

**BUTTE COUNTY AFFORDABLE HOUSING  
DEVELOPMENT CORPORATION**

**Board of Directors Meeting**

2039 Forest Avenue  
Chico, CA 95928

**MEETING AGENDA**

May 19, 2022  
2:00 p.m.

Members of the Board of Commissioners and HACB staff will be participating either in person or remotely. The Board of Commissioners welcomes and encourages public participation in the Board meetings either in person or remotely from a safe location.

Members of the public may be heard on any items on the Commissioners' agenda. A person addressing the Commissioners will be limited to 5 minutes unless the Chairperson grants a longer period of time. Comments by members of the public on any item on the agenda will only be allowed during consideration of the item by the Commissioners. Members of the public desiring to be heard on matters under jurisdiction of the Directors, but not on the agenda, may address the Commissioners during agenda item 6.

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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. 22-14C

**ITEMS OF BUSINESS**

1. ROLL CALL
2. AGENDA AMENDMENTS
3. CONSENT CALENDAR

- 3.1 Minutes of Meeting on February 17, 2022  
Minutes of Special Meeting on April 21, 2022
- 3.2 BCAHDC – Financial Report
- 3.3 Tax Credit Report
- 4. CORRESPONDENCE
- 5. REPORTS FROM PRESIDENT
  - 5.1 Gridley Springs I Audit Report – Accept FY2021 Audit Report.  
Recommendation: Motion
  - 5.2 Harvest Park Audit Report – Accept FY2021 Audit Report.  
Recommendation: Motion
  - 5.3 1200 Park Avenue Audit Report – Accept FY2021 Audit Report.  
Recommendation: Motion
  - 5.4 Walker Commons Audit Report – Accept FY2021 Audit Report.  
Recommendation: Motion
  - 5.5 1200 Park Avenue – CY2021 Surplus Cash Flow Distribution.  
Recommendation: Motion
  - 5.6 Walker Commons – CY2021 Surplus Cash Flow Distribution.  
Recommendation: Motion
  - 5.7 Development Activity – Status Review.  
Recommendation: Information/Discussion
- 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
  - **North Creek Crossings at Meriam Park I & II – Groundbreaking Ceremony, Friday June 17<sup>th</sup> at 10:00 a.m.**
  - **Next meeting – August 18, 2022**
13. ADJOURNMENT

**BUTTE COUNTY AFFORDABLE HOUSING  
DEVELOPMENT CORPORATION**

**Board of Directors Meeting**

2039 Forest Avenue  
Chico, CA 95928

**MEETING MINUTES**

February 17, 2022

President Mayer called the meeting of Butte County Affordable Housing Development Corporation (BCAHDC) to order at 3:05 p.m.

*The meeting was conducted via teleconference, web-conference and in person, as noticed.*

**1. ROLL CALL**

Present for the Directors: Charles Alford, Robert Crowe, Larry Hamman, Rich Ober, David Pittman, Sarah Richter and Regina Sayles-Lambert. Directors Alford, Crowe, Hamman, and Pittman attended in person. Directors Ober, Richter and Sayles-Lambert attended by means of web-conference.

Others Present: President Ed Mayer, Chief Financial Officer Hope Stone, Secretary Marysol Perez, Larry Guanzon, Jerry Martin and Angie Little, all in person with the exception of Hope Stone, Chief Financial Officer who attended by means of web-conference.

Public Present: Loren Freeman, Public Housing Resident, attended in Person

**2. AGENDA AMENDMENTS**

President Mayer requested and Agenda Amendment. The amendment adds Item 5.7 Eaglepointe Apartments, Paradise – Resolution No. 22-10C. The item is time sensitive and relates to a development Memorandum of Agreement.

**\*MOTION\***

Motion to amend agenda, adding Item 5.7, and acceptance of modified agenda.

Director Pittman moved to amend the agenda as requested. Director Sayles-Lambert seconded. Motion passed with five (5) votes in favor and one (1) nay from Commissioner Hamman.



3. CONSENT CALENDAR

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

4. CORRESPONDENCE

None.

5. REPORTS FROM PRESIDENT

- 5.1 Housing Authority of the County of Butte (HACB) – BCAHDC has an ongoing Corporate Services Agreement with HACB. BCAHDC Management contracts with the HACB to perform two basic kinds of services, corporate services to maintain the corporate entity, and other services, including asset management and property improvements. The resolution presented seeks to amend the services agreement with HACB, adopting HACB's billing rates starting March 1, 2022, authorizing up to \$20,000 in basic services and authorizing up to \$200,000 in extraordinary services relating to property re-positioning.

**\*RESOLUTION NO. 22-4C\***

Director Pittman moved that Resolution No. 22-4C be adopted by reading of title only: "HOUSING AUTHORITY OF THE COUNTY OF BUTTE MANAGEMENT SERVICES AGREEMENT 2022 BILLING RATES AND SERVICES AUTHORIZATIONS". Director Alford seconded. The vote in favor was unanimous.

- 5.2 Sunrise Village Senior Apartments, Gridley – Resolution includes corporate authorizations to sign all transaction documents associated with the 37-unit development dedicated to house seniors. The resolution is necessary to authorize BCAHDC participation as Managing General Partner in the owning partnership, providing authorizations to sign on behalf of the partnership in securing loans, tax credit proceeds, and effecting the development as agreed in the MOA.

**\*RESOLUTION NO. 22-5C\***

Director Alford moved that Resolution No. 22-5C be adopted by reading of title only: "SUNRISE VILLAGE SENIOR APARTMENTS, GRIDLEY CORPORATE AUTHORIZATIONS". Director Ober seconded. The vote in favor was unanimous.

- 5.3 Riverbend Apartments II, Oroville – Resolution includes corporate authorizations to sign all transaction documents associated with the 48 apartment Riverbend Family Apartments II, Oroville. The resolution is necessary to authorize BCAHDC participation in the owning partnership as Managing General Partner, providing authorizations to sign on behalf of the partnership in securing loans, tax credit proceeds, and effecting the development as agreed in the MOA.

**\*RESOLUTION NO. 22-6C\***

Director Pittman moved that Resolution No. 22-6C be adopted by reading of title only: “RIVERBEND FAMILY APARTMENTS II, OROVILLE CORPORATE AUTHORIZATIONS”. Director Hamman seconded. The vote in favor was unanimous.

- 5.4 Mitchell Avenue Apartments II, Oroville – Resolution includes corporate authorizations to sign all transaction documents associated with the 35-unit Mitchell Avenue Senior Apartments II, Oroville. The resolution is necessary to authorize BCAHDC participation in the owning partnership as Managing General Partner, providing authorizations to sign on behalf of the partnership in securing loans, tax credit proceeds, and effecting the development as agreed in the MOA.

**\* RESOLUTION NO. 22-7C\***

Director Pittman moved that Resolution No. 22-7C be adopted by reading of title only: “MITCHELL AVENUE SENIOR APARTMENTS II, OROVILLE CORPORATE AUTHORIZATIONS”. Director Sayles-Lambert seconded. The vote in favor was unanimous.

- 5.5 Deer Creek Apartments II, Chico – Resolution includes corporate authorizations to sign all transaction documents associated with the 48-unit Deer Creek Apartments II, Chico. The resolution is necessary to authorize BCAHDC participation in the owning partnership as Managing General Partner, providing authorizations to sign on behalf of the partnership in securing loans, tax credit proceeds, and effecting the development as agreed in the MOA.

**\*RESOLUTION NO. 22-8C\***

Director Ober moved that Resolution No. 22-8C be adopted by reading of title only: “DEER CREEK APARTMENTS II, CHICO CORPORATE AUTHORIZATIONS”. Director Alford seconded. The vote in favor was unanimous.

- 5.6 Prospect View Apartments, Oroville – Resolution includes corporate authorizations to sign all transaction documents associated with the 40-unit Prospect View Apartments, Oroville. The resolution is necessary to authorize BCAHDC participation in the owning partnership as Managing General Partner, providing authorizations to sign on behalf of the partnership in securing loans, tax credit proceeds, and effecting the development as agreed in the MOA.

**\*RESOLUTION NO. 22-9C\***

Director Pittman moved that Resolution No. 22-9C be adopted by reading of title only: “PROSPECT VIEW APARTMENTS, OROVILLE CORPORATE AUTHORIZATIONS”. Director Ober seconded. The vote in favor was unanimous.

- 5.7 Eaglepointe Apartments, Paradise – The Memorandum of Agreement outlines BCAHDC’s role in the proposed development partnership with Pacific West Communities (PWC). BCAHDC is already in partnership with PWC with multiple

deals throughout Butte and Glenn County. The proposed MOA between BCAHDC and PWC is for the developments of a 43-unit affordable low-income housing development serving families in Paradise. The development, to be known as Eaglepointe Apartments, is located on 6.53 acres at 5975 Maxwell Drive, Paradise. Similar to the other development projects with PWC, this development provides BCAHDC with 10% of the Developer Fee, ongoing Managing General Partner fees, and a shared option/right-of-first-refusal to purchase the development at the end of the 15-year federal tax-credit compliance period.

**\*RESOLUTION NO. 22-10C\***

Director Ober moved that Resolution No. 22-10C be adopted by reading of title only: MEMORANDUM OF AGREEMENT WITH PACIFIC WEST COMMUNITIES FOR DEVELOPMENT AND OPERATION OF EAGLEPOINTE APARTMENTS PHASE I, PARADISE”. Director Sayles-Lambert 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 19, 2022.**

13. ADJOURNMENT

Director Hamman moved that the meeting be adjourned. Director Pittman seconded. The meeting was adjourned at 3:37 p.m.

Dated: February 17, 2022

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Edward S. Mayer, President

ATTEST:

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Marysol Perez, Secretary

BUTTE COUNTY AFFORDABLE  
HOUSING DEVELOPMENT CORPORATION

**Board of Directors Meeting**

2039 Forest Avenue  
Chico, CA 95928

**SPECIAL MEETING  
MEETING MINUTES**

April 21, 2022

President Mayer called the meeting of Butte County Affordable Housing Development Corporation (BCAHDC) to order at 2:58 p.m.

*The meeting was conducted via teleconference, web-conference and in person, as noticed.*

1. ROLL CALL

Present for the Directors: Robert Crowe, Larry Hamman, Rich Ober, David Pittman, Sarah Richter, and Regina Sayles-Lambert. Director's Richter and Sayles-Lambert attended by means of web-conference.

Others Present: President Edward Mayer, Chief Financial Officer Hope Stone, Secretary Marysol Perez, Tamra Young and Jerry Martin.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

None.

4. CORRESPONDENCE

None.

5. REPORTS FROM PRESIDENT

- 5.1 North Creek Crossings at Meriam Park II Apartments, Chico - The action item provides corporate authorizations for the North Creek Crossings at Meriam Park II Apartments, Chico transaction. BCAHDC, as Managing General Partner, is working with the Central California Housing Corporation (CCHC) to develop fifty-

*Butte County Affordable Housing Development Corporation*

*Board of Directors*

*Minutes –Special Meeting of April 21, 2022*

*Page 1*

four (54) units of affordable housing. The proposed resolution amends the action taken during the January 20, 2022 BCAHDC Board of Directors Meeting, additionally authorizing the partnership to take on additional debt from the City of Chico, debt that will close a funding gap resulting from increases in construction costs. In total, the city of Chico will be providing \$1.97 million to the development by means of a 55-year, deferred-interest loan at 2% annual interest. The Chico of City Council met on April 19<sup>th</sup> and approved the loan to the development. The debt is non-recourse to the BCAHDC.

**\*RESOLUTION NO. 22-11C\***

Director Ober moved that Resolution No. 22-11C be adopted by reading of title only: “NORTH CREEK CROSSINGS AT MERIAM PARK II, CHICO CORPORATE AND PARTNERSHIP AUTHORIZATIONS”. Director Pittman seconded. The vote in favor was unanimous.

- 5.2     Liberty Bell Apartments, Orland – Resolution includes corporate authorizations to sign all transaction documents associated with the 32-unit Liberty Bell Courtyards Apartments, Orland. The resolution is necessary to authorize BCAHDC’s participation as Managing General Partner in the owning partnership, providing authorizations to sign on behalf of the partnership in its securing loans, tax credit proceeds, and effecting the development as agreed in the MOA.

**\*RESOLUTION NO. 22-12C\***

Director Ober moved that Resolution No. 22-12C be adopted by reading of title only: “LIBERTY BELL COURTYARDS, ORLAND CORPORATE AUTHORIZATIONS”. Director Pittman seconded. The vote in favor was unanimous.

