

**BANYARD MANAGEMENT  
Board of Directors Meeting**

2039 Forest Avenue  
Chico, CA 95928

**MEETING AGENDA**

May 21, 2020  
2:00 p.m.

**Coronavirus (COVID-19) Advisory Notice:** The health and safety of Butte County residents and community members, public officials and employees is a top priority for the Housing Authority of the County of Butte and the Board of Commissioners.

Pursuant to current State Public Health directives to shelter-in-place and practice social distancing, and as authorized by Governor Gavin Newsom's Executive Orders N-25-20 and N-29-20, Board of Commissioners meetings will be closed to the public for the foreseeable future. Members of the Board of Commissioners and HACB staff will be participating either in person or via teleconference. The Board of Commissioners encourages members of the public to participate remotely from a safe location.

**Please join my meeting from your computer, tablet or smartphone.**

<https://global.gotomeeting.com/join/916108405>

**Dial in instructions:**

United States (Toll Free): [1 877 309 2073](tel:18773092073)

United States: [+1 \(571\) 317-3129](tel:+15713173129)

Access Code: 916-108-405

If you have any trouble accessing the meeting agenda, or attachments; or if you are disabled and need special assistance to participate in this meeting, please email [marysolk@butte-housing.com](mailto:marysolk@butte-housing.com) or call 530-895-4474 x.210. Notification at least 24 hours prior to the meeting will enable the Housing Authority to make a reasonable attempt to assist you.

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**NEXT RESOLUTION NO. 20-1B**

**ITEMS OF BUSINESS**

1. ROLL CALL
2. AGENDA AMENDMENTS
3. CONSENT CALENDAR
  - 3.1 Minutes for the meeting of February 20, 2020
  - 3.2 Banyard Management – Financial Report

*Banyard Management  
Board of Directors  
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- 3.3 Chico Commons – HACB report/AWI Report
- 4. CORRESPONDENCE
- 5. REPORTS FROM PRESIDENT
  - 5.1 Chico Commons Audit Report – Accept FY2019 Audit Report.

Recommendation:	Motion
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- 6. MEETING OPEN FOR PUBLIC DISCUSSION
- 7. MATTERS CONTINUED FOR DISCUSSION
- 8. SPECIAL REPORTS
- 9. REPORTS FROM DIRECTORS
- 10. MATTERS INITIATED BY DIRECTORS
- 11. EXECUTIVE SESSION
- 12. DIRECTORS’ CALENDAR
- Next meeting – August 20, 2020.**
- 13. ADJOURNMENT

BANYARD MANAGEMENT

**Board of Directors Meeting**

2039 Forest Avenue  
Chico, CA 95928

MEETING MINUTES

February 20, 2020

President Mayer called the meeting of Banyard Management to order at 2:03 p.m.

1. ROLL CALL

Present for the Directors: Kate Anderson, Patricia Besser, Larry Hamman, Anne Jones, Laura Moravec, Rich Ober, and David Pittman.

Others Present: President Ed Mayer, Chief Financial Officer Sue Kemp, Secretary Marysol Perez, Larry Guanzon, Tamra Young, Jerry Martin, Angie Little and Bow Lee.

Public Present: Anita Dehgani, and Carolyn Fraser, 1200 Park Avenue Apartment residents; Diana Palmer, Section 8 Program Participant, and Greg Einhorn, Housing Authority Legal Counsel.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

Director Hamman moved to accept the Consent Calendar as presented. Director Pittman seconded the motion. The vote in favor was unanimous.

4. CORRESPONDENCE

None.

5. REPORTS FROM PRESIDENT

- 5.1 Corporate Services Agreement – Banyard Management has an ongoing Corporate Services Agreement with the HACB. The agreement sets the rates of compensation and an annual contract maximum. Rates have increased between 5% to 12% over the last year, based on assigned staffing, employment status and compensation/benefits. The agreement is re-occurring, subject to annual revisions. Banyard Management, seeks motion to approve new HACB hourly billing rates for services effective March 1, 2020.

**\*MOTION\***

Director Moravec moved to approve new HACB proposed hourly billing rates effective March 1, 2020. Director Besser seconded. The vote in favor was unanimous.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

None.

8. SPECIAL REPORTS

None.

9. REPORTS FROM BOARD MEMBERS

None.

10. MATTERS INITIATED BY BOARD MEMBERS

None.

11. EXECUTIVE SESSION

None.

12. DIRECTOR'S CALENDAR

**Next Meeting – May 21, 2020.**

13. ADJOURNMENT

Director Hamman moved that the meeting be adjourned. Director Jones seconded. The meeting was adjourned at 2:09 p.m.

Dated: February 20, 2020.

