



Paul D. Joyce, CPA  
State Examiner

## INDIANA STATE BOARD OF ACCOUNTS

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January 16, 2025

Board of Commissioners  
Housing Authority of the City of Evansville  
Vanderburgh County, Indiana

We have reviewed the audit report of Housing Authority of the City of Evansville, which was opined upon by Cherry Bekeart LLP, Independent Public Accountants, for the period January 1, 2023 to December 31, 2023. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Evansville as of December 31, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Cherry Bekeart LLP prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA  
Deputy State Examiner



**THE HOUSING AUTHORITY OF THE  
CITY OF EVANSVILLE, INDIANA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

*As of and for the Year Ended December 31, 2023*

*And Report of Independent Auditor*

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
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## Report of Independent Auditor

To the Board of Commissioners  
The Housing Authority of the City of Evansville, Indiana  
Evansville, Indiana

### Report on the Audit of Financial Statements

#### Opinion

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of The Housing Authority of the City of Evansville, Indiana (the "Authority") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Vision 1505, LP; EHA RAD I, LP; EHA RAD II, LP; EHA RAD IV, LP; CSSL, LP; Evansville Townhomes, LP; Trailside Townhomes, LP; Trailside Commons, LP; River View Vincennes, LP; Evansville Townhomes II, LP; KHA RAD I, LP; Erie Pointe, LP; Evansville Townhomes III, LP; and 34 East, LP; which represent 98.8%, 95.9%, and 100%, respectively, of the assets, net position, and revenues of the total discretely presented component units. Those financial statements were audited by other auditors whose report hereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Vision 1505, LP; EHA RAD I, LP; EHA RAD II, LP; EHA RAD IV, LP; CSSL, LP; Evansville Townhomes, LP; Trailside Townhomes, LP; Trailside Commons, LP; River View Vincennes, LP; Evansville Townhomes III, LP; KHA RAD I, LP; Erie Pointe, LP; Evansville Townhomes III, LP; and 34 East, LP, is based solely on the report of the other auditors.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. The financial statements of Vision 1505, LP; CSSL, LP; Evansville Townhomes, LP; Trailside Townhomes, LP; Trailside Commons, LP; River View Vincennes, LP; Evansville Townhomes II, LP; Erie Pointe, LP; Evansville Townhomes III, LP; and 34 East, LP were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Audit Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 to 10 and the Schedules of the Authority's Proportionate Share of the Net Pension Liability and of the Authority's Contributions and the Notes to the Required Supplementary Information on pages 60 through 62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements

The Schedule of Expenditures of Federal Awards and the Financial Data Schedule are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedules and schedule of expenditures of federal awards are fairly stated in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Lexington, Kentucky  
September 25, 2024

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

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This section of The Housing Authority of the City of Evansville, Indiana's (the "Authority") annual financial report presents management's discussion and analysis of the Authority's financial position, results of operations, and cash flows during the fiscal year ended December 31, 2023. This analysis should be read in conjunction with the report of independent auditor, financial statements, and accompanying notes.

## Introduction – The Housing Authority of the City of Evansville, Indiana

The Authority is a Public Housing Authority with a Board of Commissioners. The applicable jurisdictions appoint the Board of Commissioners. However, the Authority has complete legislative and administrative authority, and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from the Department of Housing and Urban Development ("HUD"). The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority has included as blended component units the activities for Advantix Development Corporation ("Advantix") a non-profit organization. Advantix includes the financial information of its wholly-owned subsidiaries as described in Note 1. This entity is considered a blended component unit because the Authority has financial accountability and control over its boards of directors and management.

The Authority has also included, as discretely presented component units, the activities of Vision 1505, L.P. ("Vision LP"); EHA RAD I, L.P. ("RAD I"); EHA RAD II, L.P. ("RAD II"); EHA RAD IV, L.P. ("RAD IV"); CSSL, L.P. ("CSSL"); Evansville Townhomes, L.P.; Trailside Townhomes, L.P.; Trailside Commons, L.P.; River View Vincennes, L.P.; Evansville Townhomes, II, L.P.; Erie Pointe, L.P.; KHA RAD I, L.P., Evansville Townhomes III, L.P.; 34 East L.P.; and Princetown Place, L.P. These entities are shown as discretely presented component units because the Authority is financially accountable for them; however, they do not have full operational responsibilities for these entities.

The Authority's financial statements include the operations of funds the Authority has established to achieve its purposes. The financial transactions of the Authority are recorded in the funds that consist of a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses, as appropriate. The Authority is a self-supporting entity and follows enterprise fund reporting.

This discussion and analysis are designed to assist the reader in focusing on significant financial issues and activities and to identify any significant changes in net position of the Authority. Readers are encouraged to consider the information presented in conjunction with the financial statements as a whole, which follow this section.

## Financial Statements

The basic financial statements include three required statements, which provide different views of the Authority. They are the *Statement of Net Position*, the *Statement of Revenues, Expenses, and Changes in Net Position*, and the *Statement of Cash Flows*. These statements provide current and long-term information about the Authority's financial condition and activities.

The *Statement of Net Position* includes all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

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All of the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses, and Changes in Net Position*. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through externally funded programs, tenant rents, and other revenue sources.

The primary purpose of the *Statement of Cash Flows* is to provide information about the Authority's cash receipts and cash payments during the accounting period. This statement reports cash transactions, including receipts, payments, and net changes resulting from operations, noncapital financing, capital financing, and investing activities.

The *Notes to Financial Statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

## Financial Highlights

The Authority's most significant financial highlights consist of the following:

- The Authority's net position increased by approximately \$4.5 million during 2024.
- Operating revenues increased by approximately \$2.8 million from 2023.
- Total operating expenses for the Authority's programs increased by approximately \$900,000 from 2023 to 2024.
- Net nonoperating income (expense) for the Authority decreased by approximately \$900,000 from 2023 to 2024.

The Authority has several programs that are reported in a single enterprise fund. The main program consist of the following:

### *Housing Choice Voucher Program*

Under the Housing Choice Voucher Program, the Authority provides rental housing assistance subsidies in support of up to 2,849 housing units in 2023, 2,230 units were actually leased in 2023. The purpose of the program is to provide decent affordable housing to low-income families and elderly and disabled persons wherein rental assistance is provided by HUD. The associated units are maintained and managed by private landlords.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

DECEMBER 31, 2023

**Net Position**

The following table is a condensed summary of net position of the business-type activities of the Authority at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
<b>ASSETS</b>				
Current assets	\$ 17,915,513	\$ 18,640,073	\$ (724,560)	-3.9%
Capital assets, net	3,642,596	3,192,391	450,205	14.1%
Notes receivable, net	29,135,000	29,147,750	(12,750)	0.0%
Other assets	1,064,512	574,288	490,224	85.4%
Total Assets	51,757,621	51,554,502	203,119	0.4%
Deferred outflows of resources	457,374	385,605	71,769	18.6%
<b>Total Assets and Deferred     Outflows of Resources</b>	<u>52,214,995</u>	<u>51,940,107</u>	<u>274,888</u>	<u>0.5%</u>
<b>LIABILITIES</b>				
Current liabilities	5,670,229	9,973,486	(4,303,257)	-43.1%
Noncurrent liabilities	1,726,028	1,641,873	84,155	5.1%
Total Liabilities	7,396,257	11,615,359	(4,219,102)	-36.3%
Deferred inflows of resources	37,084	69,618	(32,534)	-46.7%
<b>Total Liabilities and Deferred     Inflows of Resources</b>	<u>7,433,341</u>	<u>11,684,977</u>	<u>(4,251,636)</u>	<u>-36.4%</u>
<b>NET POSITION</b>				
Net investment in capital assets	3,642,596	3,192,391	450,205	14.1%
Restricted	137,249	130,447	6,802	5.2%
Unrestricted	41,001,809	36,932,292	4,069,517	11.0%
<b>Total Net Position</b>	<u>\$ 44,781,654</u>	<u>\$ 40,255,130</u>	<u>\$ 4,526,524</u>	<u>11.2%</u>

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

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## Major factors affecting the statement of net position

Total assets of the Authority as of December 31, 2023 and 2022 amounted to \$51,646,594 and \$51,554,502, respectively. Current assets primarily consist of cash and receivables and other current assets. Noncurrent assets primarily consist of capital assets and notes receivable. Capital assets primarily include land, buildings and improvements, and equipment. All capital assets except for land and construction in progress are shown net of accumulated depreciation. Notes receivable primarily consist of loans made to the discretely presented component units for the sale of property at appraised values. The principal change in assets from December 31, 2023 to December 31, 2022 was due to an increase in capital assets of \$450,205 which was offset by an increase in other assets of \$490,224 and a decrease in current assets of approximately \$836,000 for an increase of \$104,429.

Total liabilities and deferred inflows of resources of the Authority were \$7,322,314 and \$11,684,977 as of December 31, 2023 and 2022, respectively. Current liabilities primarily include accounts payable construction billings over earnings and accrued expenses. Noncurrent liabilities primarily include the accrued pension obligation and mortgage and other notes payable, net of current portion. Current liabilities have decreased by approximately \$4,400,000 primarily due to the timing construction billings over earnings, construction payables and accounts payable retention in 2024. Noncurrent liabilities have increased by approximately \$84,000.

Deferred outflows of resources were \$457,374 and \$385,605 as of December 31, 2023 and 2022, respectively. Deferred inflows of resources were \$37,084 and \$69,618 as of December 31, 2023 and 2022, respectively. Deferred outflows and inflows of resources are related to the pension obligation and are being amortized into pension expense over the average expected remaining service life, except for the difference between expected and actual investment earnings, which is amortized over five years.

Net position represents the Authority's equity, a portion of which is restricted for certain use. Net position is divided into three major categories. The first category, net investment in capital assets, shows the Authority's equity in land, buildings and improvements, construction in progress, and equipment, net of related capital debt outstanding. The next net position category, restricted, is reserved for the programs mandated by HUD. The last category, unrestricted, is available to use for any lawful and prudent purpose of the Authority. The increase in net position is due to operating and nonoperating expense during 2023.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

DECEMBER 31, 2023

**Revenues, Expenses, and Changes in Net Position**

The following table is a condensed summary of revenues, expenses and changes in net position for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Operating Revenues:</b>				
Tenant revenue	\$ 261,319	\$ 420,518	\$ (159,199)	-37.9%
HUD PHA operating grants	17,892,256	15,471,545	2,420,711	15.6%
Other government grants	416,711	298,310	118,401	39.7%
Fraud recovery income	8,716	5,538	3,178	57.4%
Management fees	552,766	528,890	23,876	4.5%
Other revenue	21,429,662	21,004,345	425,317	2.0%
<b>Total Operating Revenues</b>	<u>40,561,430</u>	<u>37,729,146</u>	<u>2,832,284</u>	<u>7.5%</u>
<b>Operating Expenses:</b>				
Administration	4,437,113	3,501,690	935,423	26.7%
Tenant services	156,785	137,735	19,050	13.8%
Utilities	101,962	179,620	(77,658)	-43.2%
Ordinary maintenance and operations	658,506	539,860	118,646	22.0%
Insurance	391,270	339,034	52,236	15.4%
Other general expenses	14,223,448	16,347,348	(2,123,900)	-13.0%
Housing assistance payments	15,912,962	13,858,436	2,054,526	14.8%
Depreciation and amortization	348,659	430,440	(81,781)	-19.0%
<b>Total Operating Expenses</b>	<u>36,230,705</u>	<u>35,334,163</u>	<u>896,542</u>	<u>2.5%</u>
<b>Net Operating Income</b>	<u>4,330,725</u>	<u>2,394,983</u>	<u>1,935,742</u>	<u>80.8%</u>
<b>Net Nonoperating Income</b>	<u>195,799</u>	<u>1,131,411</u>	<u>(935,612)</u>	<u>-82.7%</u>
<b>Change in Net Position</b>	<u>\$ 4,526,524</u>	<u>\$ 3,526,394</u>	<u>\$ 1,000,130</u>	<u>28.4%</u>

**Major factors affecting the statement of revenues, expenses, and changes in net position**

During 2023, the Authority's net operating income was approximately \$4.3 million. Net nonoperating income resulted in approximately \$196,000 in income which primarily consisted of investment income.

During 2022, the Authority's net operating income was approximately \$2.4 million. Net nonoperating income and other special items resulted in approximately \$1.1 million in income which primarily consisted of investment income and gains on disposal of capital assets.

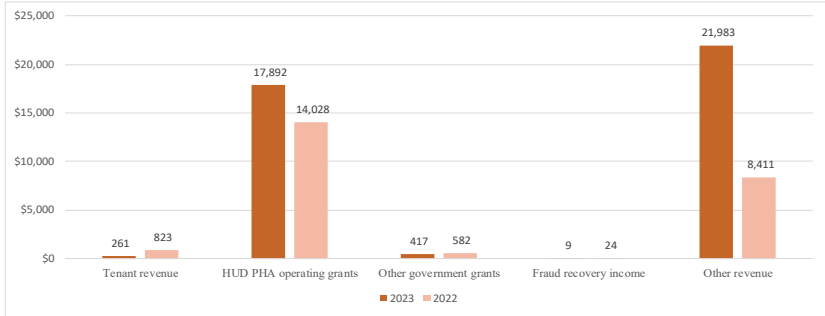
As seen in the charts below, the most important factors affecting the change in the Authority's operating income in 2023 was the increases in other revenue.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

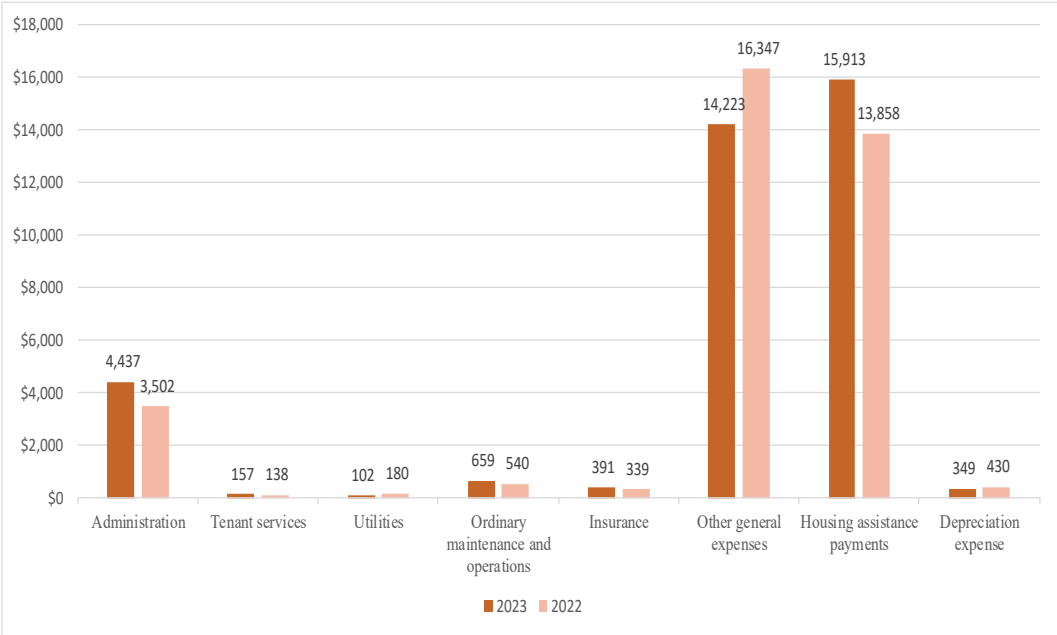
*DECEMBER 31, 2023*

Operating revenue and expenses are shown in detail in the charts below:

**Operating Revenue – 2023 and 2022 (Dollars in Thousands)**



**Operating Expenses – 2023 and 2022 (Dollars in Thousands)**



**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

DECEMBER 31, 2023

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**Capital Assets**

As of December 31, 2023 and 2022, the Authority had approximately \$3.6 and \$3.2 million, respectively, invested in a variety of capital assets as reflected in the following table:

	<u>2023</u>	<u>2022</u>
Land	\$ 1,163,747	\$ 1,163,747
Buildings and improvements	4,100,486	3,550,026
Furniture, equipment and machinery	1,607,936	1,343,144
Construction in progress	396,067	422,703
Accumulated depreciation	<u>(3,625,640)</u>	<u>(3,287,229)</u>
Capital Assets, Net	<u>\$ 3,642,596</u>	<u>\$ 3,192,391</u>

In 2023, the Authority had capital expenditures of approximately \$800 thousand while recognizing depreciation expense of approximately \$343 thousand.

See Note 4 in the *Notes to the Financial Statements* for additional disclosures regarding changes in capital assets during the year ended December 31, 2023.

**Long-Term Debt**

Long-term debt outstanding totaled \$706 thousand and \$802 thousand at December 31, 2023 and 2022, respectively. The decrease in long-term debt was due to debt payments.

**Requests of information**

This financial report is designed to provide a general overview of the Authority's finances and resources. Questions concerning any of this information should be addressed to The Housing Authority of the City of Evansville, Indiana, 500 SE Tenth Street, 47713.

Requests for full financial information of the discretely presented component units should also be addressed to The Housing Authority of the City of Evansville, Indiana, 500 SE Tenth Street, 47713.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**STATEMENT OF NET POSITION**

DECEMBER 31, 2023

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents - unrestricted	\$ 9,226,321	\$ 2,821,731
Cash and cash equivalents - restricted for modernization and development	-	6,370
Cash and cash equivalents - other restricted	277,073	4,860,068
Cash and cash equivalents - tenant security deposits	5,925	179,079
Cash and cash equivalents - restricted for payment of current liabilities	-	15,797,997
Certificates of deposit	307,286	-
Accounts receivable - HUD	15,625	7,588
Accounts receivable - tenants	-	242,382
Accounts receivable - other government	156,430	3,262
Accounts receivable - other	4,961,858	34,870
Notes receivable - current	12,750	-
Prepaid expense and other current assets	2,952,245	647,310
Total Current Assets	<u>17,915,513</u>	<u>24,600,657</u>
Noncurrent Assets:		
Capital assets, net	3,642,596	163,289,355
Notes receivable, net	29,135,000	-
Other investments	1,064,512	-
Other assets	-	621,277
Total Noncurrent Assets	<u>33,842,108</u>	<u>163,910,632</u>
Total Assets	51,757,621	188,511,289
Deferred Outflows of Resources:		
Deferred outflows related to pension	457,374	-
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 52,214,995</u>	<u>\$ 188,511,289</u>

The accompanying notes to the financial statements are an integral part of these statements.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**STATEMENT OF NET POSITION (CONTINUED)**

DECEMBER 31, 2023

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$ 2,407,200	\$ 5,021,850
Tenant security deposits	5,525	184,234
Unearned revenue	17,806	160,345
Accrued compensated absences - current portion	111,139	-
Accrued wages and payroll taxes	50,294	-
Accrued expenses and other current liabilities	63,667	1,143,631
Contract liabilities	2,914,394	-
Current portion of long-term debt	100,204	8,221,487
<b>Total Current Liabilities</b>	<u>5,670,229</u>	<u>14,731,547</u>
Noncurrent Liabilities:		
Other liabilities	160,000	11,172,957
Accrued compensated absences, net of current portion	33,870	59,667
Accrued interest	-	10,468,845
Net pension liability	926,450	-
Related party notes payable, net of current portion	-	29,135,000
Mortgage and other notes payable, net of current portion	605,708	69,753,525
<b>Total Noncurrent Liabilities</b>	<u>1,726,028</u>	<u>120,589,994</u>
<b>Total Liabilities</b>	<u>7,396,257</u>	<u>135,321,541</u>
Deferred Inflows of Resources:		
Deferred inflows related to pensions	37,084	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>7,433,341</u>	<u>135,321,541</u>
<b>NET POSITION</b>		
Net investment in capital assets	3,642,596	85,420,740
Restricted	137,249	4,866,438
Unrestricted	41,001,809	(37,097,430)
<b>Total Net Position</b>	<u>\$ 44,781,654</u>	<u>\$ 53,189,748</u>

The accompanying notes to the financial statements are an integral part of these statements.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