- 5.3     Woodward Family Apartments, Orland – Resolution includes corporate authorizations to sign all transaction documents associated with the 36-unit Woodward Family Apartments, Orland. The resolution is necessary to authorize BCAHDC participation as Managing General Partner in the owning partnership, providing authorizations to sign on behalf of the partnership in securing its loans, tax credit proceeds, and effecting the development as agreed in the MOA.

**\*RESOLUTION NO. 22-13C\***

Director Hamman moved that Resolution No. 22-13C be adopted by reading of title only: “WOODWARD FAMILY APARTMENTS, ORLAND CORPORATE AUTHORIZATIONS”. Director Ober 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 DIRECTORS

None.

10. MATTERS INITIATED BY DIRECTORS

None.

11. EXECUTIVE SESSION

None.

12. DIRECTOR'S CALENDAR

**Next Meeting – May 19, 2022.**

13. ADJOURNMENT

Director Pittman moved that the meeting be adjourned. Director Crowe seconded. The meeting was adjourned at 3:09 p.m.

Dated: April 21, 2022.

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Edward S. Mayer, President

ATTEST:

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Marysol Perez, Secretary

**Housing Authority of the County of Butte**  
**BCAHDC GENERAL FUND BALANCE SHEET**  
**March, 2022**

	Cumulative
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash - Unrestricted	1,151,984.84
Cash - Tenant Security Deposits	0.00
Accounts Receivable	45,042.52
Investments - Unrestricted	0.00
Investments - Restricted	0.00
Inventories	0.00
Interprogram Due From Cordillera	0.00
<b>Total Current Assets</b>	<b>1,197,027.36</b>
<b>Fixed Assets</b>	
Fixed Assets & Accumulated Depreciation	0.00
<b>Total Fixed Assets</b>	<b>0.00</b>
<b>Other Assets</b>	
Other Assets & Prepaid Expenses	0.00
Organizational Costs, Net of Amortizatio	0.00
Note Receivable - Chico Valley View Part	0.00
Investment in 1200 Park Avenue, L.P.	-605.00
Investment in Chico Harvest Park, L.P.	-245.00
Investment in DHI-Gridley Springs, L.P.	37.00
Investment in Walker Commons, L.P.	1,475.11
<b>Total Other Assets</b>	<b>662.11</b>
<b>TOTAL ASSETS</b>	<b>1,197,689.47</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	13,635.79
Accrued Liabilities	0.00
Interprogram Due To Cordillera	0.00
Accrued Fees due to HACB	88,813.25
Tenant Security Deposits	0.00
CVVP Interest Reserves	0.00
<b>Total Current Liabilities</b>	<b>102,449.04</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>102,449.04</b>
<b>NET POSITION</b>	
Beginning Net Position	1,039,168.68
Retained Earnings	56,177.55
<b>TOTAL NET POSITION</b>	<b>1,095,346.23</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>1,197,795.27</b>



**BCAHDC-GENERAL FUND INCOME STATEMENT**

**March 31, 2022**

**YTD %  
50.00**

	Month to Date			Year to Date			% used
	Actual	Budget	Remaining	Actual	Budget	Remaining	
<b>REVENUES</b>							
Investment Income	48	125	-77	320	750	-430	
Misc. Income	0	7,508	-7,508	0	45,050	-45,050	
Partnership Fees	60,000	3,242	56,758	116,911	19,454	97,457	
Gain/Loss on Asset	0	0	0	0	0	0	
<b>TOTAL REVENUES</b>	<b>60,048</b>	<b>10,876</b>	<b>49,173</b>	<b>117,231</b>	<b>65,254</b>	<b>51,977</b>	<b>120.00</b>
Audit and Accounting Fees	0	375	-375	0	2,250	-2,250	
Corporate Services	12,630	18,333	-5,703	39,794	111,000	-71,206	
Consulting Fees	0	3,333	-3,333	0	20,000	-20,000	
Legal Expenses	13,500	2,500	11,000	15,495	15,000	495	
Misc. Administrative Expenses	121	83	38	211	500	-289	
Outside Management Fees	0	3,392	-3,392	16,958	20,350	-3,392	
Partnership Losses	0	8	-8	0	50	-50	
Taxes and Fees	0	14	-14	0	28	-28	
Contributions & Donations	0	0	0	0	0	0	
<b>TOTAL EXPENSES</b>	<b>26,251</b>	<b>28,039</b>	<b>-1,787</b>	<b>72,458</b>	<b>168,236</b>	<b>-96,720</b>	<b>43.00</b>
<b>RETAINED EARNINGS</b>	<b>33,7970</b>	<b>-17,163</b>	<b>47,386</b>	<b>44,773</b>	<b>-102,982</b>	<b>147,755</b>	<b>130.00</b>

## MEMO

Date: May 13, 2022

To: BCAHDC Board of Directors

From: Larry Guanzon, HACB Deputy Executive Director

Subject: Status Report – LIHTC Properties

- Walker Commons Apartments, Chico (56 units, LIHTC, senior/disabled)
- Gridley Springs I Apartments, Gridley (32 units, LIHTC, family)
- 1200 Park Avenue Apartments, Chico (107 units, LIHTC, senior)
- Harvest Park Apartments, Chico (90 units, LIHTC, family)

*Walker Commons, and 1200 Park Ave. Apartments, Chico, please also see monthly reports provided by the property manager, AWI, following this memo. Property manager Winn Residential provides monthly reports for Harvest Park Apts., Chico; and Sackett Corporation for Gridley Springs I Apts., Gridley, following this memo.*



**Walker Commons Apartments, Chico** (56 units, LIHTC, Senior & Disabled, MGP: BCAHDC, PM: AWI) – The property has two (2) vacancies as of the beginning of the month. Applications are being processed for new occupants. There are no additional thirty (30) day notices to vacate. ***100% of the rent was collected for April.*** Management is obtaining bids for ADA sidewalk repairs, tree removals in the back of all buildings & stump grinding, again focusing on the very large trees at the backs of the buildings. New community room furniture will be delivered

in the next 30-60 days, as this continues to be delayed due to supply chain issues. The gutters, downspouts and fascia boards will be replaced in 2022/2023. Please find the AWI monthly owners report following, as well as a brief property narrative provided by AWI. The property repositioning has commenced, with completion of physical needs assessments. The next step will be PNA review, and development of a scope of financeable improvements. The property is generating significant amounts of cash, which will help with renovations. Annual Distribution of Surplus Cash flow will be addressed this month.



**Gridley Springs I Apartments**, Gridley (32 units, LIHTC, Family, MGP: BCAHDC, PM: Sackett Corporation) – There is one (1) vacancy reported by Sackett Corporation as of the beginning of the month. There are no additional thirty (30) day notices to vacate. One unit has been approved for rent payments thru the California Rent Relief Program and management is awaiting payment. Please find Sackett Corporation's Owner's report, following.



**1200 Park Avenue Apartments**, Chico (107 units, LIHTC, Senior, MGP: BCAHDC, PM: AWI) – This property currently has three (3) vacancies but two move-ins did occur during this past month. 3<sup>rd</sup> Party property management reviews within their monthly narrative the status of the three (3) vacancies. There is one (1) 30-day notice to vacate. Unpaid rent consists of one unit for which owes current and prior rent and they have applied for the Rent Relief Program. May rent, AWI is in the processing of collecting. There is no further update to the pending legal complaint, filed by a resident – a trial is anticipated, though not scheduled. The flat roofs assessment has been completed, with replacements still hindered by weather and Covid-19 related contractor scheduling. Pigeon abatement, replacement of elevator floors, and striping of the parking garages are all in the works with bids and or completion. The Passages senior services program, associated with CSU Chico, is working with AWI to put together a program of supportive services, but have been Covid-19 delayed. Since the move of the Jesus Center; homeless activity has decreased significantly. *The property insurance annual cost has risen from \$25,000 to \$68,000 per year, with the*

*majority of the increase being the loss runs of the property associated with the incident in the laundry room.* Construction demolition has begun to the old Jesus Center where a new affordable housing development will be built by Jamboree Housing. Please find AWI's monthly financials and property manager monthly narrative following. Irene Alvarez, our new AWI regional manager, is continuing to familiarize herself with the property. The property repositioning has commenced, with completion of a physical need's assessment. The next step will be determination of a financially feasible scope of renovation work.





**Harvest Park Apartments**, Chico (90 units, LIHTC, Family, MGP: BCAHDC, PM Winn Residential) – Harvest Park currently has one (1) vacancy as of the 1<sup>st</sup> of May. There is one (1) 30-day notice to vacate. There is unpaid rent in various units due to COVID-19, and or job loss. We continue to follow up with property manager WINN Residential, as they are waiting for California Rent Relief Program funds to be paid on behalf of the delinquent rent households. This is a function of households taking advantage of COVID-

19 eviction forbearance and misunderstandings about how COVID-19 rent reconciliation functions. *Overall year to date unpaid rents have decreased from above \$40,000.00 to \$24,500.00.* A new resident manager and maintenance person are being sought by WINN Residential. The property continues operations per budget. Please find WINN Residential Owner's Report following.





## Walker Commons April 2022

Separate Variance Report Explaining budget differences and expenditures.

### Updates:

Walker Commons currently has three vacant units. One move in and three move-outs during the month of April.

Vacancies:

- **Unit #7** Unit turn is nearing completion with approved applicant. Moving in 05/10/22.
- **Unit #28** unit turn and applicant in process
- **Unit #29** new move-out, applications in process.

No notices to vacate or termination in process.

100% of April rent was collected.

Staff currently has two bids in place to repair the two ADA sidewalks, but they are not “apples to apples”. Staff has requested revised estimates.

Staff currently has four estimates on hand for removal of the trees along the back property line. One bid requires revision and is expected soon, per the vendor. Once on hand, the bids will be forwarded for review and approval.

The laundry room update project is still pending and has been placed on hold until the vacant units have been turned and leased.

Unfortunately due to supply shortages the new community room furniture is still pending delivery.

The community spaces at the property have reopened and masks are optional in common areas, including the office.

We hope to safely resume in person gatherings and activities in the not so distant future!