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Edward S. Mayer, President

ATTEST:

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Marysol Perez, Secretary

Date: 5/13/2020  
3:25:55 PM

**Housing Authority of the County of Butte**  
***BANYARD BALANCE SHEET***  
**March, 2020**

	<b>Cumulative</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash - Unrestricted	228,049.58
Cash - Other Restricted	0.00
Cash - Tenant Security Deposits	0.00
Accounts Receivable	0.00
Accrued Interest Receivable	0.00
Investments - Unrestricted	0.00
Investments - Restricted	0.00
Inventories	0.00
<b>Total Current Assets</b>	<b>228,049.58</b>
<b>Fixed Assets</b>	
Fixed Assets & Accumulated Depreciation	0.00
<b>Total Fixed Assets</b>	<b>0.00</b>
<b>Other Assets</b>	
Prepaid Expenses and Other Assets	0.00
Investment in Chico Commons, L.P.	299,561.93
<b>Total Other Assets</b>	<b>299,561.93</b>
<b>TOTAL ASSETS</b>	<b>527,611.51</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	401.00
Accrued Liabilities - Other	0.00
<b>Total Current Liabilities</b>	<b>401.00</b>
<b>Long-Term Liabilities</b>	
Long-Term Debt Net of Current	0.00
<b>Total Long-Term Liabilities</b>	<b>0.00</b>
<b>TOTAL LIABILITIES</b>	<b>401.00</b>
<b>NET POSITION</b>	
Beginning Net Position	536,252.60
Retained Earnings	-9,042.09
<b>TOTAL NET POSITION</b>	<b>527,210.51</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>527,611.51</b>

# BANYARD-GEN. FUND INCOME STATEMENT

March 31, 2020

YTD %  
50.00

	Month to Date			Year to Date			% used
	Actual	Budget	Remaining	Actual	Budget	Remaining	
REVENUES							
Partnership Income	1,080	1,122	-42	6,480	13,460	-6,980	48.14
Investment Income	11	17	-5	80	200	-120	40.07
<b>TOTAL REVENUES</b>	<b>1,091</b>	<b>1,138</b>	<b>-47</b>	<b>6,560</b>	<b>13,660</b>	<b>-7,100</b>	<b>48.02</b>
Audit Fee	0	50	-50	497	600	-103	82.83
Corporate Services	-1,706	1,250	-2,956	3,761	15,000	-11,239	25.07
Consulting Fees *	0	250	-250	4,864	3,000	1,864	162.14
Legal Expenses	0	125	-125	0	1,500	-1,500	0.00
Misc. Administrative Costs	0	0	0	0	0	0	0.00
Outside Management Fees	1,080	1,080	0	6,480	12,960	-6,480	50.00
Partnership Losses	0	0	0	0	0	0	0.00
Taxes and Fees	0	43	-43	0	520	-520	0.00
<b>TOTAL EXPENSES</b>	<b>-626</b>	<b>2,798</b>	<b>-3,424</b>	<b>15,602</b>	<b>33,580</b>	<b>-17,978</b>	<b>46.46</b>
<b>RETAINED EARNINGS</b>	<b>1,717</b>	<b>-1,660</b>	<b>3,377</b>	<b>-9,042</b>	<b>-19,920</b>	<b>10,878</b>	<b>45.39</b>

\* Consulting Fees: includes strategic asset plan costs related to Chico Commons LP

MEMO

Date: May 15, 2020

To: Board of Directors, Banyard Management

From: Larry Guanzon, HACB Deputy Executive Director

Subject: Status Report – Chico Commons Apartments, Chico

**Chico Commons Apartments, Chico** (72 units, LIHTC, Family, MGP, Banyard Management, PM: AWI) – We currently have two (2) vacancies as of the 1<sup>st</sup> of April. We are working with PG&E to use their low-income energy efficiency program to replace common area water heaters, washing machines, and lighting. We would pay for improvements up front, with PG&E reimbursing the property after completion. Water-conserving landscape upgrades, and ADA-related site improvements are being planned, as well as parking lot repair, seal, and re-striping. The property is subject to a re-structuring effort, such effort to commence once the Housing Authority's Bond Portfolio has been re-financed, and once Butte County Affordable Housing Development Corporation has determined direction regarding Year-15 re-structuring for 1200 Park Avenue Apartments, Chico. The property is now operated subject to COVID-19 pandemic response protocols, and leasing dynamics are being watched carefully – please find AWI's narrative property report and financials, following.

## Chico Commons

### April 2020

Separate Variance Report sent explaining budget differences and expenses.

#### Updates:

Chico Commons currently has two vacancies:

~ #28 Approved applicant on hand, anticipated for move in 5/15. Maintenance is finishing up minor turn details in the unit.

~ #63 applicant in process. One applicant rejected for income over TC max limit. Unit is market ready.

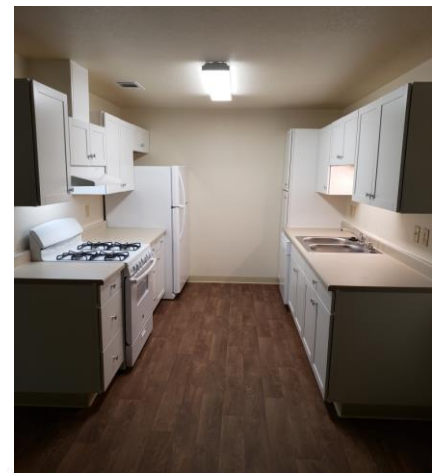
~ One notice to vacate – Unit #4 w/ a scheduled move out of 5/22. Application in process.

