a pleasure to present the 2017 Annual Report for the Evansville Housing Authority (EHA). Our organization is progressing and the impact is significant. RAD Phases I and II are complete—on-budget, on-time, and with all residents moved into their homes. RAD IV, the 194-unit Fulton Square project, will be finished by the end of 2018. RAD V, a scattered site encompassing 135 units, will begin the conversion process in March 2018. “Conversion,” or “closing” refers to a property changing hands from EHA to our not-for-profit affiliate, Advantix Development Corporation.

The progress continues. Advantix is the designated Construction Manager for a project in Corydon, Indiana. It involves transforming an old school building into assisted living loft units for senior residents. In additional updates, Advantix sold land from our Erie property to Chicago-based Vermillion Development for a senior living facility here in Evansville. And in the spirit of partnership with the YMCA, the Advantix-owned central office building was recently purchased by the Y. The acquisition provides much-needed space to further expand the Y’s mission in our community.

I’m honored to report the EHA Family Self-Sufficiency Program (FSS) received a performance-based grant enabling the team to add another Coordinator. Additionally, EHA benefited from a Community Development Block Grant (CDBG), and of course, you are probably aware of the newsworthy $1.1 million award from the Department of Labor (DOL) in support of our YouthBuild program.

Progress and professional development go hand-in-hand. Our entire team received training in software as well as guidance on protecting the privacy of residents. On a personal level, I was appreciative of the insightful and informative training provided for Housing Authority Directors this year in Indianapolis. Even our board members underwent training via seminars and workshops.

As far as audits, EHA remains in good standing. Our Section Eight Management Assessment Program (SEMAP) was reconfirmed for a fifth consecutive year as a high-level performer. The audit by MCM CPA & Advisors resulted in a second straight year of zero issues, and during their onsite audit of our financial records, HUD reported through its confirmatory audit that it is very pleased with our Voucher Management System (VMS). What’s more, in its recent review, CDBG gave our organization positive marks.

In other news, word of our progress is spreading—and we’re doing our part to extend our impact. As President of the Indiana National Association of Housing and Redevelopment Officials (NAHRO), it was my pleasure to present for the first time ever, a combined conference for Indiana and Illinois representatives. Working together works. To our Commissioners, team members, and corporate partners, I thank you for your combined efforts of working together to enhance the lives of so many in our community. May our progress continue.

Rick Moore-
Executive Director
Family Self-Sufficiency (FSS) Program: It’s Progressively Working at EHA

Families living in EHA public housing or receiving Section 8 voucher assistance are eligible for voluntary participation in the FSS Program. The goal-based FSS initiative promotes self-sufficiency through:

- Increased access to education
- Employment opportunities
- Opportunity to create and build an escrow (savings) account
- Referrals to other supportive services

EHA FSS Program Continues Receiving Performance-Based Grant Fund Increases from HUD:
- 2017 - $119,133
- 2016 - $116,690
- 2015 - $47,690
- 2014 - $23,646

FSS Success Stories and Graduates

JAMIE
In the FSS Program since 2012, Jamie has set and met these goals:
- Progressed from part-time to full-time (854 hrs.) employment in 2017
- Attended Budget and Credit Counseling/Mentoring in 2016
- Obtained Employer Health Benefits in 2012
- Maintained employment greater than one year in 2012
- Became employed in 2011

Jamie was employed at Gardner’s for over five years. When the store closed, she joined CNA Staffing and is still employed. She participated in various workshops focusing on Homeownership and Finances. Upon graduation from the FSS Program in 2017, she received an escrow check.

JOEVELYN
Joevelyn enrolled in the FSS Program in 2012 and participated in Resident Vocational Training (RVT), she achieved several goals:
- Acquired her driver’s license in 2013
- Completed Grief Counseling
- Earned a certificate from a technical school

Employed at Columbia Healthcare for four years, Joevelyn is now on staff at North Park Nursing Home. Independent of welfare for more than 12 months, Joevelyn also achieved and sustained zero “Housing Assistance Payment” (HAP) for six months—this means she is not dependent on rental assistance. Zero HAP status qualified her for automatic graduation. In 2017, she received an escrow payout.