Walker Commons 550  
For the Month Ended April 30, 2022  
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
<b>Rental Income</b>						
Gross Rents	\$ 42,382.00	\$ 37,873.00	\$ 4,509.00	\$ 169,720.00	\$ 151,492.00	\$ 18,228.00
Vacancies	(1,586.00)	(378.75)	(1,207.25)	(3,040.00)	(1,515.00)	(1,525.00)
Rent Adjustments	0.00	(44.17)	44.17	361.84	(176.67)	538.51
Manager's Unit	(704.00)	(708.00)	4.00	(2,816.00)	(2,832.00)	16.00
Total Tenant Rent	<u>\$ 40,092.00</u>	<u>\$ 36,742.08</u>	<u>\$ 3,349.92</u>	<u>\$ 164,225.84</u>	<u>\$ 146,968.33</u>	<u>\$ 17,257.51</u>
<b>Other Project Income:</b>						
Laundry Income	\$ 0.00	\$ 173.83	\$ (173.83)	\$ 565.90	\$ 695.33	\$ (129.43)
Interest Income	8.82	6.08	2.74	29.37	24.33	5.04
Restricted Reserve Interest Income	22.45	0.00	22.45	87.23	0.00	87.23
Other Tenant Income	\$ 337.00	\$ 123.75	\$ 213.25	\$ 793.50	\$ 495.00	\$ 298.50
Other Project Income	<u>\$ 368.27</u>	<u>\$ 303.66</u>	<u>\$ 64.61</u>	<u>\$ 1,476.00</u>	<u>\$ 1,214.66</u>	<u>\$ 261.34</u>
Total Project Income	<u>\$ 40,460.27</u>	<u>\$ 37,045.74</u>	<u>\$ 3,414.53</u>	<u>\$ 165,701.84</u>	<u>\$ 148,182.99</u>	<u>\$ 17,518.85</u>
<b>Project Expenses:</b>						
Maint. & Oper. Exp. (Fr Page 2)	\$ 7,565.31	\$ 12,690.91	\$ (5,125.60)	\$ 33,300.12	\$ 50,763.66	\$ (17,463.54)
Utilities (From Pg 2)	3,187.02	3,258.67	(71.65)	11,958.92	13,034.67	(1,075.75)
Administrative (From Pg 2)	6,292.25	6,769.92	(477.67)	25,518.69	27,079.67	(1,560.98)
Taxes & Insurance (From Pg 2)	1,009.67	1,385.58	(375.91)	4,038.68	5,542.33	(1,503.65)
Other Taxes & Insurance (Fr Page 2)	2,292.52	3,374.01	(1,081.49)	11,088.56	13,496.01	(2,407.45)
Other Project Expenses	589.86	919.00	(329.14)	3,269.91	3,676.00	(406.09)
Total O&M Expenses	<u>\$ 20,936.63</u>	<u>\$ 28,398.09</u>	<u>\$ (7,461.46)</u>	<u>\$ 89,174.88</u>	<u>\$ 113,592.34</u>	<u>\$ (24,417.46)</u>
<b>Mortgage &amp; Owner's Expense</b>						
Mortgage Payment	\$ 1,250.00	\$ 1,250.00	\$ 0.00	\$ 5,000.00	\$ 5,000.00	\$ 0.00
Reporting / Partner Management F	\$ 625.00	\$ 625.00	\$ 0.00	\$ 2,500.00	\$ 2,500.00	\$ 0.00
Transfer - Reserves	933.34	933.33	.01	3,733.36	3,733.33	.03
Total Mortgage & Owner's Exp.	<u>\$ 2,808.34</u>	<u>\$ 2,808.33</u>	<u>\$ .01</u>	<u>\$ 11,233.36</u>	<u>\$ 11,233.33</u>	<u>\$ .03</u>
Total Project Expenses	<u>\$ 23,744.97</u>	<u>\$ 31,206.42</u>	<u>\$ (7,461.45)</u>	<u>\$ 100,408.24</u>	<u>\$ 124,825.67</u>	<u>\$ (24,417.43)</u>
Net Profit (Loss)	<u>\$ 16,715.30</u>	<u>\$ 5,839.32</u>	<u>\$ 10,875.98</u>	<u>\$ 65,293.60</u>	<u>\$ 23,357.32</u>	<u>\$ 41,936.28</u>
<b>Other Cash Flow Items:</b>						
Reserve Transfers	\$ (22.45)	\$ 0.00	\$ (22.45)	\$ (87.23)	\$ 0.00	\$ (87.23)
T & I Transfers	(1,040.97)	0.00	(1,040.97)	13,338.11	0.00	13,338.11



Walker Commons 550  
For the Month Ended April 30, 2022  
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Operating Acct. MMKT- FFB*	\$ (7.85)	\$ 0.00	\$ (7.85)	\$ (24.48)	\$ 0.00	\$ (24.48)
Security Deposits Held	(1,280.00)	0.00	(1,280.00)	(1,820.00)	0.00	(1,820.00)
Authorized Reserve - Other	0.00	(3,083.33)	3,083.33	0.00	(12,333.33)	12,333.33
Tenant Receivables	2,822.00	0.00	2,822.00	3,491.00	0.00	3,491.00
Other Receivables	1,634.67	0.00	1,634.67	(18,464.32)	0.00	(18,464.32)
Accounts Payable - Trade	(10,072.17)	0.00	(10,072.17)	(16,252.85)	0.00	(16,252.85)
Accrued Interest - City of Chico	1,250.00	0.00	1,250.00	5,000.00	0.00	5,000.00
Other Notes Payable	625.00	0.00	625.00	2,500.00	0.00	2,500.00
Total Other Cash Flow Items	<u>\$ (6,091.77)</u>	<u>\$ (3,083.33)</u>	<u>\$ (3,008.44)</u>	<u>\$ (12,319.77)</u>	<u>\$ (12,333.33)</u>	<u>\$ 13.56</u>
Net Operating Cash Change	<u><u>\$ 10,623.53</u></u>	<u><u>\$ 2,755.99</u></u>	<u><u>\$ 7,867.54</u></u>	<u><u>\$ 52,973.83</u></u>	<u><u>\$ 11,023.99</u></u>	<u><u>\$ 41,949.84</u></u>

Cash Accounts	End Balance 1 Year Ago	Current Balance	Change
Operating Acct-FFB	\$ 56,066.77	\$ 109,040.60	\$ 52,973.83
Operating Acct. MMKT- FFB*	185,043.59	185,068.07	24.48
Tax & Insurance - FFB	37,959.45	24,621.34	(13,338.11)
Security Acct-FFB	20,950.00	20,950.00	0.00
Reserve Acct-FFB	89,445.13	93,208.41	3,763.28
Reserve Acct MMKT-FFB*	345,985.70	346,043.01	57.31
Payables & Receivables:			
Accounts Payable - Trade	16,622.60	369.75	(16,252.85)
Rents Receivable - Current Tenants	(33.00)	(3,470.00)	(3,437.00)
Other Tenant Charges Receivable	54.00	0.00	(54.00)

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Maintenance & Operating Expenses:						
Maintenance Payroll	\$ 2,769.50	\$ 3,498.08	\$ (728.58)	\$ 11,409.50	\$ 13,992.33	\$ (2,582.83)
Janitorial/Cleaning Supplies	0.00	110.58	(110.58)	98.73	442.33	(343.60)
Plumbing Repairs	915.88	125.00	790.88	915.88	500.00	415.88
Painting & Decorating	61.45	166.67	(105.22)	97.95	666.67	(568.72)
Repairs & Maintenance - Supply	947.08	936.92	10.16	2,264.24	3,747.67	(1,483.43)
Repairs & Maintenance - Contract	845.20	1,250.00	(404.80)	5,210.39	5,000.00	210.39
Grounds Maintenance	1,650.00	1,708.33	(58.33)	10,110.00	6,833.33	3,276.67
Pest Control Service	117.50	333.33	(215.83)	822.50	1,333.33	(510.83)
Fire/Alarm Services	134.85	208.33	(73.48)	269.70	833.33	(563.63)
Capital Improvements - Other	0.00	2,078.00	(2,078.00)	58.78	8,312.00	(8,253.22)
Capital Improvements - Flooring	0.00	833.33	(833.33)	1,659.00	3,333.33	(1,674.33)

Walker Commons 550  
For the Month Ended April 30, 2022  
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Capital Improvements - Appliance	\$ 0.00	\$ 229.17	\$ (229.17)	\$ 0.00	\$ 916.67	\$ (916.67)
Capital Improvements - HVAC Repl	0.00	604.83	(604.83)	0.00	2,419.33	(2,419.33)
Carpet Cleaning	0.00	41.67	(41.67)	0.00	166.67	(166.67)
HVAC Repairs	0.00	200.00	(200.00)	0.00	800.00	(800.00)
Cable Service	64.90	66.67	(1.77)	324.50	266.67	57.83
Tenant Services	58.95	300.00	(241.05)	58.95	1,200.00	(1,141.05)
<b>Total Maint. &amp; Operating Exp.</b>	<b>\$ 7,565.31</b>	<b>\$ 12,690.91</b>	<b>\$ (5,125.60)</b>	<b>\$ 33,300.12</b>	<b>\$ 50,763.66</b>	<b>\$ (17,463.54)</b>
Utilities:						
Electricity	\$ 447.84	\$ 526.25	\$ (78.41)	\$ 1,620.59	\$ 2,105.00	\$ (484.41)
Water	843.07	878.42	(35.35)	2,642.96	3,513.67	(870.71)
Sewer	1,286.88	1,312.58	(25.70)	5,147.64	5,250.33	(102.69)
Heating Fuel/Other	65.63	144.00	(78.37)	1,069.93	576.00	493.93
Garbage & Trash Removal	543.60	397.42	146.18	1,477.80	1,589.67	(111.87)
<b>Total Utilities</b>	<b>\$ 3,187.02</b>	<b>\$ 3,258.67</b>	<b>\$ (71.65)</b>	<b>\$ 11,958.92</b>	<b>\$ 13,034.67</b>	<b>\$ (1,075.75)</b>
Administrative:						
Manager's Salary	\$ 3,031.25	\$ 3,274.92	\$ (243.67)	\$ 12,114.69	\$ 13,099.67	\$ (984.98)
Management Fees	2,520.00	2,520.00	0.00	10,080.00	10,080.00	0.00
Bad Debt Expense	116.00	208.33	(92.33)	116.00	833.33	(717.33)
Auditing	625.00	625.00	0.00	2,500.00	2,500.00	0.00
Legal	0.00	125.00	(125.00)	708.00	500.00	208.00
Other Administrative Expenses	0.00	16.67	(16.67)	0.00	66.67	(66.67)
<b>Total Administrative Expense</b>	<b>\$ 6,292.25</b>	<b>\$ 6,769.92</b>	<b>\$ (477.67)</b>	<b>\$ 25,518.69</b>	<b>\$ 27,079.67</b>	<b>\$ (1,560.98)</b>
Taxes & Insurance Reserve For:						
Real Estate Taxes	\$ 0.00	\$ 10.58	\$ (10.58)	\$ 0.00	\$ 42.33	\$ (42.33)
Property Insurance	1,009.67	1,375.00	(365.33)	4,038.68	5,500.00	(1,461.32)
<b>Total Taxes &amp; Insurance Expense</b>	<b>\$ 1,009.67</b>	<b>\$ 1,385.58</b>	<b>\$ (375.91)</b>	<b>\$ 4,038.68</b>	<b>\$ 5,542.33</b>	<b>\$ (1,503.65)</b>
Other Taxes & Insurance:						
Payroll Taxes	\$ 415.54	\$ 597.50	\$ (181.96)	\$ 2,383.29	\$ 2,390.00	\$ (6.71)
Other Taxes, Fees & Permits	22.45	295.92	(273.47)	1,166.37	1,183.67	(17.30)
Bond Premiums	0.00	56.92	(56.92)	0.00	227.67	(227.67)
Worker's Compensation Insurance	217.02	672.92	(455.90)	878.38	2,691.67	(1,813.29)
Personnel Medical Insurance	1,637.51	1,750.75	(113.24)	6,660.52	7,003.00	(342.48)
<b>Total Other Taxes &amp; Insurance</b>	<b>\$ 2,292.52</b>	<b>\$ 3,374.01</b>	<b>\$ (1,081.49)</b>	<b>\$ 11,088.56</b>	<b>\$ 13,496.01</b>	<b>\$ (2,407.45)</b>
Other Project Expenses						
Telephone & Answering Service	\$ 216.18	\$ 219.50	\$ (3.32)	\$ 1,035.06	\$ 878.00	\$ 157.06
Internet Service	71.95	70.00	1.95	357.75	280.00	77.75
Advertising	0.00	16.67	(16.67)	0.00	66.67	(66.67)
Water/Coffee Service	0.00	2.08	(2.08)	0.00	8.33	(8.33)



Walker Commons 550  
For the Month Ended April 30, 2022  
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Office Supplies & Expense	\$ 155.25	\$ 315.50	\$ (160.25)	\$ 1,247.53	\$ 1,262.00	\$ (14.47)
Postage	149.98	68.25	81.73	305.65	273.00	32.65
Toner/Copier Expense	0.00	110.33	(110.33)	120.00	441.33	(321.33)
Travel & Promotion	0.00	33.33	(33.33)	0.00	133.33	(133.33)
Training Expense	0.00	41.67	(41.67)	180.92	166.67	14.25
Credit Checking	(3.50)	41.67	(45.17)	23.00	166.67	(143.67)
Total Other Project Expenses	<u>\$ 589.86</u>	<u>\$ 919.00</u>	<u>\$ (329.14)</u>	<u>\$ 3,269.91</u>	<u>\$ 3,676.00</u>	<u>\$ (406.09)</u>
Mortgage & Owner's Expense						
Mortgage Payment	\$ 1,250.00	\$ 1,250.00	\$ 0.00	\$ 5,000.00	\$ 5,000.00	\$ 0.00
Reporting / Partner Management F	\$ 625.00	\$ 625.00	\$ 0.00	\$ 2,500.00	\$ 2,500.00	\$ 0.00
Transfer - Reserves	933.34	933.33	.01	3,733.36	3,733.33	.03
Total Mortgage & Owner's Exp.	<u>\$ 2,808.34</u>	<u>\$ 2,808.33</u>	<u>\$ .01</u>	<u>\$ 11,233.36</u>	<u>\$ 11,233.33</u>	<u>\$ .03</u>
Total Expenses	<u>\$ 23,744.97</u>	<u>\$ 31,206.42</u>	<u>\$ (7,461.45)</u>	<u>\$ 100,408.24</u>	<u>\$ 124,825.67</u>	<u>\$ (24,417.43)</u>
Authorized Reserve - Other	\$ 0.00	\$ 3,083.33	\$ (3,083.33)	\$ 0.00	\$ 12,333.33	\$ (12,333.33)
Total Authorized Reserves	<u>\$ 0.00</u>	<u>\$ 3,083.33</u>	<u>\$ (3,083.33)</u>	<u>\$ 0.00</u>	<u>\$ 12,333.33</u>	<u>\$ (12,333.33)</u>



## GRIDLEY SPRINGS May 2022

### Property Status:

1. GSI has 1 vacant unit with Zero notices to vacate
2. GSII is 100% occupied with Zero notices to vacate.
3. CA-COVID Relief has approved GSII for rental payment assistance for units 02, 04,11,16. No payments have been received.
4. CA-COVID Relief has approved GSI for rental payment assistance for unit 31. No payment has been received.