With many Counties beginning a phased plan to reopen operations, Covid-19 preventative measures remain in place at AWI communities until further notice.

Overall rent collections at April month end were 94%, with payments trickling in after. As of May 14th 95% of May rent has been collected. One resident has entered into a written payment agreement due to Covid-19. On May 18<sup>th</sup> households with outstanding May rent will receive a notice of rent due. We will continue to monitor collections closely.

Maintenance Technician, Randy, has started on curb appeal projects. Power washing of all hallways and stairways is complete. He will begin replenishing the black rock in planter areas and is scheduled to change HVAC filters.

The kitchen in unit 23 received a complete make over during the unit turn, including new cabinetry, countertops and appliances. All work was completed in house by Randy and another local tech. Very impressive!



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AWI Management Corporation  
PO Box 550  
Auburn CA 95604

*AWI Management Corporation is an Equal Opportunity provider and employer.*



Chico Commons 549  
For the Month Ended April 30, 2020  
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
<b>Rental Income</b>						
Gross Rents	\$ 61,013.00	\$ 58,150.00	\$ 2,863.00	\$ 244,256.00	\$ 232,600.00	\$ 11,656.00
Vacancies	(896.91)	(2,326.00)	1,429.09	(7,945.00)	(9,304.00)	1,359.00
Rent Adjustments	(47.00)	(519.75)	472.75	1,089.00	(2,079.00)	3,168.00
Manager's Unit	(771.00)	(820.00)	49.00	(3,084.00)	(3,280.00)	196.00
Total Tenant Rent	<u>\$ 59,298.09</u>	<u>\$ 54,484.25</u>	<u>\$ 4,813.84</u>	<u>\$ 234,316.00</u>	<u>\$ 217,937.00</u>	<u>\$ 16,379.00</u>
<b>Other Project Income:</b>						
Laundry Income	\$ 1,088.49	\$ 677.83	\$ 410.66	\$ 4,003.83	\$ 2,711.33	\$ 1,292.50
Interest Income	9.47	4.17	5.30	35.93	16.67	19.26
Restricted Reserve Interest Incom	1.47	0.00	1.47	8.33	0.00	8.33
Late Charges	0.00	216.67	(216.67)	1,065.00	866.67	198.33
Other Tenant Income	\$ 30.00	\$ 428.50	\$ (398.50)	\$ 852.00	\$ 1,714.00	\$ (862.00)
Miscellaneous Income	\$ 262.54	\$ 0.00	\$ 262.54	\$ 1,002.03	\$ 0.00	\$ 1,002.03
Other Project Income	<u>\$ 1,391.97</u>	<u>\$ 1,327.17</u>	<u>\$ 64.80</u>	<u>\$ 6,967.12</u>	<u>\$ 5,308.67</u>	<u>\$ 1,658.45</u>
Total Project Income	<u><u>\$ 60,690.06</u></u>	<u><u>\$ 55,811.42</u></u>	<u><u>\$ 4,878.64</u></u>	<u><u>\$ 241,283.12</u></u>	<u><u>\$ 223,245.67</u></u>	<u><u>\$ 18,037.45</u></u>
<b>Project Expenses:</b>						
Maint. & Oper. Exp. (Fr Page 2)	\$ 11,787.15	\$ 23,877.49	\$ (12,090.34)	\$ 40,064.94	\$ 95,509.99	\$ (55,445.05)
Utilities (From Pg 2)	6,442.09	6,970.58	(528.49)	27,858.74	27,882.33	(23.59)
Administrative (From Pg 2)	7,249.50	8,103.58	(854.08)	31,952.85	32,414.33	(461.48)
Taxes & Insurance (From Pg 2)	1,304.83	1,513.75	(208.92)	5,867.12	6,055.00	(187.88)
Other Taxes & Insurance (Fr Page	840.04	3,405.67	(2,565.63)	5,827.02	13,622.67	(7,795.65)
Other Project Expenses	458.86	1,057.33	(598.47)	3,426.37	4,229.33	(802.96)
Total O&M Expenses	<u>\$ 28,082.47</u>	<u>\$ 44,928.40</u>	<u>\$ (16,845.93)</u>	<u>\$ 114,997.04</u>	<u>\$ 179,713.65</u>	<u>\$ (64,716.61)</u>
<b>Mortgage &amp; Owner's Expense</b>						
Mortgage Payment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Interest Expense - City of Chico	\$ 2,604.17	\$ 2,604.17	\$ 0.00	\$ 10,416.68	\$ 10,416.67	\$ .01
Reporting / Partner Management F	1,080.00	1,080.00	0.00	4,320.00	4,320.00	0.00
Transfer - Reserves	2,500.00	2,500.00	0.00	10,000.00	10,000.00	0.00
Total Mortgage & Owner's Exp.	<u>\$ 6,184.17</u>	<u>\$ 6,184.17</u>	<u>\$ 0.00</u>	<u>\$ 24,736.68</u>	<u>\$ 24,736.67</u>	<u>\$ .01</u>
Total Project Expenses	<u><u>\$ 34,266.64</u></u>	<u><u>\$ 51,112.57</u></u>	<u><u>\$ (16,845.93)</u></u>	<u><u>\$ 139,733.72</u></u>	<u><u>\$ 204,450.32</u></u>	<u><u>\$ (64,716.60)</u></u>
Net Profit (Loss)	<u><u>\$ 26,423.42</u></u>	<u><u>\$ 4,698.85</u></u>	<u><u>\$ 21,724.57</u></u>	<u><u>\$ 101,549.40</u></u>	<u><u>\$ 18,795.35</u></u>	<u><u>\$ 82,754.05</u></u>