SYRINA
In 2012, Syrina enrolled in the FSS Program. During her tenure in the FSS Program she set and met the following goals:
- Acquired employment in 2009
- Attended Budget and Credit Counseling in 2016
- Completed Homemakership Counseling in 2016
- Purchased a home without Housing Choice Voucher (HCV) homeownership assistance in 2017

Syrina maintained employment at Brownie’s Elite for eight years. She has been independent of welfare for more than 12 months. She received an escrow payout.

MARLON
Marlon enrolled in the FSS Program in 2014 with the goal of progressing from part-time to full-time employment. While in the FSS Program he set and accomplished these goals:
- Increased from part-time to full-time employment, which he achieved in 2017
- Budget and Credit Counseling completed in 2017
- Acquiring a vehicle—which he purchased in 2016
- Completed Mentoring in 2017

Marlon has maintained employment for two years, and has never received welfare assistance. He was the recipient of an escrow payout.

YOUTHBUILD: IT’S NOW OR NEVER!

When many of our YouthBuild participants are asked during their interview sessions, “Why did you decide to join YouthBuild?” we often hear the response, “It’s now or never!” Our participants come to the program with “fire in their bellies” and are ready to start their march towards a new and better way of life.

It is evident YouthBuild has played a major role in the successes of many of the program participants’ lives. We know this because most of them never fail to call or drop by for a visit to our office to say, “Thanks” for all the program has done for them in their efforts to get their “lives in order.” During August 2016, the YouthBuild Class Of 2017 completed its Orientation Session, followed by Mental Toughness Training. What makes this program so special? The sincere hard work and efforts of the Staff and the many Supporters and Community Partners who come aboard to help. And for that we say, “Thank you!” But even though the program funding was strained, with prayers and blessings, we were still able to produce great results!

U.S. Dept. of Labor Awards Evansville YouthBuild $1.1M Grant

YouthBuild, an Evansville, Indiana program of Advantix Development Corporation, received a $1.1 million award from the Employment and Training Administration of the U.S. Department of Labor. In YouthBuild programs, low-income young people ages 16-24 work toward their GED or high school diploma while learning job skills through building affordable housing for homeless and low-income people. Strong emphasis is placed on leadership development and community service. Participants receive OSHA Training & Certification, CPR & First Aid, and certification from The National Center for Construction Education and Research (NCCER) Pre-Aprenticeship Program. The recent award will enable participants to enroll in two years of YouthBuild programming, one year of follow-up services, plus continued involvement as members of YouthBuild Evansville Alumni.

Rick Moore, Chief Executive Officer of Advantix Development Corporation, describes the YouthBuild program and its culmination of jobs as, “A recipe for success, which not only offers participants educational and vocational training, but also instills much-needed life skills that will make a true impact on their future endeavors.” He acknowledges that contributions of so many organizations involved with the long-standing program helped secure the grant. These include, Ivy Tech, EVSC, NECA/IBEW Electrical Joint Apprenticeship and

Business News

U.S. Dept. of Labor Awards Evansville YouthBuild $1.1M Grant

Training Committee, Grow Southwest Indiana Workforce, Counseling for Change, City of Evansville Parks & Recreation, Promise Zone, as well as YouthBuild Employer Partners, Aerotek (the Toyota hiring firm), Berry Global, and Vectren.

Moore also expresses, “Special thanks to the City of Evansville for bridging the program’s funding gap between grant awards, as well as Congressman Larry Buschon, and others who supported the continuation of the YouthBuild program in our community.” The $1.1 million award is in response to an extensive grant application process coordinated by Timothy Martin, Chief Operating Officer at Advantix Development Corporation.

George Flowers, Program Manager for YouthBuild, further explains the positive impact for both the participants and the community: “They will perform many hours of volunteering at several non-profit or charitable organizations around the community – giving back to the same community that has so generously given to them!”