Sincerely,  
Mac Upshaw



**DHI GRIDLEY SPRINGS I**  
**As of**  
**April 30, 2022**

<b>CASH SUMMARY - Operating Account</b>	<b>APRIL</b>		<b>4 months YTD</b>	
	<b>2022</b>	<b>%</b>	<b>2022</b>	<b>%</b>
Total Rent Revenue	24,753.00	100.00%	96,519.00	100.00%
Vacancies	(775.00)	-3.13%	(1,539.00)	-1.59%
Net Rental Revenue	23,978.00	96.87%	94,980.00	98.41%
Other Income	1,055.94	4.27%	1,800.15	1.87%
<b>Total Revenue</b>	<b>25,033.94</b>	<b>101.13%</b>	<b>96,780.15</b>	<b>100.27%</b>
<b>Expenses:</b>				
Administrative Expenses	5,510.71	22.26%	22,717.30	23.54%
Utilities	590.19	2.38%	8,695.84	9.01%
Operating & Maintenance	4,422.52	17.87%	18,864.39	19.54%
Depreciation and Amortization Expense	0.00	0.00%	0.00	0.00%
Taxes & Insurance	1,130.42	4.57%	6,611.06	6.85%
<b>Total Expenses</b>	<b>11,653.84</b>	<b>42.51%</b>	<b>56,888.59</b>	<b>47.91%</b>
<b>Net Operating Income</b>	<b>13,380.10</b>	<b>20.25%</b>	<b>39,891.56</b>	<b>28.55%</b>
Interest and Finance Expense	1,259.85	5.09%	5,177.43	5.36%
Replacement Costs	2,250.00	9.09%	4,748.84	4.92%
<b>Net Cash Flow from Operations</b>	<b>9,870.25</b>		<b>29,965.29</b>	
<b>Plus (Minus)</b>				
Interest Income	(37.94)		(45.41)	
Unpaid Rent Collected (Owed)	27.00		1,089.00	
Unpaid Subsidy Rent Collected (Owed)	(789.00)		(12,315.02)	
Prepaid Expenses	775.53		3,102.16	
Impound/Escrow Funds	(3,083.87)		(12,234.29)	
Prepaid Rent Received (Absorbed)	(324.27)		119.73	
Security Deposits Received (Refunded)	(314.00)		(229.00)	
Mortgage Principle payment	(2,699.51)		(10,790.01)	
<b>Net Cash Increase (Decrease)</b>	<b>3,424.19</b>		<b>(1,337.55)</b>	
<b>Beginning of Period Cash Balance</b>	<b>3,109.46</b>		<b>7,984.82</b>	
Owner Contribution	0.00		0.00	
Transfer from (to) Savings	0.00		0.00	
Transfer From (To) Impound Account	0.00		0.00	
Transfer from (to) Security account	0.00		(113.62)	
<b>Ending Cash Balance - Operating Account</b>	<b>\$6,533.65</b>		<b>\$6,533.65</b>	
<b>- Security Deposit Accounts</b>			<b>\$16,840.36</b>	
<b>- USDA Reserves</b>			<b>\$92,947.20</b>	

	<b>Current Month</b>	<b>UNIT STATUS</b>	<b>Current Month</b>
<b>TENANT RECEIVABLES</b>			
<b>Rent and Rent Related Receivables</b>			
Balance at Beginning of Month	5,300.00	Total Units	32
Uncollected (Collected) During Month	(27.00)	Vacant units at beginning of month	0
Written off to Bad Debts	0.00	Plus Units vacated during month	1
Balance at End of Month	<u>\$5,273.00</u>	Less move ins and deposits to hold	0
		Vacant units at end of month	<u>1</u>
<b>Move out Repairs, Cleaning &amp; Legal Fees, etc.</b>			
Balance at Beginning of Month	0.00		
Uncollected (Collected) During Month	0.00		
Written off to Bad Debts	0.00		
<b>Balance at End of Month</b>	<u>\$0.00</u>		

**Balance Sheet**  
**DHI GRIDLEY SPRINGS I**  
**As of**  
**April 30, 2022**

**\*\*\* ASSETS \*\*\***

Petty Cash	250.00	
Cash - Operating	6,533.65	
Cash - USDA Reserve	92,947.20	
Cash - Security Deposit Account	16,840.36	
Cash - Charles Schwab-Transition Reserve	76,634.00	
Cash - Charles Schwab-Operating Deficit	112,309.00	
Cash - First Republic Distribution	725.00	
Cash - Charles Schwab #2285	10,159.00	
Cash - Charles Schwab #5750	10,159.00	
<b>Total Cash</b>		<b>326,557.21</b>

**ACCOUNTS RECEIVABLE**

Tenant Rent Receivable	5,273.00	
Tenant Subsidy Rent Receivable	12,315.02	
Accounts Receivable	4,180.00	
<b>Total Accounts Receivable</b>		<b>21,768.02</b>

**OTHER CURRENT ASSETS**

Prepaid Expenses	9,954.03	
Reserve Escrow (Bonneville-USDA Fee)	2,195.57	
Reserve Escrow (Bonneville-Insurance)	14,564.83	
Reserve Escrow (Bonneville-Tax Escrow)	2,717.37	
Reserve Escrow (Lewiston-Replacement Res)	66,406.74	
Reserve Escrow (Lewiston CD-Replacement Res)	244,800.00	
<b>Total Other Assets</b>		<b>340,638.54</b>
<b>Total Current Assets</b>		<b>688,963.77</b>

**CAPITAL IMPROVEMENTS**

Land	149,957.00	
Building	3,137,787.00	
Improvements	165,810.00	
Furniture and Equipment	381,682.00	
Accumulated Depreciation	(1,105,489.00)	
Tangible Assets: Acquisition	20,129.00	
Accumulated Amortization	(10,735.00)	
Debt Issuance Costs	66,675.00	
Accumulated Amortization-Debt Issuance	(11,114.00)	
<b>Total Fixed Assets</b>		<b>2,794,702.00</b>
<b>TOTAL ASSETS</b>		<b>3,483,665.77</b>

**\*\*\* LIABILITIES \*\*\***

**Short Term Liabilities**

Accrued Management GP fee	3,200.00	
Accrued Mortgage Insurance	423,800.00	
Accrued Interest	4,014.00	
Accrued Rpting/PTR Management	3,076.00	
Security Deposit Liability	16,496.60	
Prepaid Rent	86.00	
<b>Total Current Liabilities</b>		<b>450,672.60</b>

**Long Term Liabilities**

Note Payable - Bonneville	324,775.83	
Note Payable - USDA	1,010,472.80	
Note Payable - Gridley	12,040.00	
Note Payable - City of Gridley	2,080,000.00	
<b>Total Long Term Liabilities</b>		<b>3,427,288.63</b>
<b>Total Liabilities</b>		<b>3,877,961.23</b>

**\*\*\* OWNER'S EQUITY \*\*\***

Partner's Equity	926,183.91	
Partner's Equity	(20,000.00)	
AGP Cash Flow Distributions	80,159.00	
MGP Cash Flow Distributions	(80,159.00)	
Retained Earnings	(1,330,444.66)	
Owner Contribution/Distribution	0.00	
Current Year Net Income (Loss)	29,965.29	
<b>Total Equity</b>		<b>(394,295.46)</b>
<b>Total Liabilities &amp; Equity</b>		<b>3,483,665.77</b>

**Income Statement  
DHI GRIDLEY SPRINGS I**

As of  
April 30, 2022

	***** Current Month *****			***** Year-to-Date *****		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>*** REVENUES ***</b>						
Rent Revenue - Gross Potential						
Apartment Rents	9,543.00	25,105.00	(15,562.00)	36,219.00	100,420.00	(64,201.00)
Tenant Assistance Payments	15,210.00	0.00	15,210.00	60,300.00	0.00	60,300.00
<b>Total Revenue</b>	<b>24,753.00</b>	<b>25,105.00</b>	<b>(352.00)</b>	<b>96,519.00</b>	<b>100,420.00</b>	<b>(3,901.00)</b>
Apartment Vacancies	(775.00)	(484.00)	(291.00)	(1,539.00)	(1,937.00)	398.00
<b>Total Vacancies</b>	<b>(775.00)</b>	<b>(484.00)</b>	<b>(291.00)</b>	<b>(1,539.00)</b>	<b>(1,937.00)</b>	<b>398.00</b>
<b>NET RENTAL REVENUE</b>	<b>23,978.00</b>	<b>24,621.00</b>	<b>(643.00)</b>	<b>94,980.00</b>	<b>98,483.00</b>	<b>(3,503.00)</b>
Interest Income-Other Cash	37.29	8.00	29.29	44.27	33.00	11.27
Interest Income-Sec Deposits	0.65	13.00	(12.35)	1.14	50.00	(48.86)
<b>Total Financial Revenue</b>	<b>37.94</b>	<b>21.00</b>	<b>16.94</b>	<b>45.41</b>	<b>83.00</b>	<b>(37.59)</b>
NSF and Late Fee Income	0.00	0.00	0.00	0.00	0.00	0.00
Misc Tenant Charges/Damages & Cleaning	1,018.00	0.00	1,018.00	1,018.00	0.00	1,018.00
Laundry Revenue	0.00	250.00	(250.00)	736.74	1,000.00	(263.26)
<b>Total Other Revenue</b>	<b>1,018.00</b>	<b>250.00</b>	<b>768.00</b>	<b>1,754.74</b>	<b>1,000.00</b>	<b>754.74</b>
<b>TOTAL REVENUE</b>	<b>25,033.94</b>	<b>24,892.00</b>	<b>141.94</b>	<b>96,780.15</b>	<b>99,566.00</b>	<b>(2,785.85)</b>
<b>*** EXPENSES ***</b>						
<b>Administrative Expenses</b>						
Advertising and Promotions	0.00	0.00	0.00	0.00	0.00	0.00
Rent Concessions	112.00	0.00	112.00	227.00	0.00	227.00
Credit Reports	0.00	10.00	(10.00)	44.00	40.00	4.00
Uniforms	0.00	0.00	0.00	0.00	0.00	0.00
IT Support Services	171.00	171.00	0.00	684.00	684.00	0.00
Telephone & Answering Service	53.34	52.00	1.34	213.36	209.00	4.36
USDA 538 Boneville Fee/Surcharges	0.00	0.00	0.00	0.00	0.00	0.00
USDA 515 MINC Fee/Surcharges	0.00	0.00	0.00	0.00	0.00	0.00
Postage and Mailing	0.00	30.00	(30.00)	7.58	120.00	(112.42)
Administrative Expenses	160.00	0.00	160.00	719.36	0.00	719.36
Office Supplies/Expenses	0.00	150.00	(150.00)	816.47	600.00	216.47
Dues and Subscriptions	0.00	0.00	0.00	85.71	0.00	85.71
Management Fee	2,294.00	2,294.00	0.00	9,027.00	9,176.00	(149.00)
Manager Salaries	2,137.04	2,090.00	47.04	8,134.46	8,358.00	(223.54)
Education/Registration Fees	0.00	250.00	(250.00)	0.00	1,000.00	(1,000.00)
Legal Expense	0.00	83.00	(83.00)	425.00	333.00	92.00
Auditing Fees	583.33	667.00	(83.67)	2,333.36	2,667.00	(333.64)
Other Administrative Costs	0.00	10.00	(10.00)	0.00	40.00	(40.00)
<b>Total Administrative Expenses</b>	<b>5,510.71</b>	<b>5,807.00</b>	<b>(296.29)</b>	<b>22,717.30</b>	<b>23,227.00</b>	<b>(509.70)</b>
<b>Utility Expenses</b>						
Electricity	18.21	772.00	(753.79)	1,781.11	3,087.00	(1,305.89)
Water	0.00	439.00	(439.00)	585.69	1,757.00	(1,171.31)
Gas	0.00	33.00	(33.00)	561.99	133.00	428.99
Sewer	0.00	700.00	(700.00)	3,565.83	2,800.00	765.83
Garbage and Trash Removal	571.98	594.00	(22.02)	2,201.22	2,376.00	(174.78)
<b>Total Utility Expenses</b>	<b>590.19</b>	<b>2,538.00</b>	<b>(1,947.81)</b>	<b>8,695.84</b>	<b>10,153.00</b>	<b>(1,457.16)</b>
<b>Operating &amp; Maintenance Expense</b>						
Clean/Repair Apartment	0.00	0.00	0.00	279.00	0.00	279.00
Clean/Repair Carpeting/Draperies	0.00	0.00	0.00	0.00	0.00	0.00
Exterminating Contract	100.00	0.00	100.00	300.00	0.00	300.00
Tree Service	0.00	0.00	0.00	0.00	0.00	0.00
Grounds Maintenance and Supplies	0.00	400.00	(400.00)	0.00	1,600.00	(1,600.00)
Grounds Contract	1,000.00	1,290.00	(290.00)	4,000.00	5,160.00	(1,160.00)
Maintenance Personnel	1,487.92	2,090.00	(602.08)	7,000.79	8,358.00	(1,357.21)
Repair Materials	400.85	304.00	96.85	1,617.47	1,217.00	400.47
Repair Contract/Vendor Labor	0.00	233.00	(233.00)	0.00	933.00	(933.00)
Electrical Repair/Supplies	218.75	0.00	218.75	218.75	0.00	218.75
HVAC Repair and Maintenance	0.00	0.00	0.00	2,306.00	0.00	2,306.00
Appliance Repair and Maintenance	0.00	0.00	0.00	180.54	0.00	180.54
Plumbing Repair and Supplies	0.00	0.00	0.00	550.00	0.00	550.00
Interior Painting and Supplies	1,215.00	92.00	1,123.00	2,160.00	367.00	1,793.00
Gas, Oil and Mileage	0.00	0.00	0.00	251.84	0.00	251.84
Equipment Leasing	0.00	0.00	0.00	0.00	0.00	0.00
Fire Protection Equipment	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Operating &amp; Maint Expenses</b>	<b>4,422.52</b>	<b>4,409.00</b>	<b>13.52</b>	<b>18,864.39</b>	<b>17,635.00</b>	<b>1,229.39</b>