Other Cash Flow Items:

Chico Commons 549  
For the Month Ended April 30, 2020  
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Reserve Transfers	\$ (1.47)	\$ 0.00	\$ (1.47)	\$ (8.33)	\$ 0.00	\$ (8.33)
T & I Transfers	(1,600.99)	0.00	(1,600.99)	(8,307.76)	0.00	(8,307.76)
Operating Acct MMKT - FFB - ICS	(8.48)	0.00	(8.48)	(33.37)	0.00	(33.37)
Security Deposits Held	1,300.00	0.00	1,300.00	750.00	0.00	750.00
Authorized Reserve - Other	0.00	(10,416.67)	10,416.67	0.00	(41,666.67)	41,666.67
Tenant Receivables	(5,864.19)	0.00	(5,864.19)	(5,287.76)	0.00	(5,287.76)
Other Receivables	1,929.83	0.00	1,929.83	219.32	0.00	219.32
Fixed Assets	0.00	0.00	0.00	.20	0.00	.20
Accounts Payable - Trade	2,569.64	0.00	2,569.64	(43,077.07)	0.00	(43,077.07)
Accrued Interest - City of Chico	(28,645.83)	0.00	(28,645.83)	(20,833.32)	0.00	(20,833.32)
Accrued RTO - Prior Year	(242.10)	0.00	(242.10)	(242.10)	0.00	(242.10)
Partner's Equity	(48,176.90)	0.00	(48,176.90)	(48,176.90)	0.00	(48,176.90)
Total Other Cash Flow Items	<u>\$ (78,740.49)</u>	<u>\$ (10,416.67)</u>	<u>\$ (68,323.82)</u>	<u>\$ (124,997.09)</u>	<u>\$ (41,666.67)</u>	<u>\$ (83,330.42)</u>
Net Operating Cash Change	<u><u>\$ (52,317.07)</u></u>	<u><u>\$ (5,717.82)</u></u>	<u><u>\$ (46,599.25)</u></u>	<u><u>\$ (23,447.69)</u></u>	<u><u>\$ (22,871.32)</u></u>	<u><u>\$ (576.37)</u></u>

Cash Accounts	End Balance 1 Year Ago	Current Balance	Change
Operating Acct-FFB	\$ 63,207.88	\$ 39,760.19	\$ (23,447.69)
Operating Acct MMKT - FFB - ICS	100,058.88	100,092.25	33.37
Tax & Insurance-FFB	6,067.09	14,374.85	8,307.76
Security Acct-FFB	42,985.00	42,985.00	0.00
Reserve Acct-FFB	11,618.28	19,126.61	7,508.33
Payables & Receivables:			
Accounts Payable - Trade	49,569.95	6,492.88	(43,077.07)
Rents Receivable - Current Tenants	3,689.22	9,657.32	5,968.10
Other Tenant Charges Receivable	1,234.34	554.00	(680.34)

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Maintenance & Operating Expenses:						
Maintenance Payroll	\$ 2,802.00	\$ 3,798.08	\$ (996.08)	\$ 14,439.02	\$ 15,192.33	\$ (753.31)
Janitorial/Cleaning Supplies	132.89	114.00	18.89	655.08	456.00	199.08
Plumbing Repairs	0.00	119.08	(119.08)	389.00	476.33	(87.33)
Painting & Decorating	0.00	250.00	(250.00)	382.88	1,000.00	(617.12)
Repairs & Maintenance - Supply	2,629.69	2,500.00	129.69	7,420.27	10,000.00	(2,579.73)
Repairs & Maintenance - Contract	1,797.84	1,427.83	370.01	6,719.85	5,711.33	1,008.52
Grounds Maintenance	850.00	966.67	(116.67)	4,378.00	3,866.67	511.33