YEAR ENDED DECEMBER 31, 2023

	<b>Primary Government</b>	<b>Discretely Presented Component Units</b>
Operating Revenues:		
Tenant revenue	\$ 261,319	\$ 11,349,293
HUD PHA operating grants	17,892,256	-
Other government grants	416,711	-
Fraud recovery income	8,716	-
Management fees	552,766	-
Other revenue	21,429,662	107,465
Total Operating Revenues	<u>40,561,430</u>	<u>11,456,758</u>
Operating Expenses:		
Administration	4,437,113	2,387,524
Tenant services	156,785	-
Utilities	101,962	2,602,970
Ordinary maintenance and operations	658,506	3,582,942
Insurance	391,270	1,311,167
Other general expenses	14,223,448	101,562
Housing assistance payments	15,912,962	-
Depreciation and amortization expense	348,659	6,542,917
Total Operating Expenses	<u>36,230,705</u>	<u>16,529,082</u>
Net Operating Income (Loss)	<u>4,330,725</u>	<u>(5,072,324)</u>
Nonoperating Income (Expense):		
Investment income - unrestricted	257,280	145,363
Interest expense and amortization cost	(16,829)	(4,468,700)
Loss on disposal of capital assets	(44,652)	-
Mortgage insurance premium	-	(46,514)
Total Nonoperating Income (Expense)	<u>195,799</u>	<u>(4,369,851)</u>
Change in Net Position Before Other Special Items	<u>4,526,524</u>	<u>(9,442,175)</u>
Other special items	-	760,815
Total Other Special Item	<u>-</u>	<u>760,815</u>
Changes in net position	4,526,524	(8,681,360)
Net position, beginning of year	40,255,130	45,438,838
Syndication costs	-	(25,000)
Capital contributions	-	16,457,270
Net Position, End of Year	<u>\$ 44,781,654</u>	<u>\$ 53,189,748</u>

The accompanying notes to the financial statements are an integral part of these statements.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**STATEMENT OF CASH FLOWS**

YEAR ENDED DECEMBER 31, 2023

	<b>Primary Government</b>
<b>Cash flows from operating activities:</b>	
Cash received from tenants	\$ 268,738
Cash received from HUD grants	17,879,326
Cash received from other governmental grants	320,106
Cash received from other sources	22,358,726
Cash payments to employees for services	(1,991,534)
Cash payments for employee benefits	(427,732)
Cash payments to participants in the Housing Choice Voucher Program	(15,912,962)
Cash payments to other suppliers for goods and services	(23,510,735)
Net cash flows from operating activities	<u>(1,016,067)</u>
<b>Cash flows from capital and related financing activities:</b>	
Purchases of capital assets	(844,516)
Repayment of loan payable	(95,612)
Interest paid	(16,829)
Net cash flows from capital and related financing activities	<u>(956,957)</u>
<b>Cash flows from investing activities:</b>	
Loss from other investing activities	(489,224)
Change in certificates of deposit	615
Interest received	257,280
Net cash flows from investing activities	<u>(231,329)</u>
Net change in cash and cash equivalents	(2,204,353)
Cash and cash equivalents, beginning of year	11,713,672
Cash and cash equivalents, end of year	<u>\$ 9,509,319</u>
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>	
Cash and cash equivalents - unrestricted	\$ 9,226,321
Cash and cash equivalents - other restricted	277,073
Cash and cash equivalents - tenant security deposits	5,925
Total cash and equivalents	<u>\$ 9,509,319</u>

The accompanying notes to the financial statements are an integral part of these statements.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**STATEMENT OF CASH FLOWS (CONTINUED)**

YEAR ENDED DECEMBER 31, 2023

	<u>Primary Government</u>
Operating activities net operating loss	\$ 4,330,725
Adjustments to reconcile net operating income to net cash flows from operating activities:	
Depreciation expense	348,659
Bad debt expense - tenant rents	300,086
Decrease (increase) in assets:	
Accounts receivable - HUD	15,287
Accounts receivable - tenants	(300,086)
Accounts receivable - other government	(96,605)
Accounts receivable - other	376,298
Prepaid expenses and other current assets	(1,762,638)
Deferred outflows of resources	(71,769)
Increase (decrease) in liabilities:	
Accounts payable	577,926
Tenant security deposits	(3,680)
Unearned revenue	(25,834)
Accrued wages and payroll taxes	(14,683)
Accrued expenses and other current liabilities	(4,895,951)
Accrued compensated absences	57,096
Other liabilities	13,998
Accrued pension obligation	167,638
Deferred inflows of resources	(32,534)
Net cash flows from operating activities	<u>\$ (1,016,067)</u>

The accompanying notes to the financial statements are an integral part of these statements.

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### Note 1—Nature of organization and operations

*Nature of Operations* – The Housing Authority of the City of Evansville, Indiana (the “Authority” or the “Primary Government”), a governmental entity, is organized under the laws of the State of Indiana (“State”) for the purpose of engaging in the development and administration of low-rent housing programs. The Authority owned and operated 135 public housing units through October 31, 2018, at which time all public housing units were disposed of through the Rental Assistance Demonstration Program. The Authority administers 2,230 Section 8 vouchers, under an Annual Contributions Contract (“ACC”) in Evansville, Indiana.

The Authority’s activities include the following program:

*Section 8 Housing Choice Voucher Program* – Under the Section 8 Housing Choice Voucher Program, the Authority provides rental housing assistance subsidies in support of up to 2,849 housing units. The purpose of the program is to provide decent, affordable housing to low-income families and elderly and disabled persons wherein rental assistance is provided by HUD. The associated units are maintained and managed by private landlords.

*Reporting Entity – The Housing Authority of the City of Evansville* – The Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments.

The seven member Board of Commissioners of the Authority is appointed to four-year staggered terms by the Mayor of the City of Evansville, but the Authority designates its own management. The City of Evansville is not financially accountable for the Authority as it cannot impose its will on the Authority and there is no potential for the Authority to provide financial benefits to, or impose financial burdens on, the City of Evansville. Accordingly, the Authority is not a component unit of the financial reporting entity of the City of Evansville.

The following entity is reported as a blended component unit because the Authority has financial accountability and control over its Board of Directors and management.

*Advantix Development Corporation (“Advantix”)* – The Authority established the non-profit entity, which is legally separate from the Authority. The purpose of the entity is to foster low-income housing within the State through ownership, development, construction, property management, and RAD consultation. The board consists of eight members, all of which are Authority board members.

ADC V1505 Inc. – ADC V1505, Inc. has 1,000 shares of common stock, 490 shares are owned by Advantix and 510 shares are owned by the Authority. ADC V1505, Inc. is the .008% general partner in Vision LP. Vision LP operates a 32-unit, residential supportive apartment project known as Vision 1505 located in Evansville, Indiana. Due to the limited activity in ADC V1505, Inc., all activity is incorporated into the financial information of Advantix.

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### Note 1—Nature of organization and operations (continued)

Advantix established and wholly owns the following entities:

- Corydon SSL, LLC, which is the .009% general partner in CSSL.
- Evansville RAD One, LLC, which is the .01% general partner in EHA RAD I, L.P., and EHA RAD II, L.P. RAD I owns and operates a 438-unit apartment community. RAD II owns and operates a 121-unit apartment community. RAD I and RAD II apartment communities are both located in Evansville, Indiana.
- Evansville RAD Four, LLC, which is the .01% general partner in EHA RAD IV. EHA RAD IV operates a 194-unit apartment community located in Evansville, Indiana.
- ET Evansville, LLC is the .01% general partner in Evansville Townhomes, L.P.
- Trailside Townhomes GP, LC is the .01% general partner in Trailside Townhomes, LP.
- SP Kokomo, LLC is the .01% general partner in Trailside Commons, L.P.
- RVV, LLC, which is the .01% general partner in River View Vincennes, L.P.
- Erie Evansville, LLC which is the .01% general partner in Erie Pointe, L.P.
- KHA RAD One, LLC which is the .01% general partner in KHA RAD, I L.P.
- ET 2 Evansville, LLC which is the .01% general partner in Evansville Townhomes, II L.P.
- ET 3 Evansville, LLC which is the .01% general partner in Evansville Townhomes, III L.P.
- 34 East Marion, LLC is the .01% general partner in 34 East, L.P.
- PP Princeton, LLC is the .01% general partner in Princetown Place, L.P.

CSSL, L.P., RAD I; RAD II; RAD IV; Evansville Townhomes, L.P.; Trailside Townhomes, LP.; Trailside Commons, L.P.; River View Vincennes, L.P.; Evansville Townhomes, II L.P.; KHA RAD I, L.P.; Erie Pointe, L.P.; Evansville Townhomes, III L.P.; 34 East, L.P.; and Princetown Place, L.P. units are rented to low-income individuals and, as a result, federal income tax credits are available to investors. The RAD I Partnership's major program is the Section 221 (d) (4) insured mortgage. As of December 31, 2023, Princetown Place, L.P. did not have any rental activity. The other entities have entered into a housing assistance payment contract ("HAP contract") with Evansville Housing Authority (the primary government). The contract is a rent assistance program for low-income families (or persons) as provided by the Section 8 Program of the National Housing Act.

The Authority has included, as discretely presented component units, the activity for Vision LP; RAD I; RAD II; RAD IV; CSSL; Evansville Townhomes, L.P.; Trailside Townhomes, LP.; Trailside Commons, L.P.; River View Vincennes, L.P.; Evansville Townhomes II, L.P.; KHA RAD I, L.P.; Erie Pointe, L.P.; Evansville Townhomes III, L.P.; 34 East, L.P.; and Princetown Place, L.P. These entities are shown as discretely presented component units because the Authority, through its blended component unit, Advantix, is financially accountable for them; however, they do not have full operational responsibility for the entities. ADC V1505, Inc. (which is included as a blended component of the Authority) has a .001% general partner interest in Vision LP. Vision LP operates a 32-unit, residential supportive apartment project known as Vision 1505 located in Evansville, Indiana.

Requests for full financial information of Vision LP; RAD I; RAD II; RAD IV; CSSL; Evansville Townhomes, L.P.; Trailside Townhomes, L.P.; Trailside Commons, L.P.; River View Vincennes, L.P.; Evansville Townhomes II, L.P.; KHA RAD I, L.P.; Erie Pointe, L.P.; Evansville Townhomes III, L.P.; 34 East, L.P.; and Princetown Place, L.P. (the "discretely presented component units") should be addressed to The Housing Authority of the City of Evansville, Indiana, 500 SE Tenth Street, 47713.

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### **Note 2—Summary of organization and significant accounting policies**

This summary of significant accounting policies of the Authority is presented to assist in understanding the Authority's financial statements. The financial statements and notes are representations of the Authority's management, who is responsible for their integrity and objectivity. These accounting policies are in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and have been consistently applied in the preparation of the financial statements.

*Basis of Presentation* – The Authority's financial statements have been prepared in accordance with U.S. GAAP as prescribed by the Governmental Accounting Standards Board ("GASB"). The Authority accounts for all of its activity as a proprietary fund which includes business-type activities that are financed in whole or in part by fees charged to external parties.

*Estimates* – The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (and disclosure of contingent assets and liabilities, if any) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Measurement Focus, Basis of Accounting, and Financial Statement Presentation* – The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when incurred, regardless of the timing of related cash flows.

*Revenue and Expenses* – Revenue from rentals is recorded as earned over the term of the lease, and expenses are charged against such revenue as incurred without regard to the date of receipt or payment of cash. Rental agreements generally do not exceed one year but are renewable at the discretion of both parties. Rental agreements are not within the scope of the lease standards.

The Authority has entered into annual contribution contracts with HUD to develop, manage, and own public housing projects and to administer the federal Section 8 programs whereby the Authority pays the owner a portion of the rent, a housing assistance payment ("HAP"), on behalf of the family. Such contributions are reflected as HUD grants in the accompanying financial statements.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Principal operating revenues are tenant rents and HUD grants. Operating expenses include administration, tenant services, utilities, maintenance, protective services, insurance, depreciation, housing assistance payments, and other general expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Advantix receives revenue from construction contracts. Advantix recognizes revenue using a cost-based input method, which uses actual costs incurred relative to total estimated contract costs to determine, as a percentage, progress toward contract completion. Contract assets reflected on the statement net position includes costs and estimated earnings in excess of billings on uncompleted contracts. Contract liabilities consist of billings in excess of costs and estimated earnings on uncompleted contracts.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

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**Note 2—Summary of organization and significant accounting policies (continued)**

In applying the cost-based input method of revenue recognition, the Company uses actual costs incurred relative to the total estimated costs to determine progress towards contract completion and to calculate the corresponding amount of revenue and gross profit to recognize. Costs incurred towards contract completion include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs, and depreciation costs. Selling, general, and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. There were no provisions for losses accrued as of December 31, 2023.

*Cash and Cash Equivalents* – The Authority’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents are stated at fair value.

*Investments* – Investments consist of certificates of deposit and are stated at cost plus accrued interest, which approximates fair value given the nature of the investments.

*Other Investments* – Other investments represent general partner equity contributions by certain subsidiaries of Advantix related to certain discretely presented component units.

*Allowance for Doubtful Accounts* – The Authority uses the allowance for bad debts method of valuing doubtful accounts receivable which is based on historical experience, coupled with a review of the current status of existing receivables. For the year ended December 31, 2023, management has determined the allowance for doubtful accounts to be \$7,960,171 for accrued interest receivable related to notes receivable from discretely presented component units.

*Capital Assets* – Capital assets are recorded at cost. Maintenance and repairs are charged to expense as incurred; renewals or betterments are capitalized. The Authority capitalizes capital asset purchases over \$5,000. Gain or loss on retirements and disposition of assets is credited or charged to operations, and respective costs and accumulated depreciation are eliminated from the accounts. Capital assets are depreciated using the straight-line method over the estimated useful lives as follows:

Buildings and improvements	10-39 years
Furniture, equipment, and machinery	5-7 years

The Authority evaluates prominent events or changes in circumstances affecting capital assets to determine when impairment of a capital asset has occurred. Impaired capital assets that will no longer be used are reported at the lower of carrying value or fair value. Impairment of capital assets with physical damage are generally measured using the restoration cost approach, which uses the estimated cost to restore the capital asset to identify the portion of the historical cost of the capital asset that should be written-off.

*Deferred Outflows of Resources* – The Authority reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section on the statement of net position.

*Deferred Inflows of Resources* – The Authority reports increases in net position that relate to future periods as deferred inflows of resources in a separate section on the statement of net position.

*Pension Plan* – The employees of the Authority participate in the Indiana Public Retirement System (“INPRS”). The Authority recognizes its proportionate share of the collective net pension liability, deferred outflows of resources, and deferred inflows of resources related to the pension and pension expense.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

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**Note 2—Summary of organization and significant accounting policies (continued)**

*Compensated Absences* – Compensated absences are those for which employees will be paid, such as vacation. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside of the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

*Net Position* – The Authority classifies net position for accounting and financial reporting purposes in the following net position categories:

- *Net Investment in Capital Assets* – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets”.

*Use of Restricted and Unrestricted Resources* – When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, and then unrestricted resources as they are needed.

*Discretely Presented Component Units – Capital Contributions* – Vision LP’s limited partner made capital contributions totaling \$7,155,588 at various times, as specified in the partnership agreement. As of December 31, 2023, all investor limited partner contributions have been received. The general partner is required to contribute \$100 in capital contributions to the partnership; as of December 31, 2023, all required capital contributions have been received. The special limited partners A and B are to make capital contribution of \$100 each, of which \$100 is outstanding from special partner B at December 31, 2023.

Evansville Townhomes’ general partner has made a capital contribution of \$147,143, which was required by the partnership agreement. The limited partner is to make capital contributions totaling \$8,800,000 as specified in the partnership agreement. The total contribution is subject to adjustment based on the timing of lease-up and other factors. During 2022, the required contribution was reduced by \$26,000. The limited partner had no contributions owed at December 31, 2023.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*DECEMBER 31, 2023*

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**Note 2—Summary of organization and significant accounting policies (continued)**

Trailside Commons' general partner was required to make a capital contribution of \$76,000 which has been paid. The limited partner is required to make capital contributions totaling \$6,246,000 as specified in the partnership agreement. The total contribution is subject to adjustment based upon the timing of lease-up and other factors. During 2023, the required contribution was increased by \$15,000. The limited partner had no contributions owed at December 31, 2023.

River View Vincennes' general partner has made a capital contribution of \$396,957 as specified in the partnership agreement. The limited partner is to make capital contributions totaling \$6,387,000 as specified in the partnership agreement. The total contribution is subject to adjustment based upon the timing of lease-up and other factors. The limited partner had contributions payable of \$265,974 at December 31, 2023.

Evansville Townhomes II, L.P.'s general partner has made a capital contribution of \$100 as required by the partnership agreement. The administrative limited partner has made a capital contribution of \$100 as required by the partnership agreement. The limited partner is to make capital contributions totaling \$6,071,322 as specified in the partnership agreement. The total contribution is subject to adjustment based upon the timing of lease-up and other factors. The limited partner had contributions payable of \$1,214,365 at December 31, 2023.

KHA RAD I, L.P.'s investor limited partner is to make capital contributions totaling \$17,175,766, as required in the partnership agreement. The total contribution is subject to adjustment based upon the timing of lease-up and other factors. As of December 31, 2023, capital contributions totaling \$8,740,693 are outstanding. The administrative limited partner and general partner each made capital contributions totaling \$100 as specified in the partnership agreement.

Erie Pointe's investor limited partner is to make capital contributions totaling \$7,769,363, as required in the partnership agreement. The total contribution is subject to adjustment based upon the timing of lease-up and other factors. As of December 31, 2023, capital contributions totaling \$1,165,420 are outstanding. The general partner contributed land valued in the amount equal to \$233,000 as specified in the partnership agreement. The general partner is also to make a capital contribution of \$100 as specified in the partnership agreement, which remains outstanding as of December 31, 2023. The administrative limited partner made a capital contribution of \$100 as specified in the partnership agreement.

34 East's general partner has made a capital contribution of \$100, which was required by the partnership agreement. The special limited partner has made a capital contribution of \$400,000, which was required by the partnership agreement. The limited partner is to make capital contributions totaling \$9,957,000 as specified in the partnership agreement. The total contribution is subject to adjustment based upon the timing of lease-up and other factors. The limited partner had contributions owed of \$8,463,450 at December 31, 2023.

Evansville Townhomes III, L.P.'s general partner has made a capital contribution of \$100, which was required by the partnership agreement. The limited partner is to make capital contributions totaling \$9,639,000 as specified in the partnership agreement. The total contribution is subject to adjustment based upon the timing of lease-up and other factors. The limited partner had contributions owed of \$8,193,150 at December 31, 2023.

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### **Note 2—Summary of organization and significant accounting policies (continued)**

Princeton Place, L.P.'s general partner contributed land with a fair market value of \$1,043,100. This contribution was treated as a capital contribution made by the general partner. The investor limited partner is required to make capital contributions totaling \$9,152,000. The total contribution is subject to adjustment based upon the timing of lease-up and other factors. As of December 31, 2023, capital contributions totaling \$8,008,000 are outstanding.

Discretely presented net position attributable to third party investors is 99.99% in total.

*Syndication Costs* – Syndication costs represent costs associated with capital contributions and have been netted within net position for the discretely presented component unit column.

*Subsequent Events* – The Authority has evaluated events and transactions for potential recognition or disclosure through September 25, 2024 the date the accompanying financial statements were available for issuance.

### **Note 3—Cash, cash equivalents, and investments**

During the year ended December 31, 2023, the Authority held cash, cash equivalents, and investments with several financial institutions.

*Custodial Credit Risk* – Custodial credit risk is the risk the Authority will not be able to recover the value of its deposits that are in the possession of an outside party if the counterparty fails. Cash is exposed to risk if it is not covered by depository insurance in the pledging financial institution. The Federal Deposit Insurance Corporation ("FDIC") generally insures deposits up to \$250,000 per bank. In addition, the State's Public Deposit Insurance Fund ("PDIF") insures public funds deposited in approved financial institutions which exceed the limits of coverage provided by any federal deposit insurance. At December 31, 2023, all of the Authority's cash was insured by FDIC or PDIF.

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates of investments will adversely affect the fair value of an investment. The Authority's investment policy limits investments to provide the optimum return on the investment consistent with the cash management program of the Authority.

Investments are made based upon prevailing market conditions at the time of the transaction. The Authority reviews its cash and investment needs in order to maintain adequate liquidity to meet its cash flow needs. Investments will typically be limited to securities maturing in periods of up to one year, or such lesser period that coincides with expected disbursements by the Authority.

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investments are made under the "prudent investor" standard to ensure that (a) due diligence is exercised in accordance with State law, (b) any negative deviations are reported timely, and (c) reasonable action is taken to control any adverse developments. The Authority's investment policy requires investments to be made in accordance with HUD Financial Handbook, 7475.1 Chapter 4.

*Concentration of Credit Risk* – The Authority's investment policy does not limit the amount it may invest with one financial institution as long as all funds are secured by the FDIC or identifiable United States government securities.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

**Note 3—Cash, cash equivalents, and investments (continued)**

*Foreign Currency Risk* – Foreign currency risk is the risk that changes in exchange rates will adversely affect fair value of an investment or deposit. All of the Authority’s deposits and investments are denominated in United States currency.

The carrying value of cash and cash equivalents owned at December 31, 2023 was \$9,509,319. The bank balance of cash and cash equivalents owned at December 31, 2023 was \$10,219,252.

Investments are carried at fair value. The financial statements reflect the accounting standard related to fair value measurements, which provides a comprehensive framework for measuring fair value and expands required disclosures concerning fair value measurements. Specifically, the standard sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs.