Advantix Development Corporation is a non-profit affiliate of the Evansville Housing Authority (EHA) and currently operates on EHA’s behalf in areas of development, construction, and property management.

Business News
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 Fenton 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.

Project News
In an exciting and creative construction project secured by our not-for-profit affiliate, Advantis, an old school building is taking on a new role as affordable—and beautiful—housing. Corydon School will be freshly transformed into Senior Lofts to serve the community of Corydon, Indiana.

In another section of Indiana, Advantis 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. Advantis and KHA are among the seven teams participating as announced by the Indiana Housing and Community Development Authority (IHCAA) and the Corporation for Supportive Housing (CSH).

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. I was joined by Carlotta Iafrate as a teammate this year. She has stepped right in her role and together we were able to help provide quality, affordable housing to many families in need. The transition for the five properties has been completed. The residents who endowed the construction process said “it was worth the wait.” They are extremely happy with the new improvements to the units and the property itself. I am now greeted with smiles when I arrive at a 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.

Dena Key - RAD PBV Specialist, Evansville Housing Authority

PROGRESS REPORTS

PROJECT BASED VOUCHERS

CHOICE MOBILITY
With the new RAD Program comes Choice Mobility. Choice Mobility is when a tenant in good-standing living in a RAD development wishes to transition over to the Housing Choice Voucher Program. The resident living in a RAD development for one year, may request a Housing Choice Voucher. To date, EHA has had one resident transition to the Housing Choice Voucher Program. We believe the low number indicates residents are satisfied with updates that have been accomplished for each property.

INSPECTIONS
EHA contracted out the inspection process with Midwest Inspections. Inspections occur at minimum once every two years. With finalization of construction, all the units are in the process of undergoing inspections before the end of the first year of completion.

EHA HOUSING CHOICE VOUCHER PROGRAM EXPERIENCES ANOTHER PROGRESSIVE YEAR

The Evansville Housing Authority’s Housing Choice Voucher Program had another successful year as evident by utilizing its entire Budget Authority Allocation to provide subsidy for participating families.

My staff and I understand the importance of our roles in assisting our clients to secure permanent housing. We also hold them accountable to program rules and regulations to ensure there is no interruption in their benefit.

In today’s climate, the agency and its HCVP staff are excited to promote our other available services that can benefit our clients in both the short and long term. This is highlighted by EHA’s ability to help a renter become a Homeowner using the same voucher to offset a mortgage vs rent.

EHA wants to be the catalyst to empower families into homeownership and other opportunities that will allow for greater sustainability in 2018 and beyond.

Marques Terry - Director, Housing Choice Voucher Program, Evansville Housing Authority

FINANCE

Evansville Housing Authority unaudited statements of revenues, expenses and changes in net assets as of December 31, 2017.