Chico Commons 549  
For the Month Ended April 30, 2020  
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Pest Control Service	\$ 285.00	\$ 754.67	\$ (469.67)	\$ 2,580.00	\$ 3,018.67	\$ (438.67)
Fire/Alarm Services	0.00	145.83	(145.83)	296.05	583.33	(287.28)
Capital Improvements - Other	490.73	12,802.08	(12,311.35)	(3,071.14)	51,208.33	(54,279.47)
Capital Improvements - Flooring	2,322.00	0.00	2,322.00	3,624.00	0.00	3,624.00
Capital Improvements - Appliance	0.00	0.00	0.00	1,617.98	0.00	1,617.98
Carpet Cleaning	200.00	35.00	165.00	200.00	140.00	60.00
HVAC Repairs	277.00	900.00	(623.00)	366.00	3,600.00	(3,234.00)
Cable Service	0.00	22.58	(22.58)	67.95	90.33	(22.38)
Tenant Services	0.00	41.67	(41.67)	0.00	166.67	(166.67)
<b>Total Maint. &amp; Operating Exp.</b>	<b>\$ 11,787.15</b>	<b>\$ 23,877.49</b>	<b>\$ (12,090.34)</b>	<b>\$ 40,064.94</b>	<b>\$ 95,509.99</b>	<b>\$ (55,445.05)</b>
<b>Utilities:</b>						
Electricity	\$ 570.81	\$ 636.33	\$ (65.52)	\$ 2,442.40	\$ 2,545.33	\$ (102.93)
Water	1,551.02	1,949.33	(398.31)	5,272.88	7,797.33	(2,524.45)
Sewer	1,654.56	1,654.58	(.02)	6,618.24	6,618.33	(.09)
Heating Fuel/Other	1,697.28	1,491.67	205.61	7,007.54	5,966.67	1,040.87
Garbage & Trash Removal	968.42	1,238.67	(270.25)	6,517.68	4,954.67	1,563.01
<b>Total Utilities</b>	<b>\$ 6,442.09</b>	<b>\$ 6,970.58</b>	<b>\$ (528.49)</b>	<b>\$ 27,858.74</b>	<b>\$ 27,882.33</b>	<b>\$ (23.59)</b>
<b>Administrative:</b>						
Manager's Salary	\$ 3,000.00	\$ 3,266.58	\$ (266.58)	\$ 13,579.10	\$ 13,066.33	\$ 512.77
Management Fees	2,952.00	3,096.00	(144.00)	11,808.00	12,384.00	(576.00)
Bad Debt Expense	0.00	625.00	(625.00)	1,107.00	2,500.00	(1,393.00)
Auditing	625.00	625.00	0.00	2,500.00	2,500.00	0.00
Legal	672.50	476.42	196.08	2,958.75	1,905.67	1,053.08
Other Administrative Expenses	0.00	14.58	(14.58)	0.00	58.33	(58.33)
<b>Total Administrative Expense</b>	<b>\$ 7,249.50</b>	<b>\$ 8,103.58</b>	<b>\$ (854.08)</b>	<b>\$ 31,952.85</b>	<b>\$ 32,414.33</b>	<b>\$ (461.48)</b>
<b>Taxes &amp; Insurance Reserve For:</b>						
Real Estate Taxes	\$ 0.00	\$ 78.42	\$ (78.42)	\$ 647.80	\$ 313.67	\$ 334.13
Property Insurance	1,304.83	1,435.33	(130.50)	5,219.32	5,741.33	(522.01)
<b>Total Taxes &amp; Insurance Expense</b>	<b>\$ 1,304.83</b>	<b>\$ 1,513.75</b>	<b>\$ (208.92)</b>	<b>\$ 5,867.12</b>	<b>\$ 6,055.00</b>	<b>\$ (187.88)</b>
<b>Other Taxes &amp; Insurance:</b>						
Payroll Taxes	\$ 446.92	\$ 719.75	\$ (272.83)	\$ 3,166.90	\$ 2,879.00	\$ 287.90
Other Taxes, Fees & Permits	0.00	89.33	(89.33)	800.00	357.33	442.67
Bond Premiums	0.00	51.67	(51.67)	0.00	206.67	(206.67)
Worker's Compensation Insurance	376.76	705.25	(328.49)	1,792.11	2,821.00	(1,028.89)
Personnel Medical Insurance	16.36	1,839.67	(1,823.31)	68.01	7,358.67	(7,290.66)
<b>Total Other Taxes &amp; Insurance</b>	<b>\$ 840.04</b>	<b>\$ 3,405.67</b>	<b>\$ (2,565.63)</b>	<b>\$ 5,827.02</b>	<b>\$ 13,622.67</b>	<b>\$ (7,795.65)</b>
<b>Other Project Expenses</b>						
Telephone & Answering Service	\$ 58.25	\$ 195.00	\$ (136.75)	\$ 481.42	\$ 780.00	\$ (298.58)