The standard defines levels with the hierarchy of inputs as follows:

*Level 1* – Unadjusted quoted prices for identical assets or liabilities in active markets.

*Level 2* – Quoted prices for similar assets and liabilities in active markets (other than those included in Level 1) which are observable for the asset or liability, either directly or indirectly.

*Level 3* – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Authority’s investments consist of certificates of deposit which are valued at the face amount plus any interest accrued. Fair values of the Authority’s investments at December 31, 2023, are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	\$ 307,286	\$ 307,286	\$ -	\$ -

*Discretely Presented Component Unit Deposits* – As of December 31, 2023, the carrying value of cash and cash equivalents held by the discretely presented component units was \$23,665,245. At times, the bank balances held with financial institutions may exceed federally insured limits. However, there have been no losses in such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Regulations of HUD require that security deposits be segregated from operating cash. Accordingly, the discretely presented component units hold all security deposits in a separate account. At December 31, 2023, amounts held for security deposits totaled \$179,079. Regulations of HUD also require that deposits for modernization and development activities be classified as restricted. As of December 31, 2023, deposits for development related obligations totaled \$6,370.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

**Note 3—Cash, cash equivalents, and investments (continued)**

Pursuant to various agreements, the discretely presented component units must hold amounts in reserves for restricted use. The following is a summary of activity in the reserve accounts for the year ended December 31, 2023:

	Operating Reserve	Expense Coverage Reserve	Subsidy Reserve	Replacement Reserve	Bond Service Reserve	Latent Defect Escrow	Mortgage Escrow Reserve	Total
<b>Balance, January 1, 2023</b>	\$ 2,559,172	\$ 234,878	\$ 251,068	\$ 1,161,191	\$ 14,856,161	\$ 205,073	\$ 351,313	\$ 19,618,856
Additions	209,566	6,248	26	509,131	687,277	21,366	-	1,433,614
Withdrawals	(50,025)	(127)	-	(137,618)	-	(99,904)	(106,731)	(394,405)
<b>Balance, December 31, 2023</b>	<b>\$ 2,718,713</b>	<b>\$ 240,999</b>	<b>\$ 251,094</b>	<b>\$ 1,532,704</b>	<b>\$ 15,543,438</b>	<b>\$ 126,535</b>	<b>\$ 244,582</b>	<b>\$ 20,658,065</b>

These restricted reserves are included on the statement of net position as restricted for payment of current liabilities, other restricted and bond service reserve.

**Note 4—Capital assets**

The following is a summary of changes in the capital assets of the primary government for the year ended December 31, 2023:

	Balance December 31, 2022	Additions	Disposals	Transfers	Balance December 31, 2023
Land	\$ 1,163,747	\$ -	\$ -	\$ -	\$ 1,163,747
Buildings and improvements	3,550,026	-	-	550,460	4,100,486
Furniture, equipment and machinery	1,343,144	320,692	(55,900)	-	1,607,936
Construction in progress	422,703	523,824	-	(550,460)	396,067
	6,479,620	844,516	(55,900)	-	7,268,236
Accumulated depreciation	(3,287,229)	(348,659)	10,248	-	(3,625,640)
Total capital assets	<b>\$ 3,192,391</b>	<b>\$ 495,857</b>	<b>\$ (45,652)</b>	<b>\$ -</b>	<b>\$ 3,642,596</b>

Total depreciation expense for the year ended December 31, 2023 was \$348,659.

The following is a summary of changes in the capital assets of the discretely presented component units for the year ended December 31, 2023:

	Balance December 31, 2021	Additions	Disposals	Transfers	Balance December 31, 2022
Land	\$ 4,273,727	\$ (87,398)	\$ -	\$ -	\$ 4,186,329
Buildings and improvements	138,184,584	11,646,232	-	-	149,830,816
Furniture, equipment, and machinery	11,193,313	1,008,635	-	-	12,201,948
Construction in progress	11,860,779	7,410,122	-	-	19,270,901
	165,512,403	19,977,591	-	-	185,489,994
Accumulated depreciation	(15,703,491)	(6,497,148)	-	-	(22,200,639)
Total capital assets	<b>\$ 149,808,912</b>	<b>\$ 13,480,443</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 163,289,355</b>

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
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**Note 5—Notes receivable**

Notes receivable for the primary government consisted of the following as of December 31, 2023:

EHA RAD I, L.P. - sellers note receivable	\$ 6,690,000
EHA RAD I, L.P. - ADC note receivable	800,000
EHA RAD I, L.P. - note receivable	3,250,000
EHA RAD II, L.P. - note receivable	3,400,000
EHA RAD IV, L.P. - note receivable	6,890,000
Memorial Community Development Corporation	12,750
Trailside Townhomes - note receivable	25,000
Evansville Townhomes - note receivable	1,000,000
Trailside Commons, L.P. - note receivable	295,000
Trailside Commons, LP. - note receivable	400,000
River View Vincennes, L.P. - AHP note receivable	500,000
River View Vincennes, L.P. - sponsor note receivable	85,000
Evansville Townhomes II, L.P. - sponsor note receivable	350,000
Evansville Townhomes II, L.P. - acquisition note receivable	2,400,000
Erie Pointe, LP - note receivable	900,000
Evansville Townhomes III, - sponsor loan	<u>2,150,000</u>
Total notes receivable	29,147,750
Less allowance for doubtful accounts	-
Less current portion	<u>(12,750)</u>
Notes receivable - less current portion	<u>\$ 29,135,000</u>

*EHA RAD I, L.P. – Sellers Note Receivable* – On May 1, 2016, the Authority sold four public housing properties consisting of a combined 438 units, to EHA RAD I, L.P. Permanent financing was provided by the Authority under a loan commitment of \$6,690,000. The loan is secured by a fifth mortgage and a security agreement against the property. Interest began accruing at an annual rate of 6% commencing February 1, 2018. At December 31, 2023, an allowance has been provided for accrued interest totaling \$2,374,950. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2058.

*EHA RAD I, L.P. – ADC Note Receivable* – On May 1, 2016, the Authority sold four public housing properties consisting of a combined 438 units, to EHA RAD I, L.P. Permanent financing was provided by the Authority under a loan commitment of \$800,000. The loan is secured by a fourth mortgage and a security agreement against the property. Interest began accruing at an annual rate of 6% commencing February 1, 2018. At December 31, 2023, an allowance has been provided for accrued interest totaling \$284,000. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2058.

*EHA RAD I, L.P. – Note Receivable* – On May 1, 2016, the Authority sold four public housing properties consisting of a combined 438 units, to EHA RAD I, L.P. Permanent financing was provided by the Authority under a loan commitment of \$3,250,000. The loan is secured by a sixth mortgage and a security agreement against the property. Interest began accruing at an annual rate of 6% commencing February 1, 2018. At December 31, 2023, an allowance has been provided for accrued interest totaling \$1,153,750. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2058.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

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**Note 5—Notes receivable (continued)**

*EHA RAD II, L.P. – Note Receivable* – On May 1, 2016, the Authority sold public housing property consisting of 129 units, to EHA RAD II, L.P. Permanent financing was provided by the Authority under a loan commitment of \$3,400,000. The loan is secured by a third mortgage and a security agreement against the property. Interest began accruing at an annual rate of 6% commencing July 1, 2017. At December 31, 2023, an allowance has been provided for accrued interest totaling \$1,326,000. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2058.

*EHA RAD IV, L.P. – Note Receivable* – On December 22, 2017, the Authority sold public housing properties consisting of 194 units, to EHA RAD IV, L.P. Permanent financing was provided by the Authority under a loan commitment of \$6,890,000. The loan is secured by a first mortgage and a security agreement against the property. Interest accrues at an annual rate of 6% commencing February 1, 2019. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2059. Accrued interest at December 31, 2023 totaled \$2,067,000 and is fully reserved.

*Memorial Community Development Corporation – Note Receivable* – On August 18, 2015, the Authority issued an \$85,000 note receivable to the Memorial Community Development Corporation (“MCDC”). The note is between Advantix and MCDC for \$85,000 interest free, to be repaid over a 10-year time period until maturity on August 1, 2025. The loan is to be repaid in the form of student sponsorships through the Youth Build Program. For each \$531 student sponsorship, Advantix will forgive \$531 of the note and credit the note for an additional \$531 cash payment, as required by the promissory note. As of December 31, 2023, the balance of the note receivable was \$12,750.

*Trailside Townhomes, L.P. – Note Receivable* – On February 26, 2019, the Authority issued a note receivable to Trailside Townhomes, L.P. in the amount of \$25,000. The note is between Advantix and Trailside Townhomes, L.P. Interest is to accrue at 6% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. The note matures December 31, 2049. Accrued interest on the note is \$5,750 at December 31, 2023 and is fully reserved.

*Evansville Townhomes, L.P. – Note Receivable* – On December 31, 2019, the Authority issued a \$1,000,000 note receivable to Evansville Townhomes, L.P. The note is between Advantix and Evansville Townhomes, L.P. Interest is to accrue at 7% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. Accrued interest on the note is \$186,667 at December 31, 2023 and is fully reserved. The note matures December 31, 2049.

*Trailside Commons, L.P. – Note Receivable* – On December 19, 2019, the Authority issued a \$295,000 note receivable to Trailside Commons, L.P. The note is between Advantix and Trailside Commons, L.P. Interest is to accrue at 6% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. Accrued interest on the note is \$48,675 at December 31, 2023 and is fully reserved. The note matures December 31, 2049.

*Trailside Commons, L.P. – Note Receivable* – Advantix received funds from IHEDA under the National Housing Trust Fund in the amount of \$400,000, which it in turned loaned to Trailside Commons, L.P. as evidenced through a promissory note dated December 19, 2019. Interest is to accrue 6% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. Accrued interest on the note is \$96,000 at December 31, 2023 and is fully reserved. The note matures December 31, 2049.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
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**Note 5—Notes receivable (continued)**

*River View Vincennes, L.P. – Affordable Housing Program Note Receivable* – On February 25, 2020, the Authority issued a \$500,000 note receivable to River View Vincennes, L.P. The note is between Advantix and River View Vincennes, L.P. Interest is to accrue at 2.15% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. Accrued interest on the note is \$41,204 at December 31, 2023 and is fully reserved. The note matures December 31, 2050.

*River View Vincennes, L.P. – Sponsor Note Receivable* – On February 25, 2020, the Authority issued a \$85,000 note receivable to River View Vincennes, L.P. The note is between Advantix and River View Vincennes, L.P. Interest is to accrue at 6% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. Accrued interest on the note is \$19,550 at December 31, 2023 and is fully reserved. The note matures December 31, 2050.

*Evansville Townhomes II, L.P. – Sponsor Note Receivable* – Advantix issued a \$350,000 sponsor note receivable to Evansville Townhomes II, L.P. on March 2, 2021. Interest accrues at 6% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. The note is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. Accrued interest on the note is \$40,250 at December 31, 2023 and is fully reserved. The note matures December 31, 2051.

*Evansville Townhomes II, L.P. – Acquisition Note Receivable* – Advantix issued a \$2,400,000 promissory note to Evansville Townhomes II, L.P. on March 2, 2021. Interest accrues at 5.5% per annum. Payments of principal and interest are to be made based on available cash flow. The note is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. Accrued interest on the note is \$253,000 at December 31, 2023 and is fully reserved. The note matures December 31, 2051.

*Erie Point, L.P. – Note Receivable* – Advantix issued a \$900,000 note receivable to Erie Pointe, L.P. on December 1, 2021. Interest accrues at 6.50% per annum. Payments of principal and interest are to be made based on available cash flow as defined. The note is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. Accrued interest on the note is \$63,375 at December 31, 2023 and is fully reserved. The note matures on December 31, 2051.

*Evansville Townhomes III, L.P. – Sponsor Note Receivable* – Advantix issued a \$2,150,000 sponsor note receivable to Evansville Townhomes III, L.P. on December 23, 2022. Interest accrues at 6% per annum, commencing once the project is complete and placed in service. Payments of principal and interest are to be made based on available cash flow, as defined. The note is secured by a mortgage on certain real estate and other assets and an assignments of rents and leases. There was no accrued interest on the note as of December 31, 2023. The note matures December 31, 2052.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
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**Note 6—Contract liabilities**

Costs and estimated earnings on uncompleted Advantix construction contracts at December 31, 2023 are as follows:

Costs incurred on uncompleted contracts	\$ 12,866,943
Less billings to date	<u>15,781,337</u>
	<u>\$ (2,914,394)</u>
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ -
Billings in excess of costs and estimated earnings on uncompleted contracts	<u>(2,914,394)</u>
	<u>\$ (2,914,394)</u>

Billings in excess of costs and estimated earnings are included in contract liabilities on the Statement of Net Position.

**Note 7—Compensated absences**

Authority employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave is not vested and is not paid to an employee upon separation. Vested or accumulated vacation is recorded as an expense and liability as the benefits accrue to employees. Sick leave is recorded as an expense as the employee utilizes it. A liability has been recorded for compensated absences totaling \$145,009 at December 31, 2023, of which \$111,139 is considered current.

**Note 8—Long-term debt and other long-term obligations**

*Primary Government* – On November 23, 2011, the Authority entered into a financing agreement to purchase energy efficient equipment for \$1,079,391. This equipment was sold to RAD IV during the year ending December 31, 2017, but the note payable remains on the Authority’s books. Effective July 15, 2012, the Authority began making monthly payments of \$7,533, which include principal and interest. The loan bears interest at 4.70% annually and matures on November 15, 2026. As of December 31, 2023, the balance of the loan was \$305,912, of which \$100,204 is considered current.

On November 15, 2018, Advantix entered into an agreement with the Indiana Housing and Community Development Authority (“IHCD”) whereby Advantix was awarded \$400,000 from the Housing Trust Fund Program for the purpose of providing a loan to Trailside Commons, L.P. No funds were advanced until December 2019. This agreement remains in effect through the compliance period as set forth in 24 CFR 93.302(d), December 31, 2049, of Trailside Commons, L.P. at which time the loan will be considered forgiven. No principal or interest is due until such time as the compliance period ends, or the project is not deemed to be out of compliance.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
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**Note 8—Long-term debt and other long-term obligations (continued)**

Debt service requirements of the primary government as of December 31, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>
Payable in:		
2024	\$ 100,204	\$ 12,279
2025	105,372	7,450
2026	100,336	2,390
2027	-	-
2028	-	-
Thereafter	400,000	-
Total requirements	<u>\$ 705,912</u>	<u>\$ 22,119</u>

A summary of changes in long-term debt and other long-term obligations of the primary government for the year ended December 31, 2023 is presented below:

	<u>Balance at December 31, 2022</u>	<u>Additions/ Transfers</u>	<u>Retirements</u>	<u>Balance at December 31, 2023</u>	<u>Due Within One Year</u>
Other liabilities - noncurrent	\$ 146,002	\$ 13,998	\$ -	\$ 160,000	\$ -
IHCDA loan	400,000	-	-	400,000	-
Accrued compensated absences	87,913	57,096	-	145,009	111,139
Loan payable to bank	401,524	-	(95,612)	305,912	100,204
Total long-term obligations	<u>\$ 1,035,439</u>	<u>\$ 71,094</u>	<u>\$ (95,612)</u>	<u>\$ 1,010,921</u>	<u>\$ 211,343</u>

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
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**Note 8—Long-term debt and other long-term obligations (continued)**

*Discretely Presented Component Units*

Long-term debt for the discretely presented component units consisted of the following:

Vision LP - IHCDCA loan	\$ 500,000
EHA RAD I, LP - Merchants Capital Corporation loan	4,650,617
EHA RAD I, LP - IHCDCA loan	1,000,000
EHA RAD I, LP - Evansville Housing Authority loan	800,000
EHA RAD I, LP - Evansville Housing Authority loan	6,690,000
EHA RAD I, LP - Evansville Housing Authority loan	3,250,000
EHA RAD II, LP - Merchants Capital Corporation loan	2,136,724
EHA RAD II, LP - IHCDCA loan	500,000
EHA RAD II, LP - Evansville Housing Authority loan	3,400,000
EHA RAD IV, LP - Evansville Housing Authority loan	6,890,000
EHA RAD IV, LP - Merchants Capital Corporation loan	3,884,217
EHA RAD IV, LP - IHCDCA loan	727,476
CSSL - IHCDCA HOME loan	390,813
CSSL - IHCDCA Development Fund loan	451,422
Evansville Townhomes - Advantix Development Corporation loan	1,000,000
Evansville Townhomes - IHDCDA loan	478,665
Trailside Townhomes - Merchants Bank Corporation loan	886,593
Trailside Townhomes - HOME IHCDCA loan	389,910
Trailside Townhomes - Development Fund loan	478,665
Trailside Townhomes - Advantix Development Corporation loan	25,000
Trailside Commons - HOME IHCDCA loan	391,340
Trailside Commons - Development Fund loan	479,415
Trailside Commons - Advantix Development Corporation loan	295,000
Trailside Commons - Advantix Development Corporation loan	400,000
River View Vincennes - Merchants Bank of Indiana	261,402
River View Vincennes - HOME IHCDCA loan	387,964
River View Vincennes - Development fund loan	489,175
River View Vincennes - Advantix Development Corporation loan	500,000
River View Vincennes - Advantix Development Corporation loan	85,000
Evansville Townhomes II, LP - Merchants Bank of Indian loan	516,669
Evansville Townhomes II, LP - Development Fund loan	500,000
Evansville Townhomes II, LP - Advantix Development Corporation loan	2,400,000
Evansville Townhomes II, LP - Advantix Development Corporation loan	350,000
KHA RAD I, LP - City of Kokomo	5,712,737
KHA RAD I, LP - City of Kokomo	15,475,000
KHA RAD I, LP - Merchants Capital	15,295,773
KHA RAD I, LP - Housing Authority of the City of Kokomo	7,700,000
Erie Pointe, LP - Advantix Development Corporation loan	900,000
Erie Pointe, LP - Construction loan	783,907
Erie Pointe, LP - Development fund loan	500,000
Erie Pointe, LP - IHCDCA loan	500,000
34 East, LP - Merchants Bank	6,370,386
34 East, LP - TCAP Loan	500,000
Evansville Townhomes III, LP - Merchants Bank	5,897,261
Evansville Townhomes III, LP - TCAP Loan	500,000
Evansville Townhomes III, LP - Advantix Development Corporation loan	2,150,000
Princetown Place, LP - Hope of Kentucky, LLC loan	106,397
	107,977,528
Less debt issuance cost	(867,516)
	107,110,012
Less current portion of long term debt	(8,221,487)
	\$ 98,888,525

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
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**Note 8—Long-term debt and other long-term obligations (continued)**

*Vision L.P.* – In October 2011, Vision LP obtained a loan from IHCD, in the amount of \$500,000. The loan originally bore interest at 3%. Payments were deferred during construction. The loan was converted and amended on December 18, 2014, prior to any required principal payments. Interest accrues at 4.167% per annum with an annual principal and interest payments of the lesser of \$29,504 subject to available cash flow. The loan matures on January 1, 2030. The loan is secured by a mortgage on certain real estate. At December 31, 2023, the balance of the loan was \$500,000 and the balance of accrued interest was \$229,743.

*EHA RAD I, L.P.* – On May 1, 2016, RAD I obtained a loan from Merchants Capital Corp. (formally P/R Mortgage & Investment, Corp) in the amount of \$5,022,700. The loan bears an annual interest rate of 3.65%. The loan required monthly interest only payments through December 1, 2017. Monthly principal and interest payments of \$19,912 began September 1, 2018. The note matures on December 1, 2057. The loan is secured by a mortgage, security agreement, and assignment of rents and is insured by HUD under Section 221(d)4 of the National Housing Act. The note is subject to a prepayment penalty of 10% in 2017, decreasing by 1% each year thereafter. As of December 31, 2023, the note had an outstanding balance of \$4,650,617 and the balance of accrued interest was \$14,144.

On May 1, 2016, RAD I obtained two loans from IHCD in the amount of \$500,000 each for a total of \$1,000,000. The notes bear an annual interest rate of 3% and a maturity date of November 30, 2058. Annual payments for each loan in the amount of \$21,631 are to be made subject to surplus cash as defined by HUD. The loans stipulate payments are to be no greater than 75% of available surplus cash as defined by the regulatory agreement. The loans are secured by a mortgage, security agreement, and assignment of rents. No surplus cash was available for payments in 2023. As of December 31, 2023, the notes had an outstanding balance of \$1,000,000 and the balance of accrued interest was \$150,000.

On May 1, 2016, RAD I obtained a loan from The Housing Authority of the City of Evansville in the amount of \$800,000. The note bears an annual interest rate of 6% and a maturity date of February 1, 2058. Payments are to be made annually commencing February 1, 2018 from surplus cash as defined by the regulatory agreement, but in no event greater than 75% of the total amount of surplus cash. No surplus cash was available for payments in 2023. The loan is secured by a mortgage, security agreement, and assignment of rents. As of December 31, 2023, \$800,000 remains outstanding and the balance of accrued interest was \$284,000.