<table>
<thead>
<tr>
<th>OPERATING REVENUES</th>
<th>LOW RENT</th>
<th>SECTION 8</th>
<th>OTHER PROGRAMS</th>
<th>BLENDED COMPONENT UNIT</th>
<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td>Dwelling Rent</td>
<td>$599,970</td>
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<td>$56,337</td>
<td>$656,307</td>
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<td>Excess Utilities</td>
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<td>1,780</td>
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<td>HUD Subsidy &amp; Grant Income</td>
<td>706,338</td>
<td>10,541,538</td>
<td>2,068,159</td>
<td>87,849</td>
<td>13,403,884</td>
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<tr>
<td>Earned Section 8 Admin. Fees</td>
<td>993,464</td>
<td>-</td>
<td>-</td>
<td>993,464</td>
<td>-</td>
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<tr>
<td>Other Income</td>
<td>2,456</td>
<td>22,429</td>
<td>1,562,725</td>
<td>316,806</td>
<td>1,904,416</td>
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<td><strong>TOTAL INCOME</strong></td>
<td><strong>1,392,637</strong></td>
<td><strong>11,557,431</strong></td>
<td><strong>3,630,884</strong></td>
<td><strong>462,772</strong></td>
<td><strong>17,043,724</strong></td>
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<table>
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<tr>
<th>EXPENDITURES</th>
<th>LOW RENT</th>
<th>SECTION 8</th>
<th>OTHER PROGRAMS</th>
<th>BLENDED COMPONENT UNIT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Assistance Payments</td>
<td>-</td>
<td>10,391,826</td>
<td>-</td>
<td>-</td>
<td>10,391,826</td>
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<tr>
<td>Administrative &amp; Office Expense</td>
<td>390,568</td>
<td>391,511</td>
<td>261,390</td>
<td>545,712</td>
<td>1,591,181</td>
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<td>Salary &amp; Wages</td>
<td>150,735</td>
<td>391,198</td>
<td>544,638</td>
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<td>Fringe Benefits</td>
<td>76,080</td>
<td>165,179</td>
<td>13,842</td>
<td>14,449</td>
<td>269,550</td>
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<td>Utilities</td>
<td>290,915</td>
<td>-</td>
<td>8,681</td>
<td>18,620</td>
<td>318,216</td>
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<td>Maintenance Materials</td>
<td>32,145</td>
<td>7,696</td>
<td>11,661</td>
<td>4,281</td>
<td>55,783</td>
</tr>
<tr>
<td>Payment in Lieu of Property Taxes</td>
<td>42,688</td>
<td>-</td>
<td>(7,921)</td>
<td>(7,227)</td>
<td>27,540</td>
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<tr>
<td>Contract Costs</td>
<td>138,385</td>
<td>15,212</td>
<td>37,517</td>
<td>28,511</td>
<td>219,625</td>
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<td>General Insurance</td>
<td>105,967</td>
<td>2,964</td>
<td>16,402</td>
<td>9,718</td>
<td>135,051</td>
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<tr>
<td>Bad Debt Write Off</td>
<td>32,436</td>
<td>8,433</td>
<td>2,855</td>
<td>2,454</td>
<td>46,178</td>
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<td>Interest Expense</td>
<td>4,304</td>
<td>-</td>
<td>36,167</td>
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<td>40,471</td>
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<td>Bad Debt Recovery</td>
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<td>(422)</td>
<td>(2,855)</td>
<td>(18,161)</td>
<td>(6,133,632)</td>
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<td>Other (Gain) or Loss</td>
<td>4,236</td>
<td>-</td>
<td>(5,602,509)</td>
<td>(353,359)</td>
<td>(6,133,632)</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>1,253,575</strong></td>
<td><strong>11,375,597</strong></td>
<td><strong>(4,680,132)</strong></td>
<td><strong>165,610</strong></td>
<td><strong>8,114,650</strong></td>
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</table>

<table>
<thead>
<tr>
<th>NET INCOME</th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Earned Income</td>
<td>139,062</td>
<td>181,834</td>
<td>8,311,016</td>
<td>297,162</td>
<td>8,230,104</td>
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<tr>
<td>Depreciation Expense</td>
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<td>381</td>
<td>7,300</td>
<td>125,395</td>
<td>698,970</td>
</tr>
<tr>
<td><strong>INCOME (LOSS) AFTER DEPRECIATION</strong></td>
<td><strong>426,832</strong></td>
<td><strong>181,453</strong></td>
<td><strong>8,303,716</strong></td>
<td><strong>171,767</strong></td>
<td><strong>8,230,104</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Beginning of Year</td>
<td>$7,268,135</td>
<td>($43,890)</td>
<td>$14,190,556</td>
<td>$2,184,538</td>
<td>$23,599,339</td>
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<tr>
<td>End of Year</td>
<td>$5,032,454</td>
<td>$137,563</td>
<td>$23,482,890</td>
<td>$3,176,536</td>
<td>$31,829,443</td>
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</tbody>
</table>

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. **Note: This report includes Advantis and Lincoln Estates as blended component units, but no discrete component units are reported.