Chico Commons 549  
For the Month Ended April 30, 2020  
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Internet Service	\$ 0.00	\$ 90.00	\$ (90.00)	\$ 434.55	\$ 360.00	\$ 74.55
Advertising	0.00	54.17	(54.17)	22.59	216.67	(194.08)
Office Supplies & Expense	163.16	214.58	(51.42)	837.53	858.33	(20.80)
Postage	13.75	82.08	(68.33)	266.78	328.33	(61.55)
Toner/Copier Expense	215.70	188.08	27.62	882.10	752.33	129.77
Travel & Promotion	0.00	70.92	(70.92)	70.00	283.67	(213.67)
Training Expense	0.00	62.50	(62.50)	369.58	250.00	119.58
Credit Checking	8.00	100.00	(92.00)	61.82	400.00	(338.18)
Total Other Project Expenses	<u>\$ 458.86</u>	<u>\$ 1,057.33</u>	<u>\$ (598.47)</u>	<u>\$ 3,426.37</u>	<u>\$ 4,229.33</u>	<u>\$ (802.96)</u>
Mortgage & Owner's Expense						
Mortgage Payment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Interest Expense - City of Chico	\$ 2,604.17	\$ 2,604.17	\$ 0.00	\$ 10,416.68	\$ 10,416.67	\$ .01
Reporting / Partner Management F	1,080.00	1,080.00	0.00	4,320.00	4,320.00	0.00
Transfer - Reserves	2,500.00	2,500.00	0.00	10,000.00	10,000.00	0.00
Total Mortgage & Owner's Exp.	<u>\$ 6,184.17</u>	<u>\$ 6,184.17</u>	<u>\$ 0.00</u>	<u>\$ 24,736.68</u>	<u>\$ 24,736.67</u>	<u>\$ .01</u>
Total Expenses	<u>\$ 34,266.64</u>	<u>\$ 51,112.57</u>	<u>\$ (16,845.93)</u>	<u>\$ 139,733.72</u>	<u>\$ 204,450.32</u>	<u>\$ (64,716.60)</u>
Authorized Reserve - Other	\$ 0.00	\$ 10,416.67	\$ (10,416.67)	\$ 0.00	\$ 41,666.67	\$ (41,666.67)
Total Authorized Reserves	<u>\$ 0.00</u>	<u>\$ 10,416.67</u>	<u>\$ (10,416.67)</u>	<u>\$ 0.00</u>	<u>\$ 41,666.67</u>	<u>\$ (41,666.67)</u>

**CHICO COMMONS, L.P.**  
**(A California Limited Partnership)**  
***COMPARATIVE FINANCIAL REPORT***  
**December 31, 2019 and 2018**

## **C O N T E N T S**

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B O W M A N

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Partners

**Chico Commons, L.P.**

**(A California Limited Partnership)**

Chico, California

We have audited the accompanying financial statement of Chico Commons, L.P. (A California Limited Partnership), which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of income, partners' equity, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility 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; this includes 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chico Commons, L.P. (A California Limited Partnership) as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, the Financial Accounting Standards Board has issued Accounting Standards Update (ASU) 2016-18, Statement of Cash Flows (Topic 230) Restricted Cash, which reduces the diversity in the classification and presentation of restricted cash or restricted cash equivalents in the statements of cash flows. The amendments in this ASU have been applied using a retrospective transition method to all periods presented. Our opinion is not modified with respect to that matter.

*Bauman & Curpay, L.L.P.*

Stockton, California  
March 10, 2020



**CHICO COMMONS, L.P.**  
**(A California Limited Partnership)**

**BALANCE SHEETS**  
**December 31, 2019 and 2018**

<b>ASSETS</b>	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 163,517	\$ 72,399
Accounts receivable - tenant, net of allowance for doubtful accounts of \$0 and \$3,159 in 2019 and 2018, respectively	4,923	7,854
Prepaid expenses	<u>16,844</u>	<u>14,159</u>
Total current assets	<u>185,284</u>	<u>94,412</u>
 <b>RESTRICTED DEPOSITS AND FUNDED RESERVES</b>		
Tax and insurance impounds	6,067	4,989
Tenant security deposits	42,985	42,985
Reserve for replacements	<u>11,618</u>	<u>89,138</u>
	<u>60,670</u>	<u>137,112</u>
 <b>PROPERTY AND EQUIPMENT, at cost</b>		
Land	607,476	607,476
Building and improvements	5,405,926	5,319,474
Furniture and equipment	<u>175,661</u>	<u>175,661</u>
	6,189,063	6,102,611
Less accumulated depreciation	<u>(3,488,470)</u>	<u>(3,440,128)</u>
	<u>2,700,593</u>	<u>2,662,483</u>
 <b>OTHER ASSETS</b>		
Syndication fees, net of accumulated amortization of \$131,846 and \$126,775 in 2019 and 2018, respectively	<u>70,989</u>	<u>76,060</u>
Total assets	<u><u>\$ 3,017,536</u></u>	<u><u>\$ 2,970,067</u></u>