**Income Statement**  
**DHI GRIDLEY SPRINGS I**

As of  
April 30, 2022

	***** Current Month *****			***** Year-to-Date *****		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Taxes &amp; Insurance Expenses</b>						
Property Taxes	0.00	0.00	0.00	0.00	940.00	(940.00)
Payroll Taxes	326.26	444.00	(117.74)	1,951.16	1,775.00	176.16
Misc Taxes & Licenses	0.00	1,017.00	(1,017.00)	1,600.00	4,067.00	(2,467.00)
Property & Liability Insurance	192.20	1,189.00	(996.80)	768.80	4,756.00	(3,987.20)
Worker's Compensation	280.67	221.00	59.67	1,027.15	884.00	143.15
Health/Dental Insurance	331.29	463.00	(131.71)	1,263.95	1,853.00	(589.05)
Other Insurance	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Taxes &amp; Insurance Expenses</b>	<b>1,130.42</b>	<b>3,334.00</b>	<b>(2,203.58)</b>	<b>6,611.06</b>	<b>14,275.00</b>	<b>(7,663.94)</b>
<b>TOTAL EXPENSES</b>	<b>11,653.84</b>	<b>16,088.00</b>	<b>(4,434.16)</b>	<b>56,888.59</b>	<b>65,290.00</b>	<b>(8,401.41)</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>13,380.10</b>	<b>8,804.00</b>	<b>4,576.10</b>	<b>39,891.56</b>	<b>34,276.00</b>	<b>5,615.56</b>
<b>Interest &amp; Finance Expense</b>						
Mortgage Interest	1,259.85	1,607.00	(347.15)	5,047.43	6,430.00	(1,382.57)
General Partner Fee	0.00	2,700.00	(2,700.00)	0.00	10,800.00	(10,800.00)
Bank Fees	0.00	0.00	0.00	130.00	0.00	130.00
<b>Total Interest &amp; Finance Expense</b>	<b>1,259.85</b>	<b>4,307.00</b>	<b>(3,047.15)</b>	<b>5,177.43</b>	<b>17,230.00</b>	<b>(12,052.57)</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>12,120.25</b>	<b>4,497.00</b>	<b>7,623.25</b>	<b>34,714.13</b>	<b>17,046.00</b>	<b>17,668.13</b>
<b>Replacements</b>						
Roofing/Paving/Exterior	0.00	0.00	0.00	0.00	0.00	0.00
Appliance Replacement	0.00	0.00	0.00	0.00	0.00	0.00
Drapery and Blind Replacement	0.00	0.00	0.00	0.00	0.00	0.00
Carpet/ Flooring Replacement	2,250.00	0.00	2,250.00	4,249.00	0.00	4,249.00
HVAC Replacement	0.00	0.00	0.00	0.00	0.00	0.00
Plumbing Replacement	0.00	0.00	0.00	0.00	0.00	0.00
Glass Replacement	0.00	0.00	0.00	0.00	0.00	0.00
Furniture and Equipment Replacement	0.00	50.00	(50.00)	0.00	200.00	(200.00)
Door & Screen Repair/ Replacement	0.00	0.00	0.00	499.84	0.00	499.84
<b>Total Cost of Replacements</b>	<b>2,250.00</b>	<b>50.00</b>	<b>2,200.00</b>	<b>4,748.84</b>	<b>200.00</b>	<b>4,548.84</b>
<b>NET CASH FLOW FROM OPERATIONS</b>	<b>9,870.25</b>	<b>4,447.00</b>	<b>5,423.25</b>	<b>29,965.29</b>	<b>16,846.00</b>	<b>13,119.29</b>

## Park Avenue Apartments April 2022



Separate Variance Report Explaining budget differences and expenditures.

### Updates:

1200 Park Avenue currently has 3 vacancies. Two move-ins during the month of April. 1200 Park Avenue has been very busy filling vacancies and screening applicants.

#### Vacancies:

- Unit #233 is market ready with an application close to an approval. Previous two applicants over the income limits.
- Unit #201 is market ready with an application close to an approval. 2<sup>nd</sup> back up in process - working with Javi at HA to cancel lease at her current landlord.
- Unit #235 is market ready. Applicant pending verifications.

#### Upcoming Vacancies:

Unit #122 – Resident deceased 05/02/22.

One April rent payment still outstanding:

**Unit #207; Balance \$6,198** Resident applied for the rent relief assistance program. Waiting for a response on whether payment will be approved.

To date in May 8 rent payments are outstanding – PM following up to collect.

Still working on estimates to add trees and bushes in bare areas to increase curb appeal.

The Spring Musical Play by the students of a nearby school was a huge success! Coffee, cake and fruit was provided for residents to enjoy while watching the play. The residents had a great time! The Property Manager, Christy, will work on coordinating more activities for residents to enjoy.



Park Avenue 569  
For the Month Ended April 30, 2022  
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
<b>Rental Income</b>						
Gross Rents	\$ 84,840.00	\$ 80,024.00	\$ 4,816.00	\$ 331,162.00	\$ 320,096.00	\$ 11,066.00
Vacancies	(2,780.00)	(2,000.58)	(779.42)	(7,501.00)	(8,002.33)	501.33
Rent Adjustments	1,046.61	0.00	1,046.61	894.18	0.00	894.18
Manager's Unit	(856.00)	(870.00)	14.00	(3,424.00)	(3,480.00)	56.00
<b>Total Tenant Rent</b>	<b>\$ 82,250.61</b>	<b>\$ 77,153.42</b>	<b>\$ 5,097.19</b>	<b>\$ 321,131.18</b>	<b>\$ 308,613.67</b>	<b>\$ 12,517.51</b>
<b>Other Project Income:</b>						
Laundry Income	\$ 0.00	\$ 819.50	\$ (819.50)	\$ 3,000.00	\$ 3,278.00	\$ (278.00)
Interest Income	.86	0.00	.86	4.39	0.00	4.39
Restricted Reserve Interest Incom	7.61	4.92	2.69	33.89	19.67	14.22
Other Tenant Income	\$ 429.36	\$ 365.41	\$ 63.95	\$ 1,542.67	\$ 1,461.66	\$ 81.01
Miscellaneous Income	\$ 0.00	\$ 12.50	\$ (12.50)	\$ 358.98	\$ 50.00	\$ 308.98
<b>Other Project Income</b>	<b>\$ 437.83</b>	<b>\$ 1,202.33</b>	<b>\$ (764.50)</b>	<b>\$ 4,939.93</b>	<b>\$ 4,809.33</b>	<b>\$ 130.60</b>
<b>Total Project Income</b>	<b>\$ 82,688.44</b>	<b>\$ 78,355.75</b>	<b>\$ 4,332.69</b>	<b>\$ 326,071.11</b>	<b>\$ 313,423.00</b>	<b>\$ 12,648.11</b>
<b>Project Expenses:</b>						
Maint. & Oper. Exp. (Fr Page 2)	\$ 20,572.80	\$ 16,309.42	\$ 4,263.38	\$ 77,121.75	\$ 65,237.67	\$ 11,884.08
Utilities (From Pg 2)	4,354.95	9,496.66	(5,141.71)	35,569.67	37,986.66	(2,416.99)
Administrative (From Pg 2)	10,392.84	10,671.17	(278.33)	45,517.43	42,684.67	2,832.76
Taxes & Insurance (From Pg 2)	15,839.00	5,806.25	10,032.75	22,471.76	23,225.00	(753.24)
Other Taxes & Insurance (Fr Page	2,249.29	3,924.42	(1,675.13)	11,343.66	15,697.67	(4,354.01)
Other Project Expenses	723.36	1,817.17	(1,093.81)	8,155.49	7,268.67	886.82
<b>Total O&amp;M Expenses</b>	<b>\$ 54,132.24</b>	<b>\$ 48,025.09</b>	<b>\$ 6,107.15</b>	<b>\$ 200,179.76</b>	<b>\$ 192,100.34</b>	<b>\$ 8,079.42</b>
<b>Mortgage &amp; Owner's Expense</b>						
Mortgage Payment	\$ 26,242.49	\$ 26,300.42	\$ (57.93)	\$ 104,969.96	\$ 105,201.67	\$ (231.71)
Managing General Partner Fees	\$ 1,118.09	\$ 1,118.08	\$ .01	\$ 4,472.36	\$ 4,472.33	\$ .03
Transfer - Reserves	2,675.00	2,675.00	0.00	10,700.00	10,700.00	0.00
<b>Total Mortgage &amp; Owner's Exp.</b>	<b>\$ 30,035.58</b>	<b>\$ 30,093.50</b>	<b>\$ (57.92)</b>	<b>\$ 120,142.32</b>	<b>\$ 120,374.00</b>	<b>\$ (231.68)</b>
<b>Total Project Expenses</b>	<b>\$ 84,167.82</b>	<b>\$ 78,118.59</b>	<b>\$ 6,049.23</b>	<b>\$ 320,322.08</b>	<b>\$ 312,474.34</b>	<b>\$ 7,847.74</b>
<b>Net Profit (Loss)</b>	<b>\$ (1,479.38)</b>	<b>\$ 237.16</b>	<b>\$ (1,716.54)</b>	<b>\$ 5,749.03</b>	<b>\$ 948.66</b>	<b>\$ 4,800.37</b>
<b>Other Cash Flow Items:</b>						
Reserve Transfers	\$ (5.71)	\$ 0.00	\$ (5.71)	\$ 124.58	\$ 0.00	\$ 124.58