On May 1, 2016, RAD I obtained a loan from The Housing Authority of the City of Evansville in the amount of \$6,690,000. The note bears an annual interest rate of 6% and a maturity date of February 1, 2058. Payments are to be made annually commencing February 1, 2018 from surplus cash as defined by the regulatory agreement, but in no event greater than 75% of the total amount of surplus cash. The loan is secured by a security instrument. As of December 31, 2023, \$6,690,000 remains outstanding and the balance of accrued interest was \$2,374,950. No surplus cash was available for payments in 2023.

On May 1, 2016, RAD I obtained a loan from The Housing Authority of the City of Evansville in the amount of \$3,250,000. The note bears an annual interest rate of 6% and a maturity date of February 1, 2058. Payments are to be made annually commencing February 1, 2018 from surplus cash as defined by the regulatory agreement, but in no event greater than 75% of the total amount of surplus cash. No cash was available for payments in 2023. The loan is secured by a mortgage, security agreement, and assignment of rents. As of December 31, 2023, \$3,250,000 remains outstanding and the balance of accrued interest was \$1,153,750.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**Note 8—Long-term debt and other long-term obligations (continued)**

*EHA RAD II, L.P.* – On May 1, 2016, RAD II obtained a loan through Merchants Capital Corp. (formally P/R Mortgage & Investment, Corp) in the amount of \$2,319,400. The loan bears an annual interest rate of 3.65%. The loan required monthly interest only payments through August 1, 2017. Monthly principal and interest payments of \$9,195 began September 1, 2017. The note matures on August 1, 2057. The loan is secured by a mortgage, security agreement, and assignment of rents and is insured by HUD under Section 221(d)4 of the National Housing Act. The note is subject to a prepayment penalty of 10% in 2017, decreasing by 1% each year thereafter. As of December 31, 2023, \$2,136,724 was outstanding and the balance of accrued interest on the loan was \$6,499.

On May 31, 2016, RAD II obtained a loan from IHEDA in the amount of \$500,000. The note bears an annual interest rate of 3% and a maturity date of November 30, 2058. The loan stipulates payments are to be made only from 75% of available surplus cash as defined by the regulatory agreement. The loan is secured by a mortgage, security agreement, and assignment of rents. No payments are due until maturity. As of December 31, 2023, \$500,000 remains outstanding and the balance of accrued interest was \$83,542.

In May 2016, RAD II obtained a loan from The Housing Authority of the City of Evansville in the amount of \$3,400,000. The note bears an annual interest rate of 6% and a maturity date of February 1, 2058. The loan stipulates payments are to be made only from 75% of available surplus cash as defined by the regulatory agreement. No payments are due until maturity. The loan is secured by a security instrument. As of December 31, 2023, \$3,400,000 remains outstanding and the balance of accrued interest was \$1,326,000.

*EHA RAD IV, L.P.* – On December 22, 2017, RAD IV obtained a surplus cash loan from The Housing Authority of the City of Evansville in the amount of \$6,890,000. The note bears interest at an annual interest rate of 6%. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2059. The loan stipulates payments are to be made only from 75% of available surplus cash as defined by the regulatory agreement. The loan is secured by a mortgage and a security agreement against the property. As of December 31, 2023, \$6,890,000 remains outstanding and the balance of accrued interest was \$2,067,000.

On December 1, 2017, RAD IV obtained a loan through Merchants Capital Corp. (Formerly P/R Mortgage & Investment Corp) in the amount of \$4,100,000. The loan bears an annual interest rate of 3.77%. The loan required monthly interest only payments through May 1, 2019. Monthly principal and interest payments of \$16,553 began June 1, 2019. The note matures on June 1, 2059. The loan is secured by a mortgage, security agreement and assignment of rents and is insured by HUD under Section 221(d)4 of the National Housing Act. The note is subject to a prepayment penalty of 10% in 2019, decreasing by 1% each year thereafter. As of December 31, 2023, \$3,884,217 remains outstanding and the balance of accrued interest was \$12,203.

On December 22, 2017, RAD IV obtained a Development Fund loan from IHEDA in the amount of \$727,476. The note bears an annual interest rate of 3% and has a maturity date of December 31, 2058. The loan is to convert to a permanent loan no later than December 31, 2019. Commencing on the first day of the twelfth month following conversion, annual payments for the loan in the amount of \$31,472 are to be made subject to surplus cash as defined by HUD. The loan stipulates payments are to be no greater than 75% of available surplus cash as defined by the regulatory agreement. The loan is secured by a mortgage, security agreement, and assignment of rents. No payments have been made through December 31, 2023. The outstanding balance on the loan at December 31, 2023 is \$727,476 and the balance of accrued interest was \$75,353.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**Note 8—Long-term debt and other long-term obligations (continued)**

*CSSL, L.P.* – On October 31, 2019, CSSL obtained a HOME convertible loan from IHCD in the amount of \$400,000. Interest is to accrue at the rate of 3% per annum until the conversion date, at which time accrued interest is due and payable. The loan matured October 31, 2021 at which time the note may be converted to a 15-year term loan. Upon conversion, annual payments of principal and interest of \$20,408 are required. The loan converted in 2022. The note is secured by a mortgage on certain real estate and assignment of rents and leases. The outstanding balance on the loan at December 31, 2023 is \$390,813.

On December 28, 2017, CSSL obtained a Development Fund convertible loan from IHCD in the amount of \$500,000. Interest is to accrue at the rate of 3% per annum until the conversion date, at which time accrued interest is due and payable. The loan matured December 31, 2019 at which time the note was converted to a 15-year term loan. Upon conversion, annual payments of principal and interest of the lesser of \$25,510 or 100% of available cash flow, as defined are required. The note is secured by a mortgage on certain real estate and assignments of rents and leases. The outstanding balance on the loan at December 31, 2023 is \$451,422.

*Evansville Townhomes, L.P.* – On December 30, 2019, Evansville Townhomes obtained a promissory note from Advantix Development Corporation in the amount of \$1,000,000. Interest is to accrue 7% per annum. Payments of principal and interest are to be made based on available cash flow. The note matures December 31, 2049. The outstanding balance on the loan at December 31, 2023 is \$1,000,000.

On December 30, 2019, IHCD made a loan of \$500,000 of Affordable Housing and Community Development Fund monies available through a convertible promissory note. Interest is to accrue at 3% per annum until conversion, at which time accrued interest is due and payable. The note matured December 31, 2021 at which time the note was converted to a 15-year term loan. Any accrued interest was due at the time of conversion. Commencing on the twelfth month following conversion, annual payments of principal and interest of the \$25,510 are required. The note is secured by a mortgage on certain real estate and an assignment of rents and leases. The outstanding balance on the loan at December 31, 2023 is \$478,665.

*Trailside Townhomes, L.P.* – On February 26, 2019, Trailside Townhomes obtained a construction loan in the amount of \$5,100,000 from Merchants Bank of Indiana that bears interest at 30-day LIBOR plus 2.50% per annum. Payments of interest were due monthly, with the entire principal balance due August 1, 2021 at which time the loan may be converted to a permanent mortgage of up to \$900,000 with interest at the rate of 6.25%. The loan converted to a permanent loan in December 2021 with a maturity date of December 10, 2036. Monthly principal and interest payments of \$5,284 are required. The loan is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. The outstanding balance on the loan at December 31, 2023 is \$886,593.

On February 26, 2019, Trailside Townhomes obtained a HOME convertible loan from IHCD in the amount of \$400,000 that bears interest at 3% per annum until conversion. The note matured August 16, 2021, at which time the loan converted to a 30-year term loan maturing on September 1, 2051. Any accrued interest was due at the time of conversion. Commencing on the twelfth month following conversion, annual payments of principal and interest of \$20,408 are required. The loan is secured by a mortgage on certain real estate and an assignment of rents and leases. The outstanding balance of the loan as of December 31, 2023 is \$389,910.

IHCD also made \$500,000 of Affordable Housing and Community Development Fund monies available through a convertible promissory note dated February 26, 2019. Interest is to accrue at the rate of 3% per annum until the conversion date, at which time interest is due and payable. The loan matured February 28, 2021, at which time the note was converted to a 15-year term loan maturing on March 1, 2036. Commencing on the twelfth month following conversion, annual payments of principal and interest of \$25,510 are required. The note is secured by a mortgage on certain real estate and assignment of rents and leases. The outstanding balance of the loan as of December 31, 2023 is \$478,665.

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**Note 8—Long-term debt and other long-term obligations (continued)**

On February 26, 2019, Trailside Townhomes obtained a promissory note from Advantix Development Corporation in the amount of \$25,000 that bears interest at 6% per annum. The note matures December 31, 2049. Payments of principal and interest are to be made based on the financial performance of the partnership. The outstanding balance on the loan at December 31, 2023 is \$25,000.

*Trailside Commons, L.P.* – On December 19, 2019, Trailside Commons obtained a HOME convertible loan from IHCD in the amount of \$400,000 that bears interest at 3% per annum until conversion. The note matured December 31, 2021, at which time the note may be converted to a 30-year term loan. Any accrued interest is due at the time of conversion. Commencing on the twelfth month following conversion, annual payments of principal and interest of \$20,408 are required. The loan converted in May 2022. The loan is secured by a mortgage on certain real estate and an assignment of rents and leases. The outstanding balance of the loan as of December 31, 2023 is \$391,340.

IHCD has also made \$500,000 of Affordable Housing and Community Development Fund monies available through a convertible promissory note dated December 19, 2019. Interest is to accrue at the rate of 3% per annum until the conversion date, at which time accrued interest is due and payable. The loan matured December 31, 2021 at which time the note may be converted to a 15-year term loan. Commencing on the twelfth month following conversion, annual payments of principal and interest of \$25,510 are required. The loan converted in January 2022. The note is secured by a mortgage on certain real estate and assignments of rents and leases. The outstanding balance of the loan at December 31, 2023 is \$479,415.

On December 19, 2019, Trailside Commons obtained a promissory note from Advantix Development Corporation in the amount of \$295,000 that bears interest at 6% per annum. The note matures December 31, 2049. Payments of principal and interest are to be made based on available cash flow, as defined. The outstanding balance on the loan at December 31, 2023 is \$295,000.

On December 19, 2019, Trailside Commons obtained a promissory note from Advantix Development Corporation under the National Housing Trust in the amount of \$400,000 that bears interest at 6% per annum. The note matures December 31, 2049. Payments of principal and interest are to be made based on available cash flow, as defined. The outstanding balance on the loan at December 31, 2023 is \$400,000.

*River View Vincennes, L.P.* – On February 25, 2020, River View Vincennes obtained a loan in the amount of \$5,910,000 from Merchants Bank of Indiana for construction. Interest was to accrue at the 30-day LIBOR plus 2.50% per annum. The note matured on August 10, 2022, at which time the loan was converted to a permanent mortgage of up to \$265,000 with interest at the rate of 6.25%. Monthly principal and interest payments of \$1,632 are required. The permanent loan will mature August 10, 2037, at which time the remaining balance must be paid in full. The loan is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. The outstanding balance on the loan at December 31, 2023 is \$261,402.

On February 25, 2020, River View Vincennes obtained a HOME convertible loan from IHCD in the amount of \$400,000 that bears interest at 1% per annum until conversion. The note matured February 28, 2022, at which time the note was converted to a 30-year term loan. All accrued interest was due at the time of conversion. The loan is secured by a mortgage on certain real estate and an assignment of rents and leases. Commencing on the twelfth month following conversion, annual principal and interest payments of \$15,499 are required. The outstanding balance of the loan as of December 31, 2023 is \$387,964.

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**NOTES TO THE FINANCIAL STATEMENTS**

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**Note 8—Long-term debt and other long-term obligations (continued)**

IHCDA has also made \$500,000 of Affordable Housing and Community Development Fund monies available through a convertible promissory note dated February 25, 2020. Interest is to accrue at the rate of 3% per annum until the conversion date, at which time accrued interest is due and payable. The loan matured February 28, 2022 at which time the note was converted to a 15-year term loan. Commencing on the twelfth month following the conversion, annual payments of principal and interest of \$25,510 are required. The outstanding balance of the loan as of December 31, 2023 is \$489,175.

On February 25, 2020, River View Vincennes obtained a promissory note from Advantix Development Corporation in the amount of \$500,000 of Affordable Housing Program (“AHP”) funds that bear interest at 2.15% per annum. The note matures December 31, 2050. No payments of principal or interest are due until maturity. The outstanding balance on the loan at December 31, 2023 is \$500,000.

On February 25, 2020, River View Vincennes obtained a promissory note from Advantix Development Corporation in the amount of \$85,000 that bears interest at 6% per annum. The note is a sponsor loan which matures December 31, 2050. Payments of principal and interest are to be made based on available cash flow, as defined. The outstanding balance of the loan at December 31, 2023 is \$85,000.

*Evansville Townhomes II, L.P.* – Evansville Townhomes II, L.P. obtained a loan in the original amount of \$4,000,000 dated March 2, 2021 from Merchants Bank of Indiana for construction. Interest is to accrue at the prime rate less 0.66% per annum (7.84% at December 31, 2023). Payments of interest are due monthly, with the entire principal balance due March 10, 2024. The loan is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. The outstanding balance of the loan at December 31, 2023 is \$516,669.

IHCDA has made up to \$500,000 of Affordable Housing and Community Development Fund monies available through a convertible promissory note dated March 2, 2021. Interest is to accrue at the rate of 3% per annum until conversion, at which time accrued interest is due and payable. The note matures March 31, 2024 at which time the note may be converted to a 15-year term loan. The accrued interest is due at the time of conversion. Commencing on the twelfth month following conversion, annual payments of principal and interest of \$25,510 are required. The note converted on March 31, 2023. The note is secured by a mortgage on certain real estate. Accrued interest on the loan was \$14,666 at December 31, 2023. The outstanding balance of the loan at December 31, 2023 is \$500,000.

Evansville Townhomes II, L.P. obtained a loan in the amount of \$2,400,000 (acquisition loan) from Advantix on March 2, 2021. Interest is to accrue at 5.50% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. The loan is secured by a mortgage on certain real estate and other assets and assignments of rents and leases. The note matures December 31, 2051. Accrued interest on the loan was \$253,000 at December 31, 2023. The outstanding balance of the loan at December 31, 2023 was \$2,400,000.

Evansville Townhomes II, L.P. obtained a loan in the amount of \$350,000 (sponsor loan) from Advantix on March 2, 2021. Interest is to accrue at 6% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. The loan is secured by a mortgage on certain real estate and other assets and assignments of rents and leases. The note matures December 31, 2051. Accrued interest on the loan was \$40,250 at December 31, 2023. The outstanding balance of the loan was \$350,000 at December 31, 2023.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
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**Note 8—Long-term debt and other long-term obligations (continued)**

*KHA RAD I, L.P.* – On October 27, 2021, KHA RAD I, L.P. obtained a loan from the City of Kokomo, Indiana in the amount of \$5,725,000. The loan bears an annual interest rate at the secured overnight financing rate plus 2.75% (8.13% at December 31, 2023), with interest payments due monthly. A principal payment in the amount of the outstanding principal balance is due within 10 days of the limited partner's payment of its second capital contribution, with the entire unpaid principal balance and all accrued interest due on November 10, 2024. Accrued interest at December 31, 2023 was \$25,817. The amount drawn on this loan as of December 31, 2023 was \$5,712,737.

On October 29, 2021, KHA RAD I, L.P. obtained a loan from the City of Kokomo, Indiana, backed by Series A tax exempt bonds in the amount of \$15,475,000. KHA RAD I, L.P. is responsible for repayment of the bonds. The maturity date of the bonds is February 1, 2025, and the first coupon is February 1, 2022. Tax exempt bond interest rate is 0.56% sold at par. Accrued interest at December 31, 2023 was \$14,443. As of December 31, 2023, the City of Kokomo has loaned the \$15,475,000 of the bond proceeds to KHA RAD I, L.P. which is holding these proceeds in bond reserve investment accounts.

On October 29, 2021, KHA RAD I, L.P. obtained a loan through Merchants Capital in the amount of \$15,364,300. The loan bears an annual interest rate of 2.88%. The loan requires monthly interest only payments through August 1, 2023. Monthly principal and interest payments of \$53,945 are to begin September 1, 2023. The note matures on August 1, 2063. The loan is secured by a mortgage, security agreement and assignment of rents and is insured by HUD under Section 221(d)4 of the National Housing Act. The note is subject to a prepayment penalty of 10% in 2023 decreasing by 1% each year thereafter. Accrued interest at December 31, 2023 was \$57,203. The amount drawn on this loan as of December 31, 2023 was \$15,295,773.

On October 1, 2021, KHA RAD I, L.P. obtained a loan from the Housing Authority of the City of Kokomo, Indiana ("KHA") in the amount of \$12,700,000. The loan bears interest at 6%, payable annually beginning December 1, 2063. Accrued interest at December 31, 2023, was \$1,626,000. The outstanding balance of the loan was \$7,700,000 at December 31, 2023.

*Erie Pointe, L.P.* – Advantix has issued a loan in the amount of \$900,000 (sponsor loan) as evidenced through a promissory note dated December 1, 2021. Interest is to accrue at 6.5% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. The loan is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. The note matures December 31, 2051. Accrued interest on the loan was \$58,500 at December 31, 2023. The outstanding balance of the loan was \$900,000 at December 31, 2023.

On December 1, 2021, Erie Pointe, L.P. obtained a construction loan in the original amount of \$7,000,000 from Merchants Bank of Indiana. The loan accrues interest at the rate equal to the Secured Overnight Financing Rate ("SOFR"), as published on the website of the Federal Reserve Bank of New York plus 2.50% (7.88% at December 31, 2023). Interest payments are due monthly with all unpaid interest and principal due on December 10, 2024. The loan is secured by a mortgage on certain real estate and other assets, and as assignment of rents and leases. Accrued interest on the loan was \$-0- at December 31, 2023. The outstanding balance of the loan was \$783,907 at December 31, 2023.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**Note 8—Long-term debt and other long-term obligations (continued)**

Erie Pointe, L.P. obtained funds from IHCD as administrator of funding through the Affordable Housing Community Development Fund (“DFL”) for construction. The loan is evidenced by a promissory note dated December 1, 2021 in the original amount of \$500,000. Through the construction term and loan term, as defined, the note bears interest of 3%. The loan converted on January 1, 2024. Commencing on the first day of the twelfth month after conversion, the loan requires annual payments of principal and interest equal to \$25,510. The loan is due on the first day of the on 181 month after the conversion date. The loan is secured by a subordinated mortgage on certain real estate and an assignment of rents and leases. Accrued interest on the loan was \$1,167 at December 31, 2023. The outstanding balance of the loan was \$500,000 at December 31, 2023.

Erie Pointe, L.P. obtained funds from the IHCD as administrator of funding through the Tax Credit Assistance Program (“TCAP”). The loan is evidenced by a promissory note dated December 1, 2021 in the amount of \$500,000. Through the construction term and loan term, as defined, the note bears interest of 0%. The loan converted on January 1, 2024. Commencing on the first day of the twelfth month after conversion, the loan requires annual payments of principal and interest equal to \$16,667. The loan is due on the first day of the 181 month after the conversion date. The loan is secured by a subordinated mortgage on certain real estate and an assignment of rents and leases. The outstanding balance of the loan was \$500,000 at December 31, 2023.

*34 East, L.P.* – On December 29, 2022, 34 East, L.P. obtained a loan in the original amount of \$9,650,000 from Merchants Bank of Indiana for construction. Interest is to accrue at 30-day SOFR plus 2.60% per annum, with a floor of 3.25%. Payments of interest are due monthly, with the entire principal balance due May 10, 2025. The loan is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. The loan is guaranteed by Advantix Development Corporation, the sole member of the general partner. The outstanding balance of the loan was \$6,370,386 as of December 31, 2023.

34 East, L.P. obtained funds from the IHCD as administrator of funding through the TCAP. The loan is evidenced by a promissory note dated December 30, 2022. The note matures in December 2024, at which time the note is to convert to a 15-year term loan. Commencing on the twelfth month following conversion, annual payments of the lesser of \$16,667 or 100% of cash flow, as defined, are required. The note is secured by a mortgage on certain real estate and assignment of rents and leases. The outstanding balance of the loan was \$500,000 as of December 31, 2023.

*Evansville Townhomes III, L.P.* – On December 23, 2022, Evansville Townhomes III, L.P. obtained a loan in the original amount of \$8,800,000 from Merchants Bank of Indiana for construction. Interest is to accrue at 30-day SOFR plus 2.60% per annum, with a floor of 3.25%. Payments of interest are due monthly, with the entire principal balance due February 10, 2025. The loan is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. The outstanding balance of the loan was \$5,897,261 as of December 31, 2023.