**CHICO COMMONS, L.P.**  
**(A California Limited Partnership)**

**BALANCE SHEETS (Cont.)**  
**December 31, 2019 and 2018**

<b>LIABILITIES AND PARTNERS' EQUITY</b>	<u>2019</u>	<u>2018</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 49,570	\$ 11,323
Accrued interest expense, current portion	<u>31,250</u>	<u>31,250</u>
Total current liabilities	<u>80,820</u>	<u>42,573</u>
 <b>DEPOSIT LIABILITIES</b>		
Tenant security deposits	<u>41,935</u>	<u>42,985</u>
 <b>LONG-TERM LIABILITIES</b>		
Accrued interest expense, less current portion	147,910	147,910
Note payable - Redevelopment Agency of the City of Chico	<u>625,000</u>	<u>625,000</u>
	<u>772,910</u>	<u>772,910</u>
 Total liabilities	<u>895,665</u>	<u>858,468</u>
 <b>PARTNERS' EQUITY</b>	<u>2,121,871</u>	<u>2,111,599</u>
 Total liabilities and partners' equity	<u><u>\$ 3,017,536</u></u>	<u><u>\$ 2,970,067</u></u>

**CHICO COMMONS, L.P.**  
**(A California Limited Partnership)**

**STATEMENTS OF INCOME**  
**Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>REVENUE</b>		
Tenant rental income	\$ 659,000	\$ 602,311
Tenant charges	9,194	8,996
Laundry	15,302	6,704
Interest income	230	173
Other income	6,370	166
Total revenue	<u>690,096</u>	<u>618,350</u>
 <b>OPERATING AND MAINTENANCE EXPENSES</b>		
Repairs and maintenance	100,725	130,769
Utilities	83,542	81,408
Wages and salaries	79,959	66,916
Property management fees	35,424	33,696
Services	10,371	14,453
Insurance	13,541	13,429
General and administrative	12,505	11,674
Payroll taxes and workers' compensation insurance	13,174	10,934
Professional fees	14,076	9,876
Bad debt expense	5,802	6,065
Health insurance and other employee benefits	1,847	3,433
Other taxes and licenses	2,528	3,192
Total operating and maintenance expenses	<u>373,494</u>	<u>385,845</u>
 Net operating income	<u>316,602</u>	<u>232,505</u>
 <b>OTHER EXPENSES</b>		
Interest expense	31,250	34,590
Interest expense - debt issuance costs	--	164
Depreciation expense	142,645	141,305
Amortization expense	5,071	5,071
Loss on disposal of property	60,451	--
Partnership management fee	12,960	12,960
Total other expenses	<u>252,377</u>	<u>194,090</u>
 Net income (loss)	<u><u>\$ 64,225</u></u>	<u><u>\$ 38,415</u></u>

**CHICO COMMONS, L.P.**  
**(A California Limited Partnership)**

**STATEMENTS OF PARTNERS' EQUITY**  
**Years Ended December 31, 2019 and 2018**

	<u>Banyard Management</u>	<u>HACB</u>	<u>Total</u>
Balance, December 31, 2017	\$ 356,317	\$ 1,776,060	\$ 2,132,377
Partner distributions	(29,745)	(29,448)	(59,193)
Net income (loss)	<u>384</u>	<u>38,031</u>	<u>38,415</u>
Balance, December 31, 2018	326,956	1,784,643	2,111,599
Partner distributions	(27,393)	(26,560)	(53,953)
Net income (loss)	<u>642</u>	<u>63,583</u>	<u>64,225</u>
Balance, December 31, 2019	<u>\$ 300,205</u>	<u>\$ 1,821,666</u>	<u>\$ 2,121,871</u>

**CHICO COMMONS, L.P.**  
**(A California Limited Partnership)**

**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ 64,225	\$ 38,415
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	147,716	146,376
Amortization of debt issuance cost	--	164
Loss on disposal of property	60,451	--
Change in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	2,931	(1,560)
Prepaid expenses	(2,685)	8,723
Increase (decrease) in:		
Accounts payable and accrued liabilities	38,247	(5,174)
Prepaid rent	--	(3,055)
Tenant security deposits	(1,050)	5,450
Net cash provided by (used in) operating activities	<u>309,835</u>	<u>189,339</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	<u>(241,206)</u>	<u>--</u>
Net cash provided by (used in) investing activities	<u>(241,206)</u>	<u>--</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments of long-term debt	--	(101,299)
Partners distributions	<u>(53,953)</u>	<u>(59,193)</u>
Net cash provided by (used in) financing activities	<u>(53,953)</u>	<u>(160,492)</u>
Increase (decrease) in cash, cash equivalents, and restricted cash	14,676	28,847
Cash, cash equivalents and restricted cash		
Beginning	209,511	180,664
Ending	<u>\$ 224,187</u>	<u>\$ 209,511</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash payments for interest	<u>\$ 31,250</u>	<u>\$ 34,590</u>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH SUMMARY</b>		
Cash and cash equivalents	\$ 163,517	\$ 72,399
Tax and insurance impounds	6,067	4,989
Tenant security deposits	42,985	42,985
Reserve for replacements	11,618	89,138
	<u>\$ 224,187</u>	<u>\$ 209,511</u>

**CHICO COMMONS, L.P.**  
**(A California Limited Partnership)**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Organization and Summary of Significant Accounting Policies**

Chico Commons, L.P. (the “Partnership”), a California limited partnership, was formed in June 1991, to own, maintain and operate a 72-unit apartment complex, known as Chico Commons Apartments (the “Project”) in Chico, California. The Project qualified and has been allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42, which regulates the use of the Project as to occupant eligibility and unit gross rent, among other requirements.