Park Avenue 569  
For the Month Ended April 30, 2022  
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
T & I Transfers	\$ (2,090.47)	\$ 0.00	\$ (2,090.47)	\$ (8,662.78)	\$ 0.00	\$ (8,662.78)
Operating Acct MMKT-FFB*	(.39)	0.00	(.39)	(1.61)	0.00	(1.61)
Security Deposits Held	300.00	0.00	300.00	0.00	0.00	0.00
Authorized Reserve - Other	0.00	(7,447.58)	7,447.58	0.00	(29,790.33)	29,790.33
Tenant Receivables	635.07	0.00	635.07	2,127.76	0.00	2,127.76
Other Receivables	16,464.00	0.00	16,464.00	69,442.91	0.00	69,442.91
Accounts Payable - Trade	(9,999.10)	0.00	(9,999.10)	(20,004.66)	0.00	(20,004.66)
Accrued Expenses	0.00	0.00	0.00	(3,559.00)	0.00	(3,559.00)
Accrued Interest City of Chico	6,125.00	0.00	6,125.00	24,500.00	0.00	24,500.00
Other Notes Payable	6,040.94	0.00	6,040.94	24,163.76	0.00	24,163.76
Total Other Cash Flow Items	<u>\$ 17,469.34</u>	<u>\$ (7,447.58)</u>	<u>\$ 24,916.92</u>	<u>\$ 88,130.96</u>	<u>\$ (29,790.33)</u>	<u>\$ 117,921.29</u>
Net Operating Cash Change	<u><u>\$ 15,989.96</u></u>	<u><u>\$ (7,210.42)</u></u>	<u><u>\$ 23,200.38</u></u>	<u><u>\$ 93,879.99</u></u>	<u><u>\$ (28,841.67)</u></u>	<u><u>\$ 122,721.66</u></u>

Cash Accounts	End Balance 1 Year Ago	Current Balance	Change
Operating Acct-FFB	\$ 42,654.93	\$ 136,534.92	\$ 93,879.99
Operating Acct MMKT-FFB*	10,148.84	10,150.45	1.61
Tax & Insurance-FFB	6,016.55	14,679.33	8,662.78
Security Acct-FFB	35,879.00	35,879.00	0.00
Repl Reserve-Berkadia Bank-IMP	325,837.42	336,412.84	10,575.42
Payables & Receivables:			
Accounts Payable - Trade	26,999.38	6,994.72	(20,004.66)
Rents Receivable - Current Tenants	5,889.40	4,322.97	(1,566.43)
Other Tenant Charges Receivable	2,499.49	1,938.16	(561.33)

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Maintenance & Operating Expenses:						
Maintenance Payroll	\$ 5,237.56	\$ 6,531.92	\$ (1,294.36)	\$ 19,889.18	\$ 26,127.67	\$ (6,238.49)
Janitorial/Cleaning Supplies	0.00	276.58	(276.58)	1,018.03	1,106.33	(88.30)
Plumbing Repairs	0.00	113.83	(113.83)	0.00	455.33	(455.33)
Painting & Decorating	408.57	138.92	269.65	1,027.45	555.67	471.78
Repairs & Maintenance - Supply	1,262.73	1,000.00	262.73	5,710.87	4,000.00	1,710.87
Repairs & Maintenance - Contract	3,268.56	2,040.25	1,228.31	10,445.40	8,161.00	2,284.40
Grounds Maintenance	1,750.00	1,767.25	(17.25)	10,815.00	7,069.00	3,746.00
Elevator Maintenance & Contract	0.00	714.67	(714.67)	6,313.36	2,858.67	3,454.69
Pest Control Service	227.00	1,000.00	(773.00)	681.00	4,000.00	(3,319.00)
Fire/Alarm Services	1,222.65	758.33	464.32	2,947.04	3,033.33	(86.29)

Park Avenue 569  
For the Month Ended April 30, 2022  
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Security Service	\$ 0.00	\$ 726.00	\$ (726.00)	\$ 2,040.00	\$ 2,904.00	\$ (864.00)
Capital Improvements - Other	0.00	0.00	0.00	192.99	0.00	192.99
Capital Improvements - Flooring	5,571.59	0.00	5,571.59	11,009.59	0.00	11,009.59
Capital Improvements - Appliance	728.23	0.00	728.23	728.23	0.00	728.23
Capital Improvements - Water Heat	0.00	0.00	0.00	1,722.44	0.00	1,722.44
Carpet Cleaning	540.00	891.67	(351.67)	1,775.00	3,566.67	(1,791.67)
HVAC Repairs	0.00	225.00	(225.00)	168.26	900.00	(731.74)
Cable Service	355.91	0.00	355.91	355.91	0.00	355.91
Tenant Services	0.00	125.00	(125.00)	282.00	500.00	(218.00)
Total Maint. & Operating Exp.	\$ 20,572.80	\$ 16,309.42	\$ 4,263.38	\$ 77,121.75	\$ 65,237.67	\$ 11,884.08
Utilities:						
Electricity	\$ 140.75	\$ 4,649.75	\$ (4,509.00)	\$ 17,632.36	\$ 18,599.00	\$ (966.64)
Water	1,047.07	1,170.58	(123.51)	3,051.59	4,682.33	(1,630.74)
Sewer	2,458.86	2,458.83	.03	9,835.30	9,835.33	(.03)
Heating Fuel/Other	(35.29)	223.67	(258.96)	2,359.08	894.67	1,464.41
Garbage & Trash Removal	743.56	993.83	(250.27)	2,691.34	3,975.33	(1,283.99)
Total Utilities	\$ 4,354.95	\$ 9,496.66	\$ (5,141.71)	\$ 35,569.67	\$ 37,986.66	\$ (2,416.99)
Administrative:						
Manager's Salary	\$ 4,950.94	\$ 4,853.75	\$ 97.19	\$ 19,294.96	\$ 19,415.00	\$ (120.04)
Management Fees	4,815.00	4,815.00	0.00	19,260.00	19,260.00	0.00
Bad Debt Expense	0.00	175.00	(175.00)	3,483.00	700.00	2,783.00
Auditing	625.00	625.00	0.00	2,500.00	2,500.00	0.00
Legal	0.00	177.42	(177.42)	821.00	709.67	111.33
Other Administrative Expenses	1.90	25.00	(23.10)	158.47	100.00	58.47
Total Administrative Expense	\$ 10,392.84	\$ 10,671.17	\$ (278.33)	\$ 45,517.43	\$ 42,684.67	\$ 2,832.76
Taxes & Insurance Reserve For:						
Special Assessments	\$ 0.00	\$ 26.33	\$ (26.33)	\$ 0.00	\$ 105.33	\$ (105.33)
Property Insurance	15,839.00	5,666.67	10,172.33	22,471.76	22,666.67	(194.91)
Other Insurance	0.00	113.25	(113.25)	0.00	453.00	(453.00)
Total Taxes & Insurance Expense	\$ 15,839.00	\$ 5,806.25	\$ 10,032.75	\$ 22,471.76	\$ 23,225.00	\$ (753.24)
Other Taxes & Insurance:						
Payroll Taxes	\$ 763.05	\$ 1,029.67	\$ (266.62)	\$ 3,979.59	\$ 4,118.67	\$ (139.08)
Other Taxes, Fees & Permits	103.13	166.67	(63.54)	2,222.62	666.67	1,555.95
Bond Premiums	0.00	108.75	(108.75)	0.00	435.00	(435.00)
Worker's Compensation Insurance	395.31	860.25	(464.94)	1,526.42	3,441.00	(1,914.58)
Personnel Medical Insurance	987.80	1,759.08	(771.28)	3,615.03	7,036.33	(3,421.30)
Total Other Taxes & Insurance	\$ 2,249.29	\$ 3,924.42	\$ (1,675.13)	\$ 11,343.66	\$ 15,697.67	\$ (4,354.01)
Other Project Expenses						

Park Avenue 569  
For the Month Ended April 30, 2022  
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Telephone & Answering Service	\$ 544.54	\$ 542.33	\$ 2.21	\$ 2,196.41	\$ 2,169.33	\$ 27.08
Internet Service	0.00	297.92	(297.92)	974.73	1,191.67	(216.94)
Advertising	0.00	16.67	(16.67)	0.00	66.67	(66.67)
Water/Coffee Service	0.00	31.42	(31.42)	310.49	125.67	184.82
Office Supplies & Expense	33.85	450.83	(416.98)	2,704.91	1,803.33	901.58
Postage	0.00	88.83	(88.83)	231.92	355.33	(123.41)
Toner/Copier Expense	126.97	248.25	(121.28)	1,134.29	993.00	141.29
Office Furniture & Equipment Expe	0.00	0.00	0.00	116.90	0.00	116.90
Travel & Promotion	0.00	41.67	(41.67)	42.00	166.67	(124.67)
Training Expense	0.00	61.75	(61.75)	361.84	247.00	114.84
Credit Checking	18.00	29.17	(11.17)	82.00	116.67	(34.67)
Employee Meals	0.00	8.33	(8.33)	0.00	33.33	(33.33)
Total Other Project Expenses	<u>\$ 723.36</u>	<u>\$ 1,817.17</u>	<u>\$ (1,093.81)</u>	<u>\$ 8,155.49</u>	<u>\$ 7,268.67</u>	<u>\$ 886.82</u>
Mortgage & Owner's Expense						
Mortgage Payment	\$ 26,242.49	\$ 26,300.42	\$ (57.93)	\$ 104,969.96	\$ 105,201.67	\$ (231.71)
Managing General Partner Fees	\$ 1,118.09	\$ 1,118.08	\$ .01	\$ 4,472.36	\$ 4,472.33	\$ .03
Transfer - Reserves	2,675.00	2,675.00	0.00	10,700.00	10,700.00	0.00
Total Mortgage & Owner's Exp.	<u>\$ 30,035.58</u>	<u>\$ 30,093.50</u>	<u>\$ (57.92)</u>	<u>\$ 120,142.32</u>	<u>\$ 120,374.00</u>	<u>\$ (231.68)</u>
Total Expenses	<u>\$ 84,167.82</u>	<u>\$ 78,118.59</u>	<u>\$ 6,049.23</u>	<u>\$ 320,322.08</u>	<u>\$ 312,474.34</u>	<u>\$ 7,847.74</u>
Authorized Reserve - Other	\$ 0.00	\$ 7,447.58	\$ (7,447.58)	\$ 0.00	\$ 29,790.33	\$ (29,790.33)
Total Authorized Reserves	<u>\$ 0.00</u>	<u>\$ 7,447.58</u>	<u>\$ (7,447.58)</u>	<u>\$ 0.00</u>	<u>\$ 29,790.33</u>	<u>\$ (29,790.33)</u>

## Monthly Property Summary Report

75 Harvest Park Court

**April 2022**



**HARVEST  
P A R K**

CHICO, CA.  
90 UNITS  
TAX CREDIT

## **MONTHLY PROPERTY SUMMARY REPORT**

### **INCOME AND EXPENSE SUMMARY**

• Total Operating Income Actual/Month:	<b>\$80,358.00</b>	<b>-\$1,118.00</b>	<b>1.37%</b>
• Total Operating Income Budget/Month:	<b>\$81,476.00</b>		
• Total Operating Income Actual/YTD:	<b>\$323,306.23</b>	<b>-\$608.77</b>	<b>0.18%</b>
• Total Operating Income Budget/YTD:	<b>\$323,915.00</b>		
• Total Operating Expenses Actual/Month:	<b>\$40,794.06</b>	<b>-\$4,346.54</b>	<b>11.92%</b>
• Total Operating Expenses Budget/Month:	<b>\$36,447.52</b>		
• Total Operating Expenses Actual/YTD:	<b>\$157,552.12</b>	<b>\$2,496.14</b>	<b>1.55%</b>
• Total Operating Expenses Budget/YTD:	<b>\$160,053.26</b>		
• Total Net Operating Income Actual/Month:	<b>\$39,563.94</b>	<b>-\$5,464.54</b>	<b>12.13%</b>
• Total Net Operating Income Budget/Month:	<b>\$45,028.48</b>		
• Total Net Operating Income Actual/YTD:	<b>\$165,749.11</b>	<b>+\$1,887.37</b>	<b>+1.15%</b>
• Total Net Operating Income Budget/YTD:	<b>\$163,831.74</b>		

## BUDGET VARIANCE REPORT

(Line-Item Variance Report: Expenses Exceeding 10% of budget or \$500 minimum variance.)