Evansville Townhomes III, L.P. obtained funds from the IHCD as administrator of funding through the TCAP. The loan is evidenced by a promissory note dated December 30, 2022. The note matures in December 2024, at which time the note is to convert to a 15-year term loan. Commencing on the twelfth month following conversion, annual payments of the lessor of \$16,667 or 100% of cash flow, as defined, are required. The note is secured by a mortgage on certain real estate and assignment of rents and leases. The outstanding balance of the loan was \$500,000 as of December 31, 2023.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**Note 8—Long-term debt and other long-term obligations (continued)**

Advantix has issued a loan in the amount of \$2,150,000 (sponsor loan) as evidenced through a promissory note dated December 23, 2022. Interest is to accrue 6.00% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. The loan is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. The note matures December 31, 2052. The outstanding balance of the loan was \$2,150,000 at December 31, 2023.

*Princetown Place, L.P.* – On December 22, 2023, Princetown Place, L.P. obtained a construction loan in the original amount of \$7,000,000 from Merchants Bank of Indiana., that bears interest at 30-day SOFR. Interest payments are due monthly with all unpaid interest and principal due on August 1, 2026, at which time the loan can be converted to permanent financing. The loan is secured by a mortgage on certain real estate and other assets. No draws were made on the loan as of December 31, 2023.

On December 22, 2023, Princetown Place, L.P. obtained a construction loan in the original amount of \$4,100,000 from Hope of Kentucky, LLC, that bears interest at 30-day SOFR plus 250 basis points with a floor of 5%. Interest payments are due monthly with all unpaid interest and principal due on October 22, 2026, at which time the loan can be converted to permanent financing. The loan is secured by a mortgage on certain real estate and other assets. Draws of \$106,397 were made on the loan as of December 31, 2023.

Debt service requirements of the discretely presented component units as of December 31, 2023, net of \$867,516 of debt issuance costs, are estimated as follows based on annual net cash flow:

	<u>Principal</u>
Payable in:	
2023	\$ 8,221,487
2024	28,481,661
2025	743,049
2026	747,291
2027	751,666
Thereafter	<u>68,164,858</u>
Total requirements	<u>\$ 107,110,012</u>

A summary of changes in long-term debt and other long-term obligations of the discretely presented component units for the year ended December 31, 2023 is presented below:

	<u>Balance at</u> <u>December 31, 2022</u>	<u>Additions/</u> <u>Transfers</u>	<u>Retirements</u>	<u>Balance at</u> <u>December 31, 2023</u>	<u>Due Within</u> <u>One Year</u>
Other liabilities - noncurrent	\$ 10,778,001	\$ 1,453,261	\$ (1,058,305)	\$ 11,172,957	\$ -
Long-term debt	102,729,067	15,783,215	(10,534,754)	107,977,528	8,221,487
Total long-term obligations	<u>\$ 113,507,068</u>	<u>\$ 17,236,476</u>	<u>\$ (11,593,059)</u>	<u>\$ 119,150,485</u>	<u>\$ 8,221,487</u>

Other liabilities are related to developer fees payable and are payable as specified in related developer agreements.

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### Note 9—Retirement plan

*Plan Description* – The Authority contributed to the Public Employees’ Defined Benefit Account (“PERF DB”) which is administered by the Indiana Public Retirement System (“INPRS”) as a cost-sharing, multiple-employer defined benefit plan. The account provides retirement, disability, and survivor benefits to full-time employees of the State not covered by another plan and those political subdivisions that elect to participate in the retirement fund. PERF DB is a component of the Public Employees’ Hybrid plan (“PERF Hybrid”).

PERF Hybrid consists of two components: PERF DB, the monthly employer-funded defined benefit component, along with the Public Employees’ Hybrid Members Defined Contribution Account (“PERF DC”), a member-funded account. First time new employees hired by a participating subdivision have a one-time election to join either the PERF Hybrid plan or PERF My Choice: Retirement Savings Plan for Public Employees (“PERF MC DC”). Contribution account, the defined contribution component. The PERF Hybrid option is grandfathered to employees hired before July 1, 2016.

*Retirement Benefits – Defined Benefit Pension* – Pension benefits vest after 10 years of creditable service. A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent of average monthly earnings multiplied by years of creditable service earned. The minimum monthly benefit is \$180 if the member has at least 10 years of creditable service.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100% of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. The early retirement benefit is the accrued retirement benefit determined as of the early retirement date and payable commencing at the normal retirement date. A member may elect to have the benefit commence prior to normal retirement provided the benefit is reduced by 1/10% for each of the first 60 months and by 5/12% for each of the next 120 months that the benefit commencement date precedes the normal retirement date. The minimum monthly benefit is \$180 if the member has at least 10 years of credible service.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (“COLA”). Such increases are not guaranteed by statute and will only be provided by legislative action. The legislature via HEA No. 1001 authorized a 1% COLA effective January 1, 2022.

The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five years of creditable service and qualified for Social Security disability benefits or federal Civil Service disability benefits may retire. The disability benefit is the accrued retirement benefit determined as of the disability date and payable commencing the month following disability date without reduction for early commencement. The minimum benefit is \$180 per month, or the actuarial equivalent.

Upon the death in service of a member with 10 or more years of creditable service the spouse or dependent beneficiary receives a benefit as if the member retired the later of age 50 or the age the day before the member’s death. If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member’s selected form of payment.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://www.inprs.in.gov/>.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**Note 9—Retirement plan (continued)**

*Significant Actuarial Assumptions* – The total pension liability is determined by INPRS actuaries as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Asset valuation date:	June 30, 2023
Liability valuation date and method:	June 30, 2022 – The TPL as of June 30, 2023 was determined based on an actuarial valuation prepared as of June 30, 2022 rolled forward one year to June 30, 2023, using the following key actuarial assumptions and other inputs, such as benefit accruals and actual benefit payments during that time period.
Actuarial cost method:	Entry age normal – level percent of payroll.
Experience study date:	The most recent comprehensive experience study, based on member experience between June 30, 2014 and June 30, 2019, was completed in February 2020. The demographic assumptions were approved by the board in June 2020 and were used beginning with the June 30, 2020 actuarial valuation. Economic assumptions were updated and approved by the board in May 2021 following the completion of an asset-liability study and first used in the June 30, 2021 actuarial valuation.
COLA:	As of June 30, 2023, no COLA was granted for the 2023-2025 biennium. Thereafter, the following COLAs, compounded annually, were assumed: .04% beginning on January 1, 2026; 0.5% beginning on January 1, 2034; 0.6% beginning on January 1, 2039.
Future salary increases, including inflation:	2.65% to 8.65% based on service
Inflation:	2.00%
Discount rate:	6.25%, net of investment expenses. The discount rate is equal to the expected long-term rate of return on plan investments, net of investment expense and including price inflation. There was no change in the discount rate from the prior measurement date.
Mortality assumption:	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019. General Employee table with a 3-year set forward for males and a 1-year set forward for females is used for healthy members. The General Retiree table with a 3-year set forward for males and a 1-year set forward for females is used for retirees. The Contingent Survivor table with no set forward for males and a 2-year set forward for females is used for beneficiaries. The General Disabled table with a 140% load is used for disabled members.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**Note 9—Retirement plan (continued)**

The long-term return expectation for the defined benefit retirement plan has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return. This range ultimately supports the long-term expected rate of return assumption of 6.25% selected by the board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs but may change with a fundamental shift in the underlying market factors or significant asset allocation change:

	<u>Target Allocation</u>	<u>Geometric Basis Long-Term Expected Real Rate of Return</u>
Public equity	20.0%	3.70%
Private markets	15.0%	6.40%
Fixed income - ex-inflation-linked	20.0%	2.20%
Fixed income - inflation-linked	15.0%	0.50%
Commodities	10.0%	1.10%
Real assets	10.0%	3.40%
Absolute return	5.0%	1.60%
Risk parity	20.0%	5.90%
Cash and cash overlay	N/A	0.00%

Total pension liability for the Plan was calculated using the discount rate of 6.25%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS board. Projected inflows from investment earnings were calculated using the 6.25% long-term assumed investment rate of return. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members; therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the Plan.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**Note 9—Retirement plan (continued)**

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability of the Plan calculated using the discount rate of 6.25%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.25%), or one percentage point higher (7.25%) than the current rate:

<b>1% Decrease</b> (5.75%)	<b>Current Discount Rate</b> (6.75%)	<b>1% Increase</b> (7.75%)
\$ 1,509,819	\$ 926,450	\$ 440,035

*Investment Valuation and Benefit Payment Policies* – The pooled and non-pooled investments are reported at fair value by INPRS.

Pension, disability, special death benefits, and distributions of contributions and interest are recognized when due and payable to members or beneficiaries. Benefits are paid once the retirement or survivor applications have been processed and approved. Distributions of contributions and interest are distributions from inactive, non-vested members' annuity savings accounts. These distributions may be requested by members or automatically distributed by the fund when certain criteria are met.

*Funding Policy* – The Authority is obligated by statute to make contributions to the PERF Hybrid Plan. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. During fiscal year 2023, all participating employers were required to contribute 11.2% of covered payroll for members employed by the State.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* – At December 31, 2023, the Authority reported a liability of \$926,450 for its proportionate share of the net pension liability. The Authority's proportionate share of the net pension liability was based on the Authority's wages as a proportion of total wages for the PERF Hybrid Plan. The proportionate share used at the June 30, 2023 measurement date was 0.0002625%.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

**Note 9—Retirement plan (continued)**

For the year ended December 31, 2023, the Authority recognized pension expense of \$209,582 which is net of income from the net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of \$145,264. At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to the PERF Hybrid Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 18,955	\$ -
Net differences between project and actual earnings on pension plan investments	212,345	-
Changes of assumptions	50,521	-
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	<u>95,662</u>	<u>37,084</u>
Total that will be recognized in pension expense (income) based on table below	377,483	37,084
Pension contribution subsequent to measurement date	<u>79,891</u>	-
	<u><u>\$ 457,374</u></u>	<u><u>\$ 37,084</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

<b><u>Years Ending December 31,</u></b>	<b><u>Amount</u></b>
2024	\$ (129,947)
2025	(38,844)
2026	(142,685)
2027	<u>(28,923)</u>
	<u><u>\$ (340,399)</u></u>

*Public Employees Defined Contribution Account ("PERF DC")* – PERF DC is a multiple-employer, defined contribution fund that provides supplemental retirement benefits to PERF DB members and serves as the primary retirement benefit for the My Choice: Retirement Savings Plan for Public Employees (My Choice) members.

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### Note 9—Retirement plan (continued)

PERF DC consists of two tiers:

- The Public Employees' Hybrid Members Defined Contribution Account ("PERF Hybrid DC") is the defined contribution component of the Public Employees' Hybrid Plan. The PERF DB is the other component of the Public Employees' Hybrid Plan. Member contributions are set by statute at 3% of compensation, and the employer may choose to make contributions on behalf of the member. Members are 100% vested in their account balance, which includes all contributions and earnings.
- My Choice: Retirement Savings Plan for Public Employees ("My Choice") is for members who are full-time employees of the State or a participating political subdivision that elected to become members of My Choice. Member contributions are set by statute at 3% of compensation, plus these members may receive additional employer contributions in lieu of the Public Employees' Defined Benefit Account. Members are 100% vested in all member contributions and are vested in employer contributions based on years of service.

*Retirement, Disability, and Survivor Benefits* – Members may withdraw their account balance upon retirement, termination, disability, or death.

*Retirement and Termination Benefit* – After a 30-day separation from employment, the member is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity. PERF DC members are 100% vested in their account balance.

*Disability Benefit* – Upon providing proof of the member's qualification for social security disability benefits, the member is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a full or partial withdrawal as a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity.

*Survivor Benefit* – The beneficiary is entitled to the sum total of contributions plus earnings. The amount may be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity. The amount a beneficiary is entitled to if a member dies after having selected an annuity or having withdrawn from the account depends upon the annuity option selected by the member and the amount of benefits the member received.

*DC Investment Options* – The DC plans are structured to provide members with a choice of diverse investment options that offer a range of risk and return characteristics appropriate for members. Members can self-direct their investment options or leave their contributions invested in a default target date retirement fund. The offered investment options undergo periodic reviews by the INPRS Board.

### Note 10—Risk management and contingencies

The Authority is exposed to various risks of loss from torts, theft of, damages to, or destruction of assets, business interruption, errors or omissions, job related illnesses or injuries to employees, and natural disasters. The Authority has purchased commercial insurance to mitigate its exposure to such losses. The various insurance policies are subject to deductible amounts and maximum coverages. If the deductible and maximums are exceeded, this could cause the Authority to suffer losses if a loss is incurred from any such incidents. The ultimate outcome of such uninsured losses cannot presently be determined, and no provision for any liability that may result, if any, has been made in the financial statements. Settled claims have not exceeded coverage levels for the past three years, and insurance coverage levels, and insurance coverage, by major categories of risk, is consistent with coverage in the prior year.

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### **Note 10—Risk management and contingencies (continued)**

The Authority is party to various legal proceedings, which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received several federal grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

#### *Discretely Presented Component Units*

#### **Operating Deficit Guaranty**

*Vision L.P.* – Upon reduction of the operating reserve to zero, the General Partner, Class B Limited Partner and other specified guarantors, pursuant to the guaranty agreement, are obligated to provide funds, up to \$1,200,000, to Vision LP to cover operating deficits during the operating deficit guaranty period. The operating deficit guaranty period begins the month in which stabilized operations are achieved and continues for a period of 60 months thereafter; provided, however, that both of the following conditions are satisfied (1) the property has operated at or above a debt coverage ratio at least equal to 1.20:1.00 for the preceding 12-month period and (2) the operating reserve has been restored to its original amount of \$100,000. The operating deficit guaranty period shall be extended until such conditions are met. Funds made available under this guaranty agreement shall be treated as non-interest bearing loans to the partnership, repayable as provided in the distribution of cash flow, as defined.

*EHA RAD I, L.P.* – Operating deficits for the period prior to the expiration of five years from the date RAD I achieves rental achievement, which was met on November 29, 2018, are to be paid from the operating deficit reserve account. The general partner is to advance funds to RAD I if the operating deficit reserve account is not sufficient to cover the deficits. Such advances are not to exceed \$1,010,000 and are to be treated as unsecured loans bearing interest at an annual rate equal to the prime rate. No funds have been advanced as of December 31, 2023.

The operating deficit guaranty period shall not terminate unless RAD I has achieved a debt service coverage ratio of at least 1.15 to 1.0 for the immediately preceding 12 months; there are no material defaults under the partnership agreement; the asset management fee has been fully paid; all reports required by the partnership agreement have been delivered to the administrative limited partner and the operating reserve is not less than \$1,010,000.

*EHA RAD II, L.P.* – Operating deficits for the period prior to the expiration of five years from the date RAD II achieves rental achievement, which was June 28, 2018, are to be paid from the operating deficit reserve account. The general partner is to advance funds to RAD II if the operating deficit reserve account is not sufficient to cover the deficits. Such advances are not to exceed \$365,000 and are to be treated as unsecured loans bearing interest at an annual rate equal to the prime rate. No funds have been advanced as of December 31, 2023.

*EHA RAD IV, L.P.* – Operating deficits for the period prior to the expiration of five years from the date RAD IV achieves rental achievement, which was met in August 2019, are to be paid from the operating deficit reserve account. The general partner is to advance funds to RAD IV if the operating deficit reserve account is not sufficient to cover the deficits. Such advances are not to exceed \$571,438 and are to be treated as unsecured loans bearing interest at an annual rate equal to the greater of 12% or the prime rate plus 2%. No funds have been advanced as of December 31, 2023.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

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**Note 10—Risk management and contingencies (continued)**

The operating deficit guaranty period shall not terminate unless RAD IV has achieved a debt service coverage ratio of at least 1.15 to 1.0 for the immediately preceding 12 months; there are no material defaults under the partnership agreement; the asset management fee has been fully paid; all reports required by the partnership agreement have been delivered to the administrative limited partner and the operating reserve is not less than \$571,438.

*CSSL, L.P.* – Upon reduction of the operating reserve to zero, the general partner, is obligated to provide funds to the CSSL to cover operating deficits during the operating deficit guaranty period. The operating deficit guaranty period begins at rental achievement and ends at the later of the last day of the 60<sup>th</sup> month following rental achievement or the project achieving an income to expense ratio of at least 1.15 to 1.0 during any consecutive 12-month period ending no earlier than the end of the 60<sup>th</sup> month following rental achievement. Advances are not to exceed \$124,087, amended in 2020 to \$134,587, and are to be treated as non-interest bearing loans to the partnership. No funds have been advanced as of December 31, 2023.

*Evansville Townhomes, L.P.* – Upon reduction of the operating reserve to zero, the general partner, is obligated to provide funds to the Evansville Townhomes to cover operating deficit guaranty during the operating deficit guaranty period. The operating deficit guaranty period begins at rental achievement and ends at the later of the last day of the 60<sup>th</sup> month following rental achievement or the project achieving a debt service coverage ratio of at least 1.15 to 1.0 during any consecutive twelve-month period ending no earlier than the end of the 60<sup>th</sup> month following rental achievement. Advances are not to exceed \$241,289 and are to be treated as non-interest bearing loans to the partnership. No funds were advanced under this guaranty in 2023.

*Trailside Townhomes, L.P.* – Upon reduction of the operating reserve to zero, the general partner, are obligated to provide funds to the Trailside Townhomes to cover operating deficits during the operating deficit guaranty period. The operating deficit guaranty period begins at rental achievement and ends at the later of the last day of the 60<sup>th</sup> month following rental achievement or the project achieving an income to expense ratio of at least 1.15 to 1.0 during any consecutive 12-month period ending no earlier than the end of the 60<sup>th</sup> month following rental achievement. Advances are not to exceed \$223,172 and are to be treated as non-interest bearing loans to the partnership. No funds have been advanced as of December 31, 2023.

During the period commencing upon the expiration of the operating deficit guaranty period and terminating upon the end of the compliance period, if the partnership requires funds to cover any deficits in order to maintain at least breakeven operations the general partner is to make operating deficit loans sufficient to cover such deficits up to the extended operating deficit amount of \$70,000.

*Trailside Commons, L.P.* – Upon reduction of the operating reserve to zero, the general partner is obligated to provide funds to Trailside Commons to cover operating deficits during the operating deficit guaranty period. The operating deficit guaranty period at rental achievement and ends on the fifth anniversary of the stabilization date provided, however, that a minimum debt service coverage of 1.15 to 1.00 to be achieved for the 12-month period ending no earlier than the end of the 60<sup>th</sup> month following rental achievement. Advances are not to exceed \$200,277 and are to be treated as non-interest-bearing loans. No funds have been advanced as of December 31, 2023.

*River View Vincennes, L.P.* – Upon reduction of the operating reserve to zero, the general partner is obligated to provide funds to River View Vincennes, LP, to cover operating deficits during the operating deficit guaranty period. The operating deficit guaranty period begins at rental achievement and ends at the later of the last day of the 60<sup>th</sup> month following rental achievement or the project achieving an income to expense ratio of at least 1.15 to 1 during any consecutive 12-month period ending no earlier than the end of the 60<sup>th</sup> month following rental achievement. Advances are not to exceed \$186,533 and are to be treated as non-interest bearing loans. No funds have been advanced as of December 31, 2023.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

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**Note 10—Risk management and contingencies (continued)**

*Evansville Townhomes II, L.P.* – Upon reduction of the operating reserve to zero, the general partner is obligated to provide funds to the Evansville Townhomes II, LP to cover operating deficits during the operating deficit guaranty period. The operating deficit guaranty period begins at rental achievement and ends at the later of the last day of the 60<sup>th</sup> month following rental achievement or the project achieving a debt service coverage ratio of at least 1.15 to 1 during a consecutive 12-month period ending no earlier than the end of the 60<sup>th</sup> month following rental achievement. Advances are not to exceed the greater of \$239,217 or seven months of expenses and are to be treated as loans bearing interest at the greater of 12% or 2% over the prime rate. No funds were advanced under this guaranty in 2023.

*KHA RAD I, L.P.* – Operating deficits for the period prior to the expiration of five years from the date KHA RAD I, LP achieves rental achievement, which has not yet been met, are to be paid from the operating deficit reserve account. The general partner is to advance funds to the entity if the operating deficit reserve account is not sufficient to cover the deficits. Such advances are not to exceed the greater of \$1,960,000 or seven months of expenditures and are to be treated as unsecured loans bearing interest an annual rate equal to the greater of 12% or the prime rate plus 2%. No funds have been advanced as of December 31, 2023.

The operating deficit guaranty period shall not terminate unless the entity has achieved a debt service coverage ratio of at least 1.15 or 1.0 for the immediately preceding 12 months; there are no material defaults under the partnership agreement; the asset management fee has been fully paid; all reports required by the partnership agreement have been delivered to the administrative limited partner and the operating reserve is not less than \$850,000.