Pursuant to the Amended and Restated Agreement of Limited Partnership, the Partnership consists of a 1% General Partner, Banyard Management and a 99% Limited Partner, Housing Authority of the County of Butte (HACB).

A summary of significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of presentation

The Partnership prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Change for adoption of new accounting guidance:

During the year ended December 31, 2019, the Partnership adopted Financial Accounting Standards Board Accounting Standards Update (ASU) 2016-18 Statement of Cash Flows (Topic 230) Restricted Cash. The amendments in the ASU are an improvement to GAAP because it reduces the diversity in the classification and presentation of restricted cash or restricted cash equivalents in the statements of cash flows. The Partnership has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Cash, cash equivalents and restricted cash

For purposes of reporting the statements of cash flows, the Partnership includes all cash and restricted cash accounts as cash.

Replacement reserve

Upon completion of the project, a reserve for replacements account was required to be established. The reserve includes any funds of the Partnership held by the Project lenders as a reserve for repairs and replacements. The reserve for replacement account is funded in twelve equal monthly installments at the rate of \$2,500 per month.

**CHICO COMMONS, L.P.**  
**(A California Limited Partnership)**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Organization and Summary of Significant Accounting Policies (Cont.)**

Accounts receivable

Management considers receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been provided. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method

Property and equipment

Depreciation of property and equipment is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building and improvements	15 - 40
Furniture and fixtures	7 - 15

Expenditures for maintenance and repairs are expensed as incurred.

The Partnership reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the property may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying value amount exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. There were no impairment losses recognized for the years ended December 31, 2019 and 2018.

Amortization

Syndication costs are amortized over a forty year period, using the straight-line method.

Debt issuance costs

Debt issuance costs, net of accumulated amortization, are reported as a direct reduction of the obligation to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using the straight-line method.

**CHICO COMMONS, L.P.**  
**(A California Limited Partnership)**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1.     Organization and Summary of Significant Accounting Policies (Cont.)**

Fair value of financial instruments

The carrying amount of financial instruments, including cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable, and accrued liabilities approximate their value due to the short-term maturities of these instruments.

Rental revenue

The rental property is generally leased to tenants under one-year non-cancelable operating leases. Rental revenue is recognized when due from tenants, generally the first day of each month.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the report amounts of assets and liabilities and disclosure of contingent liabilities 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.

Income taxes

Income taxes on Partnership income are levied on the partners at the partner level. Accordingly, all profits and losses of the Partnership are recognized by each partner on its respective tax return.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Partnership's tax returns will not be challenged by the tax authorities and that the Partnership or its partners will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Partnership's tax returns remain open for three to four years for income tax examination.

Reclassification

Certain amounts in the December 31, 2018 financial statements have been classified for comparative purposes to conform to the presentation in the December 31, 2019 financial statements.

Subsequent events

Management has evaluated subsequent events through March 10, 2020, the date the financial statements were available to be issued.



# CHICO COMMONS, L.P.

(A California Limited Partnership)

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Related Parties Transactions

#### Partnership management fee

Pursuant to the Loan Agreement with the City of Chico, the Partnership agreed to pay the General Partner an annual fee of \$12,960. For the years ending December 31, 2019 and 2018, a partnership management fee of \$12,960 was paid.

### Note 3. Long-Term Debt

Long-term debt consisted of the following at December 31:

	<u>2019</u>	<u>2018</u>
Note payable to the City of Chico, issued in July 1995, in the amount of \$625,000. The loan is secured by land and buildings. The loan bears interest at a fixed rate of 5.00% simple interest and requires annual interest only payments. The note matures in June 2050. The Partnership incurred \$31,250 of interest expense during the years ended December 31, 2019 and 2018. At December 31, 2019 and 2018, accrued interest was \$179,160.	\$ <u>625,000</u>	\$ <u>625,000</u>

### Note 4. City of Chico Home Program Regulatory Agreement

In consideration of a grant and a loan made by the City of Chico, the Partnership has entered into a regulatory agreement with the City. These agreements set forth certain covenants, conditions, and restrictions regarding the manner in which the Partnership will hold and use the Project. Generally, the Partnership agrees that for a 55-year period following issuance of an unconditional certificate of occupancy, it will cause the Project to be used and held as a residence for low-income and very low-income tenants, subject to various covenants and conditions.

**CHICO COMMONS, L.P.**  
**(A California Limited Partnership)**

**NOTES TO FINANCIAL STATEMENTS**

**Note 5. Current Vulnerability Due to Certain Concentrations**

The Partnership's sole asset is Chico Commons Apartments. The Partnership's operations are concentrated in the affordable housing real estate market. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to the State Housing Agency. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the State Housing Agency. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.