### April Financials - Expense Variances

Month Ending 2/28/2022					
GL / Description	Actual	Budget	Variance	%	Comments:
6310-0000 - Office Payroll	\$679.36	\$110.00	(\$569.36)	-517.60%	Floating staff assistance w/files & wait list updates.
6539-0000 - Maintenance Payroll General	\$5,869.98	\$3,784.00	(\$2,085.98)	-55.13%	Overtime needed to complete unit turns/work.
6541-0000 - Maintenance Supplies	\$1,988.37	\$833.33	(\$1,155.04)	-138.61%	Plumbing, appliance, electrical, etc. unit supplies.
6548-0000 - Repairs Contract Plumbing	\$3,870.06	\$488.00	(\$3,382.06)	-693.05%	Apt. #232 & #140 water leak.
6532-0000 Cleaning Contract	\$2,047.50	\$218.75	(\$1,828.75)	-836.00%	Multiple unit cleans; Carpet restoration & water extractions.
6350-0000 Auditing	\$2,625.00	\$0.00	(\$2,625.00)	#DIV/0!	Cohn Reznick LLP: Professional services rendered in connection with the preparation of partnership federal and state income tax returns for the year ended December 31, 2021. YTD In-line w/budget.

## RESIDENT DELINQUENT RENT STATUS

(Table below sorted by "total" highest to lowest delinquency)

	Total	Current	30	60	90
Harvest Park	24,533.94	7,972.04	851.00	987.00	14,723.90

				Total	Current	30	60	90	250.00	
				Harvest Park	24,533.94	7,972.04	851.00	987.00	14,723.90	
Bldg/Unit	Name	Move In/Out	Code	Total Delinquent	Net Balance	Current	Over 30 Days	Over 60 Days	Over 90 Days	Delinquent Over 30 Days
Harvest Park										Yes
07 - 238		08/01/2020	RENT	11,109.00	11,109.00	708.00	0.00	416.00	9,985.00	Yes
08 - 133		02/10/2014	RENT	6,456.00	6,456.00	0.00	253.00	506.00	5,697.00	Yes
04 - 220		12/12/2017	RENT	5,558.00	5,558.00	867.00	0.00	0.00	4,691.00	Yes
08 - 234		12/18/2018	RFNT	2,122.58	2,122.58	0.00	0.00	0.00	2,122.58	Yes
03 - 118		05/22/2020	LHA	1,310.00	1,310.00	721.00	589.00	0.00	0.00	Yes
04 - 221		08/01/2020	RFNT	1,260.00	1,260.00	0.00	0.00	478.00	722.00	Yes
01 - 107		04/23/2018	RENT	1,118.00	1,118.00	1,118.00	0.00	0.00	0.00	
08 - 143		01/31/2014	RENT	1,004.00	1,004.00	1,004.00	0.00	0.00	0.00	
03 - 115		02/03/2010	RENT	1,000.00	1,000.00	0.00	0.00	0.00	1,000.00	Yes
06 - 230		03/31/2017	RENT	960.00	960.00	820.00	0.00	0.00	140.00	
03 - 217		08/07/2020	RFNT	739.00	739.00	708.00	0.00	0.00	31.00	
07 - 130		01/19/2016	LHA	640.00	640.00	640.00	0.00	0.00	0.00	
02 - 110		02/21/2019	RENT	618.00	618.00	618.00	0.00	0.00	0.00	
03 - 215		04/15/2022	RENT	536.00	536.00	536.00	0.00	0.00	0.00	
04 - 123		02/14/2017	RENT	413.00	413.00	413.00	0.00	0.00	0.00	
02 - 210		06/01/2018	RENT	332.00	332.00	332.00	0.00	0.00	0.00	
03 - 210		11/22/2016	RFNT	197.00	197.00	0.00	0.00	0.00	197.00	
01 - 106		01/20/2014	RENT	147.00	147.00	147.00	0.00	0.00	0.00	
02 - 108		01/09/2015	RENT	114.00	114.00	0.00	0.00	0.00	114.00	
02 - 114		01/20/2015	RFNT	39.00	39.00	39.00	0.00	0.00	0.00	
08 - 245		03/01/2017	RENT	18.31	18.31	0.00	0.00	2.00	16.31	
04 - 225		08/12/2020	RENT	4.00	4.00	1.00	1.00	1.00	1.00	
03 - 218		11/22/2016	LHA	1.81	1.81	1.81	0.00	0.00	0.00	
06 - 231		07/01/2020	LHA	0.23	0.23	0.23	0.00	0.00	0.00	

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## **SUMMARY OF CAPITAL EXPENSES AND IMPROVEMENTS**

### ***2022 Capital Expenditures:***

Property/SPM	Capital Project		Funding Sources				Monitoring Status			
			Replacement Reserves (0001)	Replacement Reserves Codes	Operating Cash (0002)	Operating Cash GL Codes	3 Bid Package Status	Project Status	Actual Cost	Variance to Budget
Harvest Park	Tree Trimming/Shaping (Rod's Landscape)	Complete	\$0	-	\$20,570	1415-0002		Complete	\$20,570.00	\$0
Derrek Hammes	Mulch Application (NorCal Landscape)	Complete	\$0	-	\$5,000	1415-0002		Complete	\$14,000.00	\$9,000
As Needed Items:	Carpet	As Needed	\$0	-	\$14,000	1440-0002	N/A			
(annual allocation)	Appliances	As Needed	\$0	-	\$6,400	1486-0000	N/A			
Total:			\$0		\$45,970				\$34,570	\$9,000

- YTD Actual Capital Improvements Completed \$34,570.00 (*Tree trimming & Mulch completed*)
- YTD Budgeted Capital Improvements Budgeted \$45,970

**GENERAL PROPERTY ISSUES and HIGHLIGHTS**

We ended the month with (1) vacant unit (MO 4/01/22); (0) Units On-Notice. 99% leased & 99% occupied. The MO date for the vacant unit is:

- 06-233 MO 4/01/22 – Pending MI 5/20

We currently have the Harvest Park PM position open as well as a Maintenance Tech position. We currently have assistance for both office and maintenance from a sister property. Additionally, we have a temp, part time office and maintenance person assisting until we find our permanent hires. We are currently sourcing candidates, reviewing resumes and scheduling interviews. Recruiting is assisting with filling both positions as well.



# Harvest Park - 1649

## Budget Comparison

April 30, 2022

	Month Ending 04/30/2022				Year to Date 04/30/2022				Annual
	Actual	Budget	Variance	%	Actual	Budget	Variance	%	Budget
<b>INCOME</b>									
<b>RENTAL INCOME</b>									
5120-0000 - Rental Income	52,163.00	55,485.00	(3,322.00)	(5.98)	210,916.00	221,940.00	(11,024.00)	(4.96)	675,330.00
5150-0000 - Rental Assistance	24,233.00	21,732.00	2,501.00	11.50	94,668.00	86,928.00	7,740.00	8.90	260,784.00
5221-0000 - Gain/(Loss) to Lease	5,572.00	5,440.00	132.00	2.42	22,664.00	21,760.00	904.00	4.15	74,040.00
<b>TOTAL RENTAL INCOME</b>	<b>81,968.00</b>	<b>82,657.00</b>	<b>(689.00)</b>	<b>(0.83)</b>	<b>328,248.00</b>	<b>330,628.00</b>	<b>(2,380.00)</b>	<b>(0.71)</b>	<b>1,010,154.00</b>
<b>AHDC IS - MISC. INCOME</b>									
5330-0000 - Tenant Services	0.00	0.00	0.00	0.00	0.00	25.00	(25.00)	(100.00)	75.00
5332-0000 - Application Fees	105.00	0.00	105.00	(100.00)	35.00	210.00	(175.00)	(83.33)	595.00
5385-0000 - Late/Term Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	600.00
5390-0002 - Damages	150.00	425.00	(275.00)	(64.70)	300.00	1,700.00	(1,400.00)	(82.35)	5,100.00
5341-0000 - Cable Revenue	0.00	1,150.00	(1,150.00)	(100.00)	1,146.98	2,300.00	(1,153.02)	(50.13)	4,600.00
5341-0001 - Contra Cable Revenue	0.00	(288.00)	288.00	100.00	(286.75)	(576.00)	289.25	50.21	(1,152.00)
<b>TOTAL MISC. INCOME</b>	<b>255.00</b>	<b>1,287.00</b>	<b>(1,032.00)</b>	<b>(80.18)</b>	<b>1,195.23</b>	<b>3,659.00</b>	<b>(2,463.77)</b>	<b>(67.33)</b>	<b>9,818.00</b>
<b>OTHER INCOME</b>									
5493-0000 - Int on Replacement Reserve	0.00	2.00	(2.00)	(100.00)	0.00	8.00	(8.00)	(100.00)	24.00
<b>TOTAL OTHER INCOME</b>	<b>0.00</b>	<b>2.00</b>	<b>(2.00)</b>	<b>(100.00)</b>	<b>0.00</b>	<b>8.00</b>	<b>(8.00)</b>	<b>(100.00)</b>	<b>24.00</b>
<b>VACANCY LOSS/RENTAL LOSS/BAD DEBT</b>									
5218-0000 - Free Rent-Marketing Concession	(150.00)	(100.00)	(50.00)	(50.00)	(550.00)	(400.00)	(150.00)	(37.50)	(1,200.00)
5220-0000 - Vacancies Apartment	(662.00)	(850.00)	188.00	22.11	(1,175.00)	(3,400.00)	2,225.00	65.44	(10,200.00)
5227-0003 - Resident Rent Concession	50.00	0.00	50.00	(100.00)	0.00	0.00	0.00	0.00	0.00
6370-0000 - Bad Debt	0.00	(417.00)	417.00	100.00	0.00	(1,668.00)	1,668.00	100.00	(5,004.00)
6370-0004 - Bad Debt-Miscellaneous	0.00	0.00	0.00	0.00	0.00	(500.00)	500.00	100.00	(1,500.00)
6330-0002 - Office Manager Rent Free Unit	(1,103.00)	(1,103.00)	0.00	0.00	(4,412.00)	(4,412.00)	0.00	0.00	(13,236.00)
<b>TOTAL VACANCY</b>	<b>(1,865.00)</b>	<b>(2,470.00)</b>	<b>605.00</b>	<b>24.49</b>	<b>(6,137.00)</b>	<b>(10,380.00)</b>	<b>4,243.00</b>	<b>40.87</b>	<b>(31,140.00)</b>
<b>TOTAL INCOME</b>	<b>80,358.00</b>	<b>81,476.00</b>	<b>(1,118.00)</b>	<b>(1.37)</b>	<b>323,306.23</b>	<b>323,915.00</b>	<b>(608.77)</b>	<b>(0.18)</b>	<b>988,856.00</b>
<b>EXPENSES</b>									
<b>MANAGEMENT FEES</b>									
6320-0000 - Management Fees	4,502.87	4,009.00	(493.87)	(12.31)	16,412.92	16,023.00	(389.92)	(2.43)	49,011.00
<b>TOTAL MANAGEMENT FEES</b>	<b>4,502.87</b>	<b>4,009.00</b>	<b>(493.87)</b>	<b>(12.31)</b>	<b>16,412.92</b>	<b>16,023.00</b>	<b>(389.92)</b>	<b>(2.43)</b>	<b>49,011.00</b>
<b>REAL ESTATE TAXES</b>									
6710-0000 - Taxes Real Estate	13.41	14.00	0.59	4.21	53.64	56.00	2.36	4.21	168.00
6712-0000 - Taxes Other	87.00	0.00	(87.00)	(100.00)	87.00	89.00	2.00	2.24	385.00
<b>TOTAL REAL ESTATE TAXES</b>	<b>100.41</b>	<b>14.00</b>	<b>(86.41)</b>	<b>(617.21)</b>	<b>140.64</b>	<b>145.00</b>	<b>4.36</b>	<b>3.00</b>	<b>553.00</b>
<b>INSURANCE</b>									
6720-0000 - Insurance Property	2,890.90	2,814.17	(76.73)	(2.72)	10,565.93	10,489.16	(76.77)	(0.73)	33,002.52