*Erie Pointe, L.P.* – Upon reduction of the operating reserve to zero, the general partner is obligated to provide funds to the partnership to cover operating deficits during the operating deficit guaranty period. The operating deficit guaranty period begins at rental achievement and ends at the later of the last day of the 60<sup>th</sup> month following rental achievement or the project achieving a debt service coverage ratio of at least 1.15 to 1 during any consecutive 12-month period ending no earlier than the end of the 60<sup>th</sup> month following rental achievement. Advances are not to exceed the greater of \$225,000 or eight months of expenses and are to be treated as loans to the partnership bearing interest at the greater of 18% or highest rate permitted by law. No funds were advanced under the guaranty as of December 31, 2023.

*34 East, L.P.* – Upon reduction of the operating reserve to zero, the general partner, is obligated to provide funds to the partnership to cover operating deficits during the operating deficit guaranty period. The operating deficit guaranty period begins at rental achievement and ends at the later of the last day of the 60<sup>th</sup> month following rental achievement or the project achieving a debt service coverage ratio of at least 1.15 to 1 during any consecutive 12-month period ending no earlier than the end of the 60<sup>th</sup> month following rental achievement. Advances are not to exceed \$277,675 and are to be treated as non-interest bearing loans to the partnership. No funds were advanced under this guaranty as of December 31, 2023.

*Evansville Townhomes III, L.P.* – Upon reduction of the operating reserve to zero, the general partner, is obligated to provide funds to the partnership to cover operating deficits during the operating deficit guaranty period. The operating deficit guaranty period begins at rental achievement and ends at the later of the last day of the 60<sup>th</sup> month following rental achievement or the project achieving a debt service coverage ratio of at least 1.15 to 1 during any consecutive 12-month period ending no earlier than the end of the 60<sup>th</sup> month following rental achievement. Advances are not to exceed \$345,760 and are to be treated as non-interest bearing loans to the partnership. No funds were advanced under this guaranty as of December 31, 2023.

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### Note 11—Related party information

#### *Primary Government*

During 2023 Advantix donated property with a fair market value of \$1,043,100 to Princetown Place, L.P. The capital contribution was recognized as an other investment in Advantix's Statement of Net Position.

#### *Discretely Presented Component Units*

*Vision L.P.* – City Real Estate Advisors, Inc. (“CREA”) is entitled to a compliance monitoring and consulting service fee. During construction, a prepayment of the monitoring fee was made in the amount of \$60,000 which will be amortized over 15 years. The prepaid balance as of December 31, 2023 was \$11,000.

The general partner is entitled to receive an annual incentive management fee of 85% of distributable cash flow, not to exceed 12% of the gross revenues of the partnership on a noncumulative basis. The fee does not accrue if net cash is not available to be paid and will be expensed when paid. No fee was earned in 2023.

Flaherty & Collins Inc. serves as the property manager. The property management fee is calculated as 7% of all income collected from any source exclusive of security deposits not chargeable as rent. Fees totaling \$24,625 were earned for the year ended December 31, 2023. Total management fees payable at December 31, 2023 were \$74,682.

The Authority, its blended component unit Advantix Development, Inc., and Flaherty & Collins Development, LLC served as co-developers for the project. As compensation for their services, the developers are to receive \$1,200,000, which is to be paid at various times, as specified in the development agreement. If any developer fee remains outstanding as of December 31, 2027, the general partner is to make a capital contribution in the amount of the unpaid fee in order for Vision LP to pay the entire unpaid amount. As of December 31, 2023, \$542,795 remains unpaid.

Affiliates of the Class B Limited Partner have made advances to the property to fund various operating expenses. As of December 31, 2023, advances of \$193,329 were made and \$145,502 was repaid. Repayments of the advances are due on demand and do not accrue interest. As of December 31, 2023, outstanding advances of \$75,847 remained unpaid.

*EHA RAD I, L.P.* – The investor limited partner is entitled to an annual asset management fee of \$3,750, increasing 3% per year payable out of available cash flow as defined. If there is no available cash flow, the fee accrues without interest. The fee earned for 2023 of \$4,477 is included in accounts payable at December 31, 2023. Total asset management fees included in accounts payable at December 31, 2023 is \$28,734.

Advantix served as developer for the project. As compensation for their services, the developer is to receive \$3,843,000, which is to be paid at various times, as specified in the development agreement. As of December 31, 2023, the full amount has been earned and a total of \$1,859,027 is outstanding.

Advantix advanced funds during 2023 to cover various operating expenses. The total amount of funds owed at December 31, 2023 is \$1,054,004.

Beginning in 2021, Advantix serves as property manager. The property management fee is calculated as 5% of gross rental receipts. Fees totaling \$133,450 were earned in 2023 and a total of \$10,396 is outstanding and is included in accounts payable.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

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**Note 11—Related party information (continued)**

*EHA RAD II, L.P.* – The investor limited partner is entitled to an annual asset management fee of \$3,750 once completion occurs, increasing 3% per year out of available cash flow as defined. If there is no available cash flow, the fee accrues without interest. The fee earned for 2023 is \$4,478. Accrued asset management fees of \$23,053 are included in accounts payable at December 31, 2023.

Advantix served as the developer for the project. As compensation for their services, the developer is to receive \$1,361,000, which is to be paid at various times, as specified in the development agreement. If the developer fee has not been paid by the thirteenth anniversary of completion, the general partner is to make a capital contribution in an amount sufficient to pay any unpaid balance. As of December 31, 2023, \$844,199 remains outstanding.

Advantix advanced funds during 2023 to cover various operating expenses. The total amount of funds owed at December 31, 2023 is \$424,209 and is included in accounts payable at December 31, 2023.

Beginning in 2021, Advantix serves as the property manager. The property management fee is calculated at 5% of gross rental receipts. Fees totaling \$41,064 were earned in 2023 and a total of \$41,064 is outstanding.

*EHA RAD IV, L.P.* – Advantix, sole member of the general partner, served as the developer for the project. As compensation for its services, the developer is to receive \$1,876,500, which is to be paid at various times, as specified in the development agreement. As of December 31, 2023, \$573,490 remains unpaid.

Commencing in the year completion occurs, the investor limited partner is entitled to an annual asset management fee of \$7,500, increasing 3% a year payable out of available cash flow as defined. If there is no available cash flow, the fee accrues without interest. A fee of \$8,441 was earned for the year ended December 31, 2023, and is included in accounts payable.

Advantix advanced funds to the partnership for various operating expenses during 2023. The total amount of funds owed at December 31, 2023 is \$31,720 and is included in accounts payable at December 31, 2023.

Advantix serves as the property manager. The property management fee is calculated at 5% of gross rental receipts. Fees totaling \$66,797 were earned in 2023. Unpaid fees as of December 31, 2023 were \$6,178 and are included in accounts payable.

*CSSL, L.P.* – Advantix, and Myszak & Palmer Development, LLC served as co-developers for the project. As compensation for their services, the developers are to receive \$710,000, which is to be paid at various times, as specified in the development agreement. A portion of the developers' fee totaling \$585,986 is to be deferred and is payable out of available cash flows. Any unpaid amounts at the end of the compliance period are to be paid from the proceeds of a capital contribution from the general partner. Any unpaid developer fee is to bear interest commencing upon the final installment payment date at the applicable federal rate in effect on the placed-in-service date. As of December 31, 2023, \$570,437 remains unpaid. Accrued interest on the developer fee was \$35,766 at December 31, 2023.

The investor limited partner is entitled to receive an annual local administrative fee in the amount of \$5,000 per year increasing by 3% per year commencing in 2018. The fee is payable out of available cash flows as defined. Fees of \$5,797 were expensed and paid in 2023.

Advantix advanced CSSL \$8,612 in 2023 for operating expenses: this amount remains unpaid and is included in accounts payable at December 31, 2023.

Advantix serves as property manager beginning in March 2021. The property management fee is calculated as 6% of gross rental receipts. Fees totaling \$19,954 were earned in 2023. Unpaid management fees of \$1,579 are included in accounts payable at December 31, 2023.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

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**Note 11—Related party information (continued)**

*Evansville Townhomes, L.P.* – Advantix served as developer for the project. As compensation for its services, the developer is to receive \$1,090,000 which is to be paid at various times as specified in the development agreement. A portion of the developer fee of \$281,465 is to be deferred and is payable out of available cash flows. Any deferred amount shall bear interest at 6% per annum, commencing upon the fourth equity installment payment date. The outstanding balance and accrued interest shall be due in full on the expiration of the compliance period and are to be paid from the proceeds of a general partner contribution. At December 31, 2023, \$260,358 remains unpaid.

The investor limited partner is entitled to receive an annual local administrative fee in the amount of \$5,000 per year increasing by 3% per year commencing in 2019. The fee is payable out of available cash flows, as defined. Fees of \$5,627 were earned in 2023. Unpaid fees of \$1,406 are included in accounts payable – related party at December 31, 2023.

The general partner is entitled to receive a one-time lease-up fee based on actual receipts and expenditures during the lease-up period through the date of rental achievement. The fee is projected to be \$47,330. No payment of the fee is to be made until rental achievement has occurred. The fee was earned in 2022 and included in accounts payable – related party as of December 31, 2023.

Advantix advanced funds for operating and development expenses. At December 31, 2023, \$3,056 of operating advances are included in accounts payable.

During 2023, the partnership inadvertently reimbursed Advantix \$29,012 in excess of their costs incurred. The overpayment is included in accounts receivable – related parties at December 31, 2023.

Beginning in February 2021, Advantix serves as the property manager. The property management fee is calculated at 6% of gross rental receipts. Fees totaling \$32,971 were earned in 2023. Unpaid fees of \$2,576 are included in accounts payable at December 31, 2023.

*Trailside Townhomes, L.P.* – Advantix served as developer for the project. As compensation for its services, the developer is to receive \$662,500 which is to be paid at various times as specified in the development agreement. A portion of the developer's fee totaling \$64,861 is to be deferred and is payable out of available cash flows, as defined. Any deferred amount shall bear interest at 6% per annum commencing upon the final installment payment date. The outstanding balance and accrued interest shall be due in full on the expiration of the compliance period and are to be paid from the proceeds of a general partner contribution. At December 31, 2023, \$136,028 remains unpaid.

The investor limited partner is entitled to receive an annual local administrative fee in the amount of \$5,000 per year increasing by 3% per year commencing in 2019. The fee is payable out of available cash flows. Fees of \$5,628 were earned and paid in 2023.

The general partner is entitled to receive a one-time lease-up fee based on actual receipts and expenditures during the lease-up period through the date of rental achievement. The fee is projected to be \$24,649. The full fee of \$24,649 was earned in 2021 and included in accounts payable at December 31, 2023.

During 2023, Advantix advanced funds to cover operating costs. A total of \$27,916 remains outstanding as of December 31, 2023 and is included in accounts payable.

Advantix serves as property manager beginning in 2021. The property management fee is calculated as 5% of gross rental receipts. Fees totaling \$29,950 were earned in 2023. Unpaid management fees of \$3,016 are included in accounts payable at December 31, 2023.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

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**Note 11—Related party information (continued)**

*Trailside Commons, L.P.* – Advantix served as developer for the project. As compensation for its services, the developer is to receive \$557,500 which is to be paid at various times as specified in the development agreement. A portion of the developer's fee totaling \$30,364 is to be deferred and is payable out of available cash flows, as defined. Any deferred amount shall bear interest at 6% per annum commencing upon the fourth installment payment date. The outstanding balance and accrued interest shall be due in full on the expiration of the compliance period and are to be paid from the proceeds of a general partner contribution. At December 31, 2023, \$14,299 remains unpaid.

The investor limited partner is entitled to receive an annual local administrative fee in the amount of \$5,000 per year increasing by 3% per year commencing in 2019. The fee is payable out of available cash flows. Fees of \$5,627, which included prior year fees were recorded in 2023. \$20,398 of fees are included in accounts payable at December 31, 2023.

Advantix advanced funds to cover operating costs. A total of \$119,039 is included in accounts payable at December 31, 2023.

Beginning in 2021, Advantix serves as the property manager. The property management fee is calculated at 6% of gross rental receipts. Fees totaling \$18,891 were earned in 2023.

*River View Vincennes, L.P.* – Advantix and Myszak & Palmer Development, LLC, an unrelated entity, served as co-developers for the project. As compensation for their services, the developers are to receive \$647,000, which is to be paid at various times, as specified in the development agreement. A portion of the developers' fee totaling \$111,000 is to be deferred and is payable out of available cash flows. Any deferred amount shall bear interest at 6% per annum commencing upon the final installment payment date. The outstanding balance and accrued interest shall be due in full on the expiration of the compliance period and are to be paid from the proceeds of a general partner contribution. As of December 31, 2023, \$351,740 remains unpaid.

The investor limited partner is entitled to receive an annual local administrative fee in the amount of \$5,000 per year increasing by 3% per year commencing in 2020. The fee is payable out of available cash flows. Fees of \$5,464 were earned in 2023. Fees totaling \$20,919 are included in accounts payable at December 31, 2023.

The general partner is entitled to receive a one-time lease-up fee based on actual receipts and expenditures during the lease-up period through the date of rental achievement. The fee is projected to be \$11,698. No payment of the fee is to be made until rental achievement has occurred.

Advantix advanced funds during 2023 to cover various operating expenses. A total of \$78,763 is included in accounts payable at December 31, 2023.

Advantix serves as property manager beginning in February 2021. The property management fee is calculated as 5% of gross receipts. Fees totaling \$17,943 were earned in 2023. Unpaid management fees of \$6,765 are included in accounts payable – related parties at December 31, 2023.

*Evansville Townhomes II, L.P.* – Advantix served as developer for the project. As compensation for its services, the developer is to receive \$1,198,625 which is to be paid at various times as specified in the development agreement. A portion of the developer fee of \$300,841 is to be deferred and is payable out of available cash flows, as defined. In the event the developer fee has not been paid in full by the thirteenth anniversary following completion, the general partner is required to make a capital contribution sufficient to pay off the unpaid balance of the developer fee. As of December 31, 2023, \$749,732 remains unpaid.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

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**Note 11—Related party information (continued)**

The investor limited partner is entitled to receive a cumulative annual asset management fee the in the amount of \$5,000 per year increasing by 3% per year commencing in the year in which completion occurs. The fee is payable out of available cash flows as defined. As of December 31, 2023, fees of \$5,150 were earned and unpaid.

The general partner is entitled to receive an incentive management fee in an amount equal to 49.98% of remaining cash flow, as defined, commencing in the year in which rental achievement occurs. No fees were earned or paid as of December 31, 2023.

During 2021, Advantix advanced funds to cover operating and construction costs. A total of \$43,442 remains outstanding as of December 31, 2023 and is included in accounts payable at December 31, 2023.

Advantix serves as property manager. The property management fee is calculated as 6% of gross rental receipts. Fees totaling \$29,931 were earned and paid in 2023.

*KHA RAD I, L.P.* – Commencing in the year completion occurs, the investor limited partner is entitled to an annual asset management fee of \$7,500, increasing 3% a year payable out of available cash flow, as defined. If there is not available cash flow, the fee accrues without interest. As of December 31, 2023, fees totaling \$7,500 were earned and included in accounts payable.

Commencing in the year rental achievement occurs, the general partner is entitled to receive a noncumulative incentive management fee in an amount equal to 50% of remaining cash flow, as defined. No fee was earned in 2023.

Commencing in the year rental achievement occurs, the general partner is entitled to receive a non-cumulative supervisory management fee in an amount equal to 39.98% of remaining cash flow, as defined. No fee was earned in 2023.

Advantix, a member of the general partner, serves as the property manager. The property management fee is calculated as 5% of gross rental receipts. Fees totaling \$134,385 were earned in 2023.

Advantix provides various operating services to RAD I. As of December 31, 2023, RAD I has recorded \$5,281 of accounts payable for amounts due at year-end.

Advantix and Superior Street Housing Development Corporation, an unrelated entity, serve as co-developers for the project. As compensation for their services, the developers are to receive \$4,812,000, of which 50% is to be paid to each developer. The fee is to be aid at various times, as specified in the development agreement. As of December 31, 2023, \$4,169,316 remains outstanding. If the development fee has not been paid in full by the 13<sup>th</sup> anniversary of completion, the general partner is required to make a capital contribution sufficient for payment of any unpaid amount.

*Erie Pointe, L.P.* – Advantix, the sole member of the general partner, served as developer for the project. As compensation for its services, the developer is to receive \$705,850 which is to be paid at various times as specified in the development agreement. A portion of the developer fee of \$435,053 is to be deferred and is payable out of available cash flows, as defined. In the event the developer fee has not been paid in full by the thirteenth anniversary following completion, the general partner is required to make a capital contribution sufficient to pay off the unpaid balance of the developer fee. As of December 31, 2023, the entire fee has been earned and \$570,452 remains unpaid.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

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**Note 11—Related party information (continued)**

In the year completion occurs, the investor limited partner is entitled to an annual asset management fee of \$5,000, increasing 3% a year payable out of available cash flow as defined. If there is not available cash flow, the fee accrues without interest. A fee of \$5,000 was earned and is included in accounts payable as of December 31, 2023.

Commencing in the year rental achievement occurs, the general partner is entitled to receive a noncumulative incentive management fee in an amount equal to 50% of remaining cash flow, as defined. No fee was earned as of December 31, 2023.

Commencing in the year rental achievement occurs, the general partner is entitled to receive a noncumulative supervisory management fee in the amount equal to 39.98% of remaining cash flow, as defined. Fees of \$16,890 were earned as of December 31, 2023.

Advantix, a member of the general partner, serves as the property manager. The property management fee is calculated as 6% of accrued gross revenue. No fee was earned as of December 31, 2023.

Advantix advanced funds during 2023 to cover various operating and construction expenses. A total of \$24,898 is included in accounts payable at December 31, 2023.

*34 East, L.P.* – Advantix, the sole member of the general partner, and Building for Change Inc. served as co-developers for the project. As compensation for its services, the developer is to receive \$702,150 which is to be paid at various times as specified in the development agreement. A portion of the developer fee of \$281,465 is to be deferred and is payable out of available cash flows, as defined. Any deferred amount shall bear interest at 6% per annum, commencing upon the second equity installment payment date. The outstanding balance and accrued interest shall be due in full on the expiration of the compliance period and are to be paid from the proceeds of a general partner contribution. At December 31, 2023, \$634,961 has been earned, of which \$547,079 remains unpaid.

The investor limited partner is entitled to receive an annual local administrative fee in the amount of \$5,000 per year increasing by 3% per year commencing in 2023. The fee is payable out of available cash flows as defined. A fee of \$5,000 was earned and unpaid as of December 31, 2023.

The general partner is entitled to receive a one-time lease-up fee based on actual receipts and expenditures during the lease-up period through the date of the rental achievement. The fee is projected to be \$123,699. No payment of the fee is to be made until the rental achievement has occurred. No fee was earned in 2023.

Advantix serves as the property manager. The property management fee is calculated at 6% of gross rental receipts. No fees were earned in 2023.

Advantix advanced funds for operating and development expenses. Fees of \$3,394 are included in accounts payable and \$1,099,427 of development advances are included in accounts payable at December 31, 2023.

*Evansville Townhomes III, L.P.* – Advantix Development Corporation, the sole member of the general partner, serviced as developer for the project. As compensation for its services, the developer is to receive \$1,230,000 which is to be paid at various times as specified in the development agreement. A portion of the developer fee of \$452,818 is to be deferred and is payable out of available cash flows, as defined. Any deferred amount shall bear interest at 6% per annum, commencing upon the second equity installment payment date. The outstanding balance and accrued interest shall be due in full on the expiration of the compliance period and are to be paid from the proceeds of a general partner contribution. At December 31, 2023, the \$1,139,337 has been earned, of which \$906,182 remains unpaid.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

**Note 11—Related party information (continued)**

The investor limited partner is entitled to receive an annual local administrative fee in the amount of \$5,000 per year increasing by 3% per year commencing in 2022. The fee is payable out of available cash flows as defined. A fee of \$5,150 was earned and included in accounts payable as of December 31, 2023.

The general partner is entitled to receive a one-time lease-up based on actual receipts and expenditures during the lease-up period through the date of rental achievement. The fee is projected to be \$163,707. No payment of the fee is to be made until the rental achievement has occurred. No fee was earned in 2023.

Advantix serves as the property manager. The property management fee is calculated at 6% of gross rental receipts. Fees totaling \$9,539 were earned in 2023. Unpaid amounts of \$5,491 due for management fees and other operating expense were included in accounts payable at December 31, 2023.

**Note 12—Condensed financial statements – blended component units**

**Statement of Net Position**  
**December 31, 2023**

	<b>Primary Government Housing Authority of the City of Evansville</b>	<b>Blended Component Units Advantix Development Corporation</b>	<b>Eliminations</b>	<b>Total</b>
<b>ASSETS</b>				
Current assets	\$ 3,093,302	\$ 14,822,211	\$ -	\$ 17,915,513
Capital assets, net	973,863	2,668,733	-	3,642,596
Noncurrent assets	21,030,000	9,169,512	-	30,199,512
Total Assets	25,097,165	26,660,456	-	51,757,621
Deferred outflows of resources	457,374	-	-	457,374
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 25,554,539</b>	<b>\$ 26,660,456</b>	<b>\$ -</b>	<b>\$ 52,214,995</b>
<b>LIABILITIES</b>				
Current liabilities	\$ 529,093	\$ 5,141,136	\$ -	\$ 5,670,229
Noncurrent liabilities	1,326,028	400,000	-	1,726,028
Total Liabilities	1,855,121	5,541,136	-	7,396,257
Deferred inflows of resources	37,084	-	-	37,084
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,892,205</b>	<b>5,541,136</b>	<b>-</b>	<b>7,433,341</b>
<b>NET POSITION</b>				
Net investment in capital assets	973,863	2,668,733	-	3,642,596
Restricted net position	137,249	-	-	137,249
Unrestricted net position	22,551,222	18,450,587	-	41,001,809
<b>Total Net Position</b>	<b>\$ 23,662,334</b>	<b>\$ 21,119,320</b>	<b>\$ -</b>	<b>\$ 44,781,654</b>

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

**Note 12—Condensed financial statements – blended component units (continued)**

**Statement of Revenues, Expenses, and Changes in Net Position**  
**Year Ended December 31, 2023**

	<b>Primary Government Housing Authority of the City of Evansville</b>	<b>Blended Component Units  Advantix Development Corporation</b>	<b>Eliminations</b>	<b>Total</b>
<b>Operating Revenues:</b>				
Tenant revenue	\$ 42,923	\$ 218,396	\$ -	\$ 261,319
HUD PHA operating grants	17,892,256	-	-	17,892,256
Other government grants	384,269	32,442	-	416,711
Fraud recovery income	8,716	-	-	8,716
Management fees	1,000	551,766	-	552,766
Other revenue	(1,227,149)	21,411,574	1,245,237	21,429,662
Total Operating Revenues	<u>17,102,015</u>	<u>22,214,178</u>	<u>1,245,237</u>	<u>40,561,430</u>
<b>Operating Expenses:</b>				
Administration	282,651	2,909,225	1,245,237	4,437,113
Tenant services	156,785	-	-	156,785
Utilities	-	101,962	-	101,962
Ordinary maintenance and operations	102,725	555,781	-	658,506
Insurance	87,309	303,961	-	391,270
Other general expenses	432,059	13,791,389	-	14,223,448
Housing assistance payments	15,912,962	-	-	15,912,962
Depreciation expense	3,884	344,775	-	348,659
Total Operating Expenses	<u>16,978,375</u>	<u>18,007,093</u>	<u>1,245,237</u>	<u>36,230,705</u>
Total Operating Income (Expense)	<u>123,640</u>	<u>4,207,085</u>	<u>-</u>	<u>4,330,725</u>
<b>Nonoperating Income (Expense):</b>				
Investment income - unrestricted	24,931	232,349	-	257,280
Interest expense and amortization cost	(16,829)	-	-	(16,829)
Net loss on disposal of capital assets	-	(44,652)	-	(44,652)
Total Nonoperating Income	<u>8,102</u>	<u>187,697</u>	<u>-</u>	<u>195,799</u>
Change in net position before capital grants and other special items	131,742	4,394,782	-	4,526,524
Transfers to/from component unit	-	-	-	-
Changes in net position	131,742	4,394,782	-	4,526,524
Net position, beginning of year	23,530,592	16,724,538	-	40,255,130
Net Position, End of Year	<u>\$ 23,662,334</u>	<u>\$ 21,119,320</u>	<u>\$ -</u>	<u>\$ 44,781,654</u>

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

**Note 12—Condensed financial statements – blended component units (continued)**

**Statement of Cash Flows**  
**Year Ended December 31, 2023**

	<u>Primary Government Housing Authority of the City of Evansville</u>	<u>Blended Component Units Advantix Development Corporation</u>	<u>Eliminations</u>	<u>Total</u>
Net cash flows from operating activities	\$ 179,381	\$ (1,195,448)	\$ -	\$ (1,016,067)
Net cash flows from capital and related financing activities	(125,191)	(831,766)	-	(956,957)
Net cash flows from investing activities	25,931	(257,260)	-	(231,329)
Net change in cash and cash equivalents	80,121	(2,284,474)	-	(2,204,353)
Cash and cash equivalents, beginning of year	2,396,446	9,317,226	-	11,713,672
Cash and cash equivalents, end of year	<u>\$ 2,476,567</u>	<u>\$ 7,032,752</u>	<u>\$ -</u>	<u>\$ 9,509,319</u>

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

**Note 13—Condensed financial statements – discretely presented component units**

**Statement of Net Position**  
**December 31, 2023**

	Discretely Presented Component Units														Total	
	Vision 1505, L.P.	EHA RAD I, L.P.	EHA RAD II, L.P.	EHA RAD IV	CSSL L.P.	Trailside Townhomes	Evansville Townhomes	Evansville Townhomes II	Erie Pointe	Trailside Commons	KHA RAD I	Riverview Vincennes	34 East	Evansville Townhomes III		Princeton Place
<b>ASSETS</b>																
Current assets	\$ 449,276	\$ 2,334,957	\$ 745,772	\$ 1,479,505	\$ 388,114	\$ 545,127	\$ 737,058	\$ 579,378	\$ 89,615	\$ 365,621	\$ 16,676,578	\$ 174,644	\$ 1,112	\$ 33,900	\$ -	\$ 24,600,657
Capital assets, net	676,308	23,579,958	8,151,368	14,795,272	7,454,158	6,279,571	8,860,005	8,172,046	9,173,236	6,450,027	38,248,150	6,933,932	10,323,423	11,923,404	2,268,497	163,289,355
Noncurrent assets	25,464	41,388	14,560	26,365	54,706	-	50,088	41,592	55,888	43,625	84,130	42,008	72,725	68,738	-	621,277
Total Assets	1,151,048	25,956,303	8,911,700	16,301,142	7,896,978	6,824,698	9,647,151	8,793,016	9,318,739	6,859,273	55,008,858	7,150,584	10,397,260	12,026,042	2,268,497	188,511,289
Deferred outflows of resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	1,151,048	25,956,303	8,911,700	16,301,142	7,896,978	6,824,698	9,647,151	8,793,016	9,318,739	6,859,273	55,008,858	7,150,584	10,397,260	12,026,042	2,268,497	188,511,289
<b>LIABILITIES AND NET POSITION</b>																
Current liabilities	165,361	1,394,211	572,922	226,999	624,906	166,971	94,507	615,097	831,728	229,266	6,320,698	603,428	1,108,021	1,777,432	-	14,731,547
Noncurrent liabilities	1,272,538	21,976,930	8,170,519	14,068,386	877,720	1,875,400	1,920,373	4,297,388	2,530,119	1,697,145	43,475,120	1,754,191	7,445,012	9,122,756	106,397	120,589,994
Total Liabilities	1,437,899	23,371,141	8,743,441	14,295,385	1,502,626	2,042,371	2,014,880	4,912,485	3,361,847	1,926,411	49,795,818	2,357,619	8,553,033	10,900,188	106,397	135,321,541
Deferred inflows of resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	1,437,899	23,371,141	8,743,441	14,295,385	1,502,626	2,042,371	2,014,880	4,912,485	3,361,847	1,926,411	49,795,818	2,357,619	8,553,033	10,900,188	106,397	135,321,541
Net Position:																
Net investment in capital assets	176,308	18,108,522	5,608,193	10,283,973	6,611,923	4,562,927	8,381,340	7,155,377	7,389,329	5,579,272	(5,505,187)	5,805,086	3,469,037	5,526,143	2,268,497	85,420,740
Restricted net position	394,416	1,883,111	580,243	913,153	170,626	204,243	202,155	71,982	205	323,121	100	121,888	395	800	-	4,866,438
Unrestricted net position (deficit)	(857,575)	(17,406,471)	(6,020,177)	(9,191,369)	(388,197)	15,157	(951,224)	(3,346,828)	(1,432,642)	(969,531)	10,718,127	(1,134,009)	(1,625,205)	(4,401,089)	(106,397)	(37,097,430)
<b>Total Net Position</b>	\$ (286,851)	\$ 2,585,162	\$ 168,259	\$ 2,005,757	\$ 6,394,352	\$ 4,782,327	\$ 7,632,271	\$ 3,880,531	\$ 5,956,892	\$ 4,932,862	\$ 5,213,040	\$ 4,792,965	\$ 1,844,227	\$ 1,125,854	\$ 2,162,100	\$ 53,189,748

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

**Note 13—Condensed financial statements – discretely presented component units (continued)**

**Statement of Revenues, Expenses, and Changes in Net Position**  
**Year Ended December 31, 2023**

	Discretely Presented Component Units														Total	
	Vision 1505, L.P.	EHA RAD I, L.P.	EHA RAD II, L.P.	EHA RAD IV	CSSL L.P.	Trailside Townhomes	Evansville Townhomes	Evansville Townhomes II	Erie Pointe	Trailside Commons	KHA RAD I	Riverview Vincennes	34 East	Evansville Townhomes III		Princetown Place
Operating Revenues:																
Tenant revenue	\$ 337,535	\$ 2,865,844	\$ 963,190	\$ 1,407,862	\$ 329,500	\$ 568,207	\$ 554,080	\$ 515,717	\$ 290,710	\$ 320,136	\$ 2,717,741	\$ 317,013	\$ 102	\$ 161,656	\$ -	\$ 11,349,293
Other revenue	-	53,390	-	22,678	2,621	-	-	28,776	-	-	-	-	-	-	-	107,465
Total Operating Revenues	337,535	2,919,234	963,190	1,430,540	332,121	568,207	554,080	544,493	290,710	320,136	2,717,741	317,013	102	161,656	-	11,456,758
Operating Expenses:																
Administration	122,857	571,807	207,325	212,791	93,927	134,230	113,876	118,627	48,199	139,154	515,107	75,215	2,978	31,431	-	2,387,524
Utilities	96,029	890,245	245,046	447,523	25,309	34,564	40,451	29,650	67,531	61,662	583,867	35,808	-	45,285	-	2,602,970
Ordinary maintenance and operations	197,568	1,079,928	373,938	498,106	47,949	83,871	77,543	120,907	26,946	121,557	786,050	80,413	-	88,166	-	3,582,942
Insurance	41,354	279,849	102,232	160,255	41,841	92,250	86,245	48,948	20,870	49,541	255,747	125,559	47	6,429	-	1,311,167
Other general expenses	4,000	16,942	8,832	15,845	5,797	5,628	5,627	5,150	5,000	5,627	7,500	5,464	5,000	5,150	-	101,562
Depreciation expense	19,692	737,653	240,470	486,371	643,433	492,932	466,432	380,037	539,446	407,451	1,588,877	432,381	-	107,742	-	6,542,917
Total Operating Expenses	481,500	3,576,424	1,177,843	1,820,891	858,256	843,475	790,174	703,319	707,992	784,992	3,737,148	754,840	8,025	284,203	-	16,529,082
Net Operating Loss	(143,965)	(657,190)	(214,653)	(390,351)	(526,135)	(275,268)	(236,094)	(158,826)	(417,282)	(464,856)	(1,019,407)	(437,827)	(7,923)	(122,547)	-	(5,072,324)
Nonoperating Income (Expense):																
Investment income - unrestricted	2,595	60,280	20,137	31,310	-	3,455	3,734	38	-	2,553	21,241	20	-	-	-	145,363
Loss on impairment of Capital Asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense and amortization cost	(24,393)	(850,396)	(300,297)	(593,015)	(36,469)	(86,323)	(84,685)	(199,214)	(379,738)	(68,255)	(1,654,745)	(54,121)	-	(137,049)	-	(4,468,700)
Organization costs	-	-	-	-	-	-	-	-	-	-	(46,514)	-	-	-	-	(46,514)
Total Nonoperating Income (Expense)	(21,798)	(790,116)	(280,160)	(561,705)	(36,469)	(82,868)	(80,951)	(199,176)	(379,738)	(65,702)	(1,680,018)	(54,101)	-	(137,049)	-	(4,369,851)
Changes in net position before other special items	(165,763)	(1,447,306)	(494,813)	(952,056)	(562,604)	(358,136)	(317,045)	(358,002)	(797,020)	(530,558)	(2,699,425)	(491,928)	(7,923)	(259,596)	-	(9,442,175)
Other special items	-	-	-	-	-	-	-	-	-	-	760,815	-	-	-	-	760,815
Net position, beginning of year	(121,088)	4,027,349	663,072	2,957,813	6,956,956	5,140,463	7,899,316	4,238,533	538,342	5,398,420	2,142,769	5,284,893	358,500	(46,500)	-	45,438,838
Syndication costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25,000)	(25,000)
Capital contributions	-	-	-	-	-	-	50,000	-	6,215,570	65,000	5,000,000	-	1,493,650	1,445,950	2,187,100	16,457,270
Net Position, End of Year	\$ (286,851)	\$ 2,580,043	\$ 168,259	\$ 2,005,757	\$ 6,394,352	\$ 4,782,327	\$ 7,632,271	\$ 3,880,531	\$ 5,956,892	\$ 4,932,862	\$ 5,204,159	\$ 4,792,965	\$ 1,844,227	\$ 1,139,854	\$ 2,162,100	\$ 53,189,748

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*DECEMBER 31, 2023*

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**Note 14—Recent accounting pronouncements**

In June 2022, GASB issued Statement No. 101 – *Compensated Absences*. The provisions of the statement are effective for fiscal years beginning after December 15, 2023. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This statement requires liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means.

In December 2023, GASB issued Statement No. 102 – *Certain Risk Disclosures*. The objective of this statement is to provide the users of the government financial statements with information about risks related to a government’s vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions and assessing accountability. The statement establishes financial reporting requirements for such risks and applies to financial statement of all state and local governments. The requirements of the statement are effective for fiscal years beginning after June 15, 2024.

The Authority is currently evaluating these standards and at this time cannot quantify any impact implementation may have on net position.

**REQUIRED SUPPLEMENTARY INFORMATION**

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEE'S RETIREMENT FUND**

*LAST TEN FISCAL YEARS*

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	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Authority's proportion of the net position liability	0.02625%	0.02406%	0.01984%	0.01907%	0.02017%	0.02152%	0.02375%	0.03484%	0.03905%	0.04691%
Authority's proportionate share of the net pension liability	\$ 926,450	\$ 758,812	\$ 261,064	\$ 575,959	\$ 666,631	\$ 731,044	\$ 1,059,617	\$ 1,581,195	\$ 1,590,468	\$ 1,232,760
Authority's covered-employee payroll	\$ 1,650,064	\$ 1,384,508	\$ 1,093,588	\$ 1,029,449	\$ 1,051,000	\$ 1,098,000	\$ 1,178,339	\$ 1,669,728	\$ 1,870,301	\$ 2,290,295
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	56.1%	54.8%	23.9%	55.9%	63.4%	66.6%	89.9%	94.7%	85.0%	53.8%
Plan fiduciary net position as a percentage of the total pension liability	80.8%	82.5%	92.5%	81.4%	80.1%	78.9%	76.6%	75.3%	77.3%	84.3%

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS**  
**PUBLIC EMPLOYEE'S RETIREMENT FUND**

*LAST TEN FISCAL YEARS*

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 135,264	\$ 128,898	\$ 108,180	\$ 105,754	\$ 107,945	\$ 121,223	\$ 131,573	\$ 185,291	\$ 191,630	\$ 198,731
Contributions in relation to the contractually required contribution	135,264	128,898	108,180	105,754	107,945	121,223	131,573	185,291	191,630	198,731
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 1,650,064	\$ 1,384,508	\$ 1,093,588	\$ 1,029,449	\$ 1,051,000	\$ 1,098,000	\$ 1,178,339	\$ 1,669,728	\$ 1,870,301	\$ 2,290,295
Contributions as a percentage of covered-employee payroll	8.2%	9.3%	9.9%	11.2%	10.3%	11.0%	11.2%	11.1%	10.2%	8.7%

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

*DECEMBER 31, 2023*

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Actuarial valuation date:	June 30, 2023
Actuarial cost method:	Entry age normal – level percent of payroll
Asset valuation method:	Five-year smoothed market
Inflation:	2.00% per year
Projected salary increases:	2.65% to 8.65% based on service
Investment rate of return:	6.25% (net of administrative and investment expenses)
Cost-of-Living Adjustment (“COLA”)	No COLA was granted for the 2023-2025 biennium. Thereafter, the following COLAs, compounded annually, were assumed:  0.4% beginning on January 1, 2026 0.5% beginning on January 1, 2034 0.6% beginning on January 1, 2039
Mortality:	PUB-201 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.  Healthy Employees – General Employee table with a 3-year set forward for males and a 1-year set forward for females  Retirees – General Retiree table with a 3-year set forward for males and a 1-year set forward for females.  Beneficiaries – Contingent Survivor table with no set forward for males and a 2-year set forward for females.  Disabled – General Disabled table with a 140% load.

## **SUPPLEMENTARY INFORMATION**

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED DECEMBER 31, 2023

<b>Federal Grantor/Pass-through Entity</b>	<b>Federal Assistance Listing</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>	<b>Passed-Through to Subrecipients</b>
<b>U.S. Department of Housing and Urban Development</b>				
<b>Direct Awards:</b>				
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871		\$ 17,470,600	\$ -
Emergency Housing Vouchers	14.EHV		257,685	-
			<u>17,728,285</u>	<u>-</u>
Family Self-Sufficiency Program	14.896		163,971	-
			<u>17,892,256</u>	<u>-</u>
<b>Passed through the City of Evansville:</b>				
Community Development Block Grants/States Program	14.228	B-18-MC-18-002	32,442	-
			<u>17,924,698</u>	<u>-</u>
<b>U.S. Department of Labor</b>				
<b>Direct Awards:</b>				
YouthBuild	17.274		384,269	-
			<u>384,269</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 18,308,967</u>	<u>\$ -</u>

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

DECEMBER 31, 2023

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**Note 1—Basis of presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (“CFR”), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2—Indirect cost rate**

The Authority has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3—Reconciliation of schedule of federal expenditures to the statement of revenues, expenses, and changes in net position**

HUD operating grants	\$ 17,892,256
Other government grants	<u>416,711</u>
Total federal expenditures	<u>\$ 18,308,967</u>

## **OTHER REPORTS**

**Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

To the Board of Commissioners  
The Housing Authority of the City of Evansville, Indiana  
Evansville, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Evansville, Indiana (the "Authority") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 25, 2024. Our report includes a reference to other auditors who audited the financial statements of Vision 1505, LP; EHA RAD I, LP; EHA RAD II, LP; EHA RAD IV, LP; CSSL, LP; Evansville Townhomes, LP; Trailside Townhomes, LP; Trailside Commons, LP; River View Vincennes, LP; Evansville Townhomes II, LP; KHA RAD I, LP; Erie Pointe, LP; Evansville Townhomes III, LP; and 34 East, LP, as described in our report on the Authority's financial statements. The financial statements of Vision 1505, LP; CSSL, LP; Evansville Townhomes, LP; Trailside Townhomes, LP; Trailside Commons, LP; River View Vincennes, LP; Evansville Townhomes II, LP; Erie Pointe, LP; Evansville Townhomes III, LP; and 34 East, LP, were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Lexington, Kentucky  
September 25, 2024

## **Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with the Uniform Guidance**

Board of Commissioners  
The Housing Authority of the City of Evansville, Indiana  
Evansville, Indiana

### **Report on Compliance for Each Major Federal Program**

#### **Opinion on Each Major Federal Program**

We have audited the Housing Authority of the City of Evansville, Indiana's (the "Authority's") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2023. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

#### **Basis for Opinion on each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulation*,s Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance is a deficiency*, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Lexington, Kentucky  
September 25, 2024

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED DECEMBER 31, 2023

**Section I—Summary of independent auditor’s results**

**Financial Statements**

Type of auditor’s report issued	Unmodified	
Internal control over financial reporting		
Material weakness(es) identified?	_____yes	___x___no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____yes	___x___none reported
Noncompliance material to financial statements noted?	_____yes	___x___no

**Federal Awards**

Internal control over major programs		
Material weakness(es) identified?	_____yes	___x___no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____yes	___x___none reported
Type of auditor’s report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____yes	___x___no

Identification of major programs

<u>ALN</u>	<u>Name of Federal Program or Cluster</u>	
14.871, 14.EHV	<b>Housing Voucher Cluster</b> Section 8 Housing Choice Vouchers Emergency Housing Vouchers	\$17,470,600
Dollar threshold used to distinguish between Type A and Type B programs:		\$ 750,000
Auditee qualified as low-risk auditee?	___x___yes	_____no

**Section II—Findings – financial statement audit**

None.

**Section III—Findings – major federal award programs**

None.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

*YEAR ENDED DECEMBER 31, 2023*

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No prior year audit findings.

Housing Authority of the City of Evansville (IN016)  
Evansville, IN  
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.228 Community Development Block Grants/State's Program	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	17.274 YouthBuild Program	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted		\$2,302		\$2,821,731	\$6,892,158		\$1,279,102	\$4,784		\$1,042,023			\$5,952	\$12,048,052		\$12,048,052
112 Cash - Restricted - Modernization and Development				\$6,370										\$6,370		\$6,370
113 Cash - Other Restricted				\$4,860,068	\$130,000					\$141,871		\$5,201		\$5,137,140		\$5,137,140
114 Cash - Tenant Security Deposits				\$179,079	\$5,925									\$185,004		\$185,004
115 Cash - Restricted for Payment of Current Liabilities				\$15,797,997										\$15,797,997		\$15,797,997
100 Total Cash	\$0	\$2,302	\$0	\$23,665,245	\$7,028,083	\$0	\$1,279,102	\$4,784	\$0	\$1,183,894	\$0	\$5,201	\$5,952	\$33,174,563	\$0	\$33,174,563
121 Accounts Receivable - PHA Projects																
122 Accounts Receivable - HUD Other Projects				\$7,588		\$15,625								\$23,213		\$23,213
124 Accounts Receivable - Other Government				\$3,262	\$0						\$156,431			\$159,693		\$159,693
125 Accounts Receivable - Miscellaneous				\$34,870	\$4,612,443		\$227,541			\$10,212		\$7,614	\$104,048	\$4,996,728		\$4,996,728
126 Accounts Receivable - Tenants				\$242,382	\$0									\$242,382		\$242,382
126.1 Allowance for Doubtful Accounts - Tenants				\$0	\$0									\$0		\$0
126.2 Allowance for Doubtful Accounts - Other				\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current					\$12,750									\$12,750		\$12,750
128 Fraud Recovery																
128.1 Allowance for Doubtful Accounts - Fraud																
128 Accrued Interest Receivable																
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$0	\$288,102	\$4,625,193	\$15,625	\$227,541	\$0	\$0	\$10,212	\$156,431	\$7,614	\$104,048	\$5,434,766	\$0	\$5,434,766
131 Investments - Unrestricted					\$307,286									\$307,286		\$307,286
132 Investments - Restricted																
135 Investments - Restricted for Payment of Current Liability																
142 Prepaid Expenses and Other Assets				\$647,310	\$2,869,216					\$35,857	\$3,587		\$43,585	\$3,599,555		\$3,599,555
143 Inventories																
143.1 Allowance for Obsolete Inventories																
144 Inter Program Due From				\$0										\$0		\$0
145 Assets Held for Sale																
150 Total Current Assets	\$0	\$2,302	\$0	\$24,600,657	\$14,829,778	\$15,625	\$1,506,643	\$4,784	\$0	\$1,229,963	\$160,018	\$12,815	\$153,585	\$42,516,170	\$0	\$42,516,170
161 Land				\$4,186,329	\$201,212		\$962,535							\$5,350,076		\$5,350,076
162 Buildings				\$149,830,816	\$4,100,486									\$153,931,302		\$153,931,302
163 Furniture, Equipment & Machinery - Dwellings				\$12,201,948	\$0									\$12,201,948		\$12,201,948
164 Furniture, Equipment & Machinery - Administration					\$1,588,516					\$19,420				\$1,607,936		\$1,607,936
165 Leasehold Improvements																
166 Accumulated Depreciation				(\$22,200,639)	(\$3,617,548)					(\$8,092)				(\$25,826,279)		(\$25,826,279)
167 Construction in Progress				\$19,270,901	\$396,067									\$19,666,968		\$19,666,968
168 Infrastructure																
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$163,289,355	\$2,668,733	\$0	\$962,535	\$0	\$0	\$11,328	\$0	\$0	\$0	\$166,931,951	\$0	\$166,931,951
171 Notes, Loans and Mortgages Receivable - Non-Current				\$0	\$8,105,000		\$21,030,000							\$29,135,000		\$29,135,000
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due																
173 Grants Receivable - Non Current																
174 Other Assets				\$621,277										\$621,277		\$621,277
176 Investments in Joint Ventures					\$1,064,512									\$1,064,512		\$1,064,512
180 Total Non-Current Assets	\$0	\$0	\$0	\$163,910,632	\$11,838,245	\$0	\$21,992,535	\$0	\$0	\$11,328	\$0	\$0	\$0	\$197,752,740	\$0	\$197,752,740
200 Deferred Outflow of Resources										\$162,572			\$294,802	\$457,374		\$457,374
290 Total Assets and Deferred Outflow of Resources	\$0	\$2,302	\$0	\$188,511,289	\$26,668,023	\$15,625	\$23,499,178	\$4,784	\$0	\$1,403,863	\$160,018	\$12,815	\$448,387	\$240,726,284	\$0	\$240,726,284

Housing Authority of the City of Evansville (IN016)  
Evansville, IN  
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.228 Community Development Block Grants/State's Program	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	17.274 YouthBuild Program	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
311 Bank Overdraft																
312 Accounts Payable <= 90 Days		\$7,531		\$5,021,850	\$1,968,005	\$9,705		\$6,800	\$137,274	\$54,129	\$218,936	\$4,820		\$7,429,050		\$7,429,050
313 Accounts Payable >90 Days Past Due																
321 Accrued Wage/Payroll Taxes Payable				\$0	\$26,159	\$5,885			\$407	\$13,453	\$4,390			\$50,294		\$50,294
322 Accrued Compensated Absences - Current Portion				\$0	\$47,630					\$15,095			\$48,414	\$111,139		\$111,139
324 Accrued Contingency Liability																
325 Accrued Interest Payable																
331 Accounts Payable - HUD PHA Programs																
332 Account Payable - PHA Projects																
333 Accounts Payable - Other Government																
341 Tenant Security Deposits				\$184,234	\$5,525									\$189,759		\$189,759
342 Unearned Revenue				\$160,345	\$17,806							\$0		\$178,151		\$178,151
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				\$8,221,487			\$100,204							\$8,321,691		\$8,321,691
344 Current Portion of Long-term Debt - Operating Borrowings																
345 Other Current Liabilities					\$2,914,394									\$2,914,394		\$2,914,394
346 Accrued Liabilities - Other				\$1,143,631		\$35		\$30,000	\$9	\$29,751	\$86		\$3,786	\$1,207,298		\$1,207,298
347 Inter Program - Due To																
348 Loan Liability - Current																
310 Total Current Liabilities	\$0	\$7,531	\$0	\$14,731,547	\$4,979,519	\$15,625	\$100,204	\$36,800	\$137,690	\$112,428	\$223,412	\$4,820	\$52,200	\$20,401,776	\$0	\$20,401,776
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				\$98,888,525	\$400,000		\$205,708							\$99,494,233		\$99,494,233
352 Long-term Debt, Net of Current - Operating Borrowings																
353 Non-current Liabilities - Other				\$21,641,802						\$151,942		\$8,058		\$21,801,802		\$21,801,802
354 Accrued Compensated Absences - Non Current				\$59,667						\$11,855			\$22,015	\$93,537		\$93,537
355 Loan Liability - Non Current																
356 FASB 5 Liabilities																
357 Accrued Pension and OPEB Liabilities										\$321,855			\$604,595	\$926,450		\$926,450
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$120,589,994	\$400,000	\$0	\$205,708	\$0	\$0	\$485,652	\$0	\$8,058	\$626,610	\$122,316,022	\$0	\$122,316,022
300 Total Liabilities	\$0	\$7,531	\$0	\$135,321,541	\$5,379,519	\$15,625	\$305,912	\$36,800	\$137,690	\$598,080	\$223,412	\$12,878	\$678,810	\$142,717,798	\$0	\$142,717,798
400 Deferred Inflow of Resources					\$0								\$37,084	\$37,084		\$37,084
508.4 Net Investment in Capital Assets				\$85,420,740	\$2,668,732		\$962,535			\$11,329			\$0	\$89,063,336		\$89,063,336
511.4 Restricted Net Position				\$4,866,438	\$130,000					\$6,982		\$267	\$0	\$5,003,687		\$5,003,687
512.4 Unrestricted Net Position	\$0	(\$5,229)	\$0	(\$37,097,430)	\$18,489,772	\$0	\$22,230,731	(\$32,016)	(\$137,690)	\$787,472	(\$63,394)	(\$330)	(\$267,507)	\$3,904,379		\$3,904,379
513 Total Equity - Net Assets / Position	\$0	(\$5,229)	\$0	\$53,189,748	\$21,288,504	\$0	\$23,193,266	(\$32,016)	(\$137,690)	\$805,783	(\$63,394)	(\$63)	(\$267,507)	\$97,971,402	\$0	\$97,971,402
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$0	\$2,302	\$0	\$188,511,289	\$26,668,023	\$15,625	\$23,499,178	\$4,784	\$0	\$1,403,863	\$160,018	\$12,815	\$448,387	\$240,726,284	\$0	\$240,726,284

Housing Authority of the City of Evansville (IN016)  
Evansville, IN  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.228 Community Development Block Grants/State's Program	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	17.274 YouthBuild Program	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue				\$11,349,293	\$256,022									\$11,605,315		\$11,605,315
70400 Tenant Revenue - Other				\$0	\$5,297									\$5,297		\$5,297
70500 Total Tenant Revenue	\$0	\$0	\$0	\$11,349,293	\$261,319	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,610,612	\$0	\$11,610,612
70600 HUD PHA Operating Grants				\$0		\$163,972				\$17,470,600		\$257,684		\$17,892,256		\$17,892,256
70610 Capital Grants				\$0										\$0		\$0
70710 Management Fee													\$296,564	\$296,564	(\$296,564)	\$0
70720 Asset Management Fee																
70730 Book Keeping Fee													\$202,230	\$202,230	(\$202,230)	\$0
70740 Front Line Service Fee																
70750 Other Fees																
70700 Total Fee Revenue													\$498,794	\$498,794	(\$498,794)	\$0
70800 Other Government Grants				\$0				\$32,442			\$384,269			\$416,711		\$416,711
71100 Investment Income - Unrestricted				\$145,363	\$232,349		\$24,815			\$98			\$18	\$402,643		\$402,643
71200 Mortgage Interest Income																
71300 Proceeds from Disposition of Assets Held for Sale																
71310 Cost of Sale of Assets																
71400 Fraud Recovery										\$8,716				\$8,716		\$8,716
71500 Other Revenue		\$7,724		\$16,539,735	\$21,962,941		\$10,366			\$1,400			\$746,440	\$39,268,606	(\$746,443)	\$38,522,163
71600 Gain or Loss on Sale of Capital Assets					(\$44,652)									(\$44,652)		(\$44,652)
72000 Investment Income - Restricted																
70000 Total Revenue	\$0	\$7,724	\$0	\$28,034,391	\$22,411,957	\$163,972	\$35,181	\$32,442	\$0	\$17,480,814	\$384,269	\$257,684	\$1,245,252	\$70,053,686	(\$1,245,237)	\$68,808,449
91100 Administrative Salaries				\$2,387,524	\$889,420	\$2,001		\$72,863	\$39,976	\$441,963	\$197,579		\$753,064	\$4,784,390		\$4,784,390
91200 Auditing Fees				\$0	\$35,200					\$30,976			\$4,224	\$70,400		\$70,400
91300 Management Fee				\$0						\$296,564				\$296,564	(\$296,564)	\$0
91310 Book-keeping Fee				\$0	\$4,478					\$202,230				\$206,708	(\$202,230)	\$4,478
91400 Advertising and Marketing				\$0	\$670									\$670		\$670
91500 Employee Benefit contributions - Administrative				\$0	\$218,431	\$5,186		(\$13,940)	\$9,437	\$202,804	\$92,438		\$304,198	\$818,554		\$818,554
91600 Office Expenses		\$13,333		\$0	\$685,174		\$15,462	\$279	\$220	\$242,195	\$47,690	\$169	\$97,609	\$1,102,131		\$1,102,131
91700 Legal Expense				\$0	\$39,413					\$1,350			\$161	\$40,924		\$40,924
91800 Travel				\$0										\$0		\$0
91810 Allocated Overhead				\$0										\$0		\$0
91900 Other				\$46,514	\$749,533									\$796,047	(\$746,443)	\$49,604
91000 Total Operating - Administrative	\$0	\$13,333	\$0	\$2,434,038	\$2,622,319	\$7,187	\$15,462	\$59,202	\$49,633	\$1,418,082	\$337,707	\$169	\$1,159,256	\$8,116,388	(\$1,245,237)	\$6,871,151
92000 Asset Management Fee				\$0										\$0		\$0
92100 Tenant Services - Salaries				\$0		\$120,644								\$120,644		\$120,644
92200 Relocation Costs				\$0										\$0		\$0
92300 Employee Benefit Contributions - Tenant Services				\$0		\$36,141								\$36,141		\$36,141
92400 Tenant Services - Other				\$0	\$0									\$0		\$0
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$156,785	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$156,785	\$0	\$156,785
93100 Water				\$0	\$14,325									\$14,325		\$14,325
93200 Electricity				\$2,602,970	\$64,581									\$2,667,551		\$2,667,551
93300 Gas				\$0	\$13,684									\$13,684		\$13,684
93400 Fuel				\$0	\$0									\$0		\$0
93500 Labor				\$0	\$0									\$0		\$0
93600 Sewer				\$0	\$0									\$0		\$0
93700 Employee Benefit Contributions - Utilities				\$0	\$0									\$0		\$0
93800 Other Utilities Expense				\$0	\$9,372									\$9,372		\$9,372
93000 Total Utilities	\$0	\$0	\$0	\$2,602,970	\$101,962	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,704,932	\$0	\$2,704,932

Housing Authority of the City of Evansville (IN016)  
Evansville, IN  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

94100 Ordinary Maintenance and Operations - Labor				\$3,582,942	\$126,652									\$3,709,594		\$3,709,594
94200 Ordinary Maintenance and Operations - Materials and Other				\$0	\$308,094					\$6,511	\$3,171			\$317,776		\$317,776
94300 Ordinary Maintenance and Operations Contracts				\$0	\$175,231					\$17,219	\$536		\$6,160	\$199,146		\$199,146
94500 Employee Benefit Contributions - Ordinary Maintenance				\$0	\$14,932									\$14,932		\$14,932
94000 Total Maintenance	\$0	\$0	\$0	\$3,582,942	\$624,909	\$0	\$0	\$0	\$0	\$23,730	\$3,707	\$0	\$6,160	\$4,241,448	\$0	\$4,241,448
95100 Protective Services - Labor																
95200 Protective Services - Other Contract Costs																
95300 Protective Services - Other																
95500 Employee Benefit Contributions - Protective Services																
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance				\$1,311,167	\$271,171							\$9,451	\$43,893	\$1,635,682		\$1,635,682
96120 Liability Insurance				\$0	\$5,114								\$2,191	\$7,305		\$7,305
96130 Workmen's Compensation				\$0	\$17,605					\$8,531	(\$53)		\$13,225	\$39,308		\$39,308
96140 All Other Insurance					\$10,071								\$10,071	\$20,142		\$20,142
96100 Total Insurance Premiums	\$0	\$0	\$0	\$1,311,167	\$303,961	\$0	\$0	\$0	\$0	\$8,531	\$9,398	\$0	\$69,380	\$1,702,437	\$0	\$1,702,437
96200 Other General Expenses				\$101,562	\$13,649,264			\$6,225	\$88,057	\$4,422	\$82,940	\$74,873	(\$26,733)	\$13,980,610		\$13,980,610
96210 Compensated Absences				\$0	\$152,938					\$78,062			\$104,511	\$335,511		\$335,511
96300 Payments in Lieu of Taxes				\$0	\$3,973									\$3,973		\$3,973
96400 Bad debt - Tenant Rents				\$0						\$4,916				\$4,916		\$4,916
96500 Bad debt - Mortgages																
96600 Bad debt - Other																
96800 Severance Expense																
96000 Total Other General Expenses	\$0	\$0	\$0	\$101,562	\$13,806,175	\$0	\$0	\$6,225	\$88,057	\$87,400	\$82,940	\$74,873	\$77,778	\$14,325,010	\$0	\$14,325,010
96710 Interest of Mortgage (or Bonds) Payable				\$4,468,700			\$16,829							\$4,485,529		\$4,485,529
96720 Interest on Notes Payable (Short and Long Term)																
96730 Amortization of Bond Issue Costs				\$0										\$0		\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$4,468,700	\$0	\$0	\$16,829	\$0	\$0	\$0	\$0	\$0	\$0	\$4,485,529	\$0	\$4,485,529
96900 Total Operating Expenses	\$0	\$13,333	\$0	\$14,501,379	\$17,459,326	\$163,972	\$32,291	\$65,427	\$137,690	\$1,537,743	\$433,752	\$75,042	\$1,312,574	\$35,732,529	(\$1,245,237)	\$34,487,292
97000 Excess of Operating Revenue over Operating Expenses	\$0	(\$5,609)	\$0	\$13,533,012	\$4,952,631	\$0	\$2,890	(\$32,985)	(\$137,690)	\$15,943,071	(\$49,483)	\$182,642	(\$67,322)	\$34,321,157	\$0	\$34,321,157
97100 Extraordinary Maintenance																
97200 Casualty Losses - Non-capitalized																
97300 Housing Assistance Payments										\$15,730,403		\$182,559		\$15,912,962		\$15,912,962
97350 HAP Portability-In																
97400 Depreciation Expense				\$6,542,917	\$344,775					\$3,884				\$6,891,576		\$6,891,576
97500 Fraud Losses																
97600 Capital Outlays - Governmental Funds																
97700 Debt Principal Payment - Governmental Funds																
97800 Dwelling Units Rent Expense																
90000 Total Expenses	\$0	\$13,333	\$0	\$21,044,296	\$17,804,101	\$163,972	\$32,291	\$65,427	\$137,690	\$17,272,030	\$433,752	\$257,601	\$1,312,574	\$58,537,067	(\$1,245,237)	\$57,291,830
10010 Operating Transfer In							\$532	\$75,000						\$75,532		\$75,532
10020 Operating transfer Out														(\$532)	(\$75,532)	(\$75,532)
10030 Operating Transfers from/to Primary Government																
10040 Operating Transfers from/to Component Unit			\$5,950		(\$124,744)								\$118,794	\$0		\$0
10050 Proceeds from Notes, Loans and Bonds																
10060 Proceeds from Property Sales																
10070 Extraordinary Items, Net Gain/Loss																
10080 Special Items (Net Gain/Loss)				\$760,815										\$760,815		\$760,815
10091 Inter Project Excess Cash Transfer In																
10092 Inter Project Excess Cash Transfer Out																
10093 Transfers between Program and Project - In																
10094 Transfers between Project and Program - Out																
10100 Total Other financing Sources (Uses)	\$0	\$0	\$5,950	\$760,815	(\$199,744)	\$0	\$532	\$75,000	\$0	\$0	\$118,794	\$0	(\$532)	\$760,815	\$0	\$760,815

Housing Authority of the City of Evansville (IN016)  
Evansville, IN  
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Fiscal Year End: 12/31/2023

10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$0	(\$5,609)	\$5,950	\$7,750,910	\$4,408,112	\$0	\$3,422	\$42,015	(\$137,690)	\$208,784	\$69,311	\$83	(\$67,854)	\$12,277,434	\$0	\$12,277,434
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$0	\$380	(\$5,950)	\$48,079,205	\$16,880,389	\$0	\$23,189,844	(\$74,031)	\$0	\$596,999	(\$132,705)	(\$146)	(\$199,653)	\$88,334,332		\$88,334,332
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors				(\$2,640,367)	\$3									(\$2,640,364)		(\$2,640,364)
11050 Changes in Compensated Absence Balance																
11060 Changes in Contingent Liability Balance																
11070 Changes in Unrecognized Pension Transition Liability																
11080 Changes in Special Term/Severance Benefits Liability																
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents																
11100 Changes in Allowance for Doubtful Accounts - Other																
11170 Administrative Fee Equity										\$798,801				\$798,801		\$798,801
11180 Housing Assistance Payments Equity										\$6,982				\$6,982		\$6,982
11190 Unit Months Available	0			16101	372					34104		312		50889		50889
11210 Number of Unit Months Leased	0			14590	341					26925		244		42100		42100
11270 Excess Cash	\$0													\$0		\$0
11610 Land Purchases	\$0												\$0	\$0		\$0
11620 Building Purchases	\$0												\$0	\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0												\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0												\$0	\$0		\$0
11650 Leasehold Improvements Purchases	\$0												\$0	\$0		\$0
11660 Infrastructure Purchases	\$0												\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0												\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0												\$0	\$0		\$0