# Harvest Park - 1649

## Budget Comparison

April 30, 2022

	Month Ending 04/30/2022				Year to Date 04/30/2022				Annual
	Actual	Budget	Variance	%	Actual	Budget	Variance	%	Budget
6720-0002 - Franchise Tax - Calif Pnps	0.00	0.00	0.00	0.00	800.00	800.00	0.00	0.00	800.00
<b>TOTAL INSURANCE</b>	<b>2,890.90</b>	<b>2,814.17</b>	<b>(76.73)</b>	<b>(2.72)</b>	<b>11,365.93</b>	<b>11,289.16</b>	<b>(76.77)</b>	<b>(0.68)</b>	<b>33,802.52</b>
<b>UTILITIES EXPENSES</b>									
6430-0000 - Electricity Vacant	0.00	25.00	25.00	100.00	0.00	100.00	100.00	100.00	300.00
6430-0001 - Employee Unit Utility	59.08	0.00	(59.08)	(100.00)	177.24	0.00	(177.24)	(100.00)	0.00
6440-0000 - Gas/Oil Heat Vacant	0.00	12.50	12.50	100.00	0.00	50.00	50.00	100.00	150.00
6450-0000 - Electricity	727.98	1,200.98	473.00	39.38	3,045.61	4,803.92	1,758.31	36.60	14,411.76
6451-0000 - Water and Sewer	4,601.75	4,777.00	175.25	3.66	17,685.40	19,108.00	1,422.60	7.44	57,324.00
6452-0000 - Natural Gas Heat	78.92	250.00	171.08	68.43	1,367.09	1,100.00	(267.09)	(24.28)	2,240.00
6470-0000 - Rubbish Removal	1,460.14	1,008.90	(451.24)	(44.72)	4,376.92	4,035.60	(341.32)	(8.45)	12,106.80
6470-0001 - Rubbish Removal - Bulk	0.00	65.39	65.39	100.00	0.00	261.56	261.56	100.00	784.68
6454-0000 - Utility Processing	46.20	75.00	28.80	38.40	172.20	300.00	127.80	42.60	1,200.00
<b>TOTAL UTILITY EXPENSES</b>	<b>6,974.07</b>	<b>7,414.77</b>	<b>440.70</b>	<b>5.94</b>	<b>26,824.46</b>	<b>29,759.08</b>	<b>2,934.62</b>	<b>9.86</b>	<b>88,517.24</b>
<b>PAYROLL</b>									
6310-0000 - Office Payroll	679.36	110.00	(569.36)	(517.60)	2,704.97	440.00	(2,264.97)	(514.76)	1,420.00
6317-0000 - Temporary Services	325.22	0.00	(325.22)	(100.00)	1,024.76	0.00	(1,024.76)	(100.00)	0.00
6330-0000 - Managers Payroll	3,555.31	4,160.00	604.69	14.53	14,193.02	19,136.00	4,942.98	25.83	60,742.00
6539-0000 - Maintenance Payroll General	5,869.98	3,784.00	(2,085.98)	(55.12)	20,405.41	15,136.00	(5,269.41)	(34.81)	50,697.00
6714-0001 - Taxes-Payroll Administrative	426.03	318.00	(108.03)	(33.97)	1,648.04	2,032.00	383.96	18.89	5,213.00
6714-0002 - Taxes-Payroll Maintenance	419.90	289.00	(130.90)	(45.29)	1,786.36	1,611.00	(175.36)	(10.88)	4,331.00
6724-0001 - Workers Comp. - Payroll Admin	289.00	289.00	0.00	0.00	1,156.00	1,329.00	173.00	13.01	4,219.00
6724-0002 - Workers Compensation-Payroll Maintenance	263.00	263.00	0.00	0.00	1,052.00	1,052.00	0.00	0.00	3,523.00
6726-0001 - Health Ins. & Benefits-Payroll Admin	551.12	1,452.00	900.88	62.04	2,047.30	5,883.00	3,835.70	65.19	17,888.00
6726-0002 - Health Ins. & Benefits-Payroll Maint.	1,670.97	1,177.00	(493.97)	(41.96)	5,100.08	4,708.00	(392.08)	(8.32)	14,398.00
<b>TOTAL PAYROLL</b>	<b>14,049.89</b>	<b>11,842.00</b>	<b>(2,207.89)</b>	<b>(18.64)</b>	<b>51,117.94</b>	<b>51,327.00</b>	<b>209.06</b>	<b>0.40</b>	<b>162,431.00</b>
<b>OPERATING &amp; MAINTENANCE EXPENSE</b>									
6462-0000 - Exterminating Contract	700.00	700.00	0.00	0.00	2,800.00	2,800.00	0.00	0.00	6,798.00
6490-0019 - Property Expense Covid19 Coronavirus	0.00	0.00	0.00	0.00	25.33	0.00	(25.33)	(100.00)	0.00
6511-0000 - Security Contract and Repairs	0.00	105.00	105.00	100.00	270.00	420.00	150.00	35.71	1,260.00
6521-0000 - Grounds Supplies	(120.00)	75.00	195.00	260.00	650.00	1,970.00	1,320.00	67.00	2,920.00
6522-0000 - Grounds Contract	120.00	1,955.00	1,835.00	93.86	4,540.00	7,820.00	3,280.00	41.94	23,460.00
6541-0000 - Maintenance Supplies	1,988.37	833.33	(1,155.04)	(138.60)	5,522.89	3,333.32	(2,189.57)	(65.68)	9,999.96
6545-0000 - Repairs Contract General	(1,177.50)	960.00	2,137.50	222.65	2,148.52	2,160.00	11.48	0.53	7,310.00
6546-0000 - Repairs Contract Electric	(259.49)	200.00	459.49	229.74	0.00	400.00	400.00	100.00	800.00
6547-0000 - Repairs - Contract - HVAC	0.00	500.00	500.00	100.00	0.00	500.00	500.00	100.00	1,500.00
6548-0000 - Repairs - Contract - Plumbing	3,870.06	488.00	(3,382.06)	(693.04)	4,687.45	1,112.00	(3,575.45)	(321.53)	2,776.00
6552-0000 - Uniforms	0.00	0.00	0.00	0.00	0.00	250.00	250.00	100.00	500.00
6581-0000 - Appliance Repair	0.00	210.00	210.00	100.00	0.00	840.00	840.00	100.00	2,520.00
6582-0000 - Lock and Key Expense	681.42	50.00	(631.42)	(1,262.84)	681.42	50.00	(631.42)	(1,262.84)	100.00
6586-0000 - Fire and Safety Systems	0.00	0.00	0.00	0.00	1,296.80	477.60	(819.20)	(171.52)	3,530.40

# Harvest Park - 1649

## Budget Comparison

April 30, 2022

	Month Ending 04/30/2022				Year to Date 04/30/2022				Annual
	Actual	Budget	Variance	%	Actual	Budget	Variance	%	Budget
6991-0000 - Pool Supplies	80.73	175.00	94.27	53.86	193.76	280.00	86.24	30.80	1,260.00
6992-0000 - Pool Contract	259.38	275.00	15.62	5.68	775.96	1,100.00	324.04	29.45	3,300.00
<b>TOTAL OPERATING &amp; MAINT. EXPS.</b>	<b>6,142.97</b>	<b>6,526.33</b>	<b>383.36</b>	<b>5.87</b>	<b>23,592.13</b>	<b>23,512.92</b>	<b>(79.21)</b>	<b>(0.33)</b>	<b>68,034.36</b>
<b>TURNOVER COSTS</b>									
6531-0000 - Cleaning Supplies	0.00	187.50	187.50	100.00	0.00	375.00	375.00	100.00	750.00
6532-0000 - Cleaning Contract	2,047.50	218.75	(1,828.75)	(836.00)	2,997.50	875.00	(2,122.50)	(242.57)	2,625.00
6561-0000 - Decorator Supplies	112.93	300.00	187.07	62.35	112.93	600.00	487.07	81.17	1,200.00
6562-0000 - Decorator Contract Services	0.00	625.00	625.00	100.00	0.00	1,250.00	1,250.00	100.00	2,500.00
<b>TOTAL TURNOVER COSTS</b>	<b>2,160.43</b>	<b>1,331.25</b>	<b>(829.18)</b>	<b>(62.28)</b>	<b>3,110.43</b>	<b>3,100.00</b>	<b>(10.43)</b>	<b>(0.33)</b>	<b>7,075.00</b>
<b>MARKETING</b>									
6212-0000 - Collateral Materials/Brand Identity	83.80	87.00	3.20	3.67	766.20	598.00	(168.20)	(28.12)	1,294.00
6216-0000 - Promotions and Promotional Items	0.00	0.00	0.00	0.00	0.00	78.00	78.00	100.00	156.00
6290-0000 - Miscellaneous Renting Expense	97.62	0.00	(97.62)	(100.00)	320.20	156.00	(164.20)	(105.25)	740.00
6981-0000 - Resident Supplies	0.00	70.00	70.00	100.00	0.00	280.00	280.00	100.00	1,420.00
<b>TOTAL MARKETING</b>	<b>181.42</b>	<b>157.00</b>	<b>(24.42)</b>	<b>(15.55)</b>	<b>1,086.40</b>	<b>1,112.00</b>	<b>25.60</b>	<b>2.30</b>	<b>3,610.00</b>
<b>ADMINISTRATIVE EXPENSES</b>									
6280-0000 - Credit Reports and Fees	0.00	11.00	11.00	100.00	0.00	44.00	44.00	100.00	132.00
6311-0000 - Office Expenses	520.86	565.00	44.14	7.81	2,523.70	3,178.10	654.40	20.59	7,818.10
6312-0000 - Copy Machine	15.59	132.00	116.41	88.18	918.76	528.00	(390.76)	(74.00)	1,584.00
6313-0000 - Postage	58.99	25.00	(33.99)	(135.96)	106.42	100.00	(6.42)	(6.42)	300.00
6316-0000 - Travel/Mileage	(389.26)	100.00	489.26	489.26	270.21	400.00	129.79	32.44	1,220.00
6316-0003 - Training	0.00	0.00	0.00	0.00	395.00	670.00	275.00	41.04	1,743.00
6316-0004 - Training - New Employee Orientation	0.00	0.00	0.00	0.00	103.70	0.00	(103.70)	(100.00)	0.00
6340-0000 - Legal Expense	0.00	0.00	0.00	0.00	0.00	1,200.00	1,200.00	100.00	2,400.00
6350-0000 - Auditing	2,625.00	0.00	(2,625.00)	(100.00)	12,800.00	12,781.00	(19.00)	(0.14)	12,781.00
6355-0001 - Administrative Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,700.00
6360-0000 - Telephone	876.19	869.00	(7.19)	(0.82)	5,290.17	3,476.00	(1,814.17)	(52.19)	10,428.00
6385-0000 - Dues and Memberships	(87.00)	180.00	267.00	148.33	594.10	180.00	(414.10)	(230.05)	450.00
6390-0000 - Miscellaneous	0.00	200.00	200.00	100.00	9.92	200.00	190.08	95.04	740.00
6391-0000 - Licenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00
6392-0000 - Bank Charges	190.53	257.00	66.47	25.86	712.64	1,028.00	315.36	30.67	3,084.00
6392-0001 - RP Transaction Fees	57.78	0.00	(57.78)	(100.00)	284.10	0.00	(284.10)	(100.00)	0.00
6392-0002 - Paymode Rebates	(77.58)	0.00	77.58	(100.00)	(102.45)	0.00	102.45	(100.00)	0.00
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>3,791.10</b>	<b>2,339.00</b>	<b>(1,452.10)</b>	<b>(62.08)</b>	<b>23,906.27</b>	<b>23,785.10</b>	<b>(121.17)</b>	<b>(0.50)</b>	<b>45,530.10</b>
<b>TOTAL EXPENSES</b>	<b>40,794.06</b>	<b>36,447.52</b>	<b>(4,346.54)</b>	<b>(11.92)</b>	<b>157,557.12</b>	<b>160,053.26</b>	<b>2,496.14</b>	<b>1.55</b>	<b>458,564.22</b>
<b>NET OPERATING INCOME</b>	<b>39,563.94</b>	<b>45,028.48</b>	<b>(5,464.54)</b>	<b>(12.13)</b>	<b>165,749.11</b>	<b>163,861.74</b>	<b>1,887.37</b>	<b>1.15</b>	<b>530,291.78</b>
<b>REPLACEMENT RESERVE/OTHER ESCROWS</b>									
1316-0000 - Escrow - Replacement Reserve	2,332.50	2,333.00	0.50	0.02	9,330.00	9,332.00	2.00	0.02	27,996.00
<b>TOTAL REPLACEMENT RESERVE/OTHER ESCROWS</b>	<b>2,332.50</b>	<b>2,333.00</b>	<b>0.50</b>	<b>0.02</b>	<b>9,330.00</b>	<b>9,332.00</b>	<b>2.00</b>	<b>0.02</b>	<b>27,996.00</b>

# Harvest Park - 1649

## Budget Comparison

April 30, 2022

	Month Ending 04/30/2022				Year to Date 04/30/2022				Annual
	Actual	Budget	Variance	%	Actual	Budget	Variance	%	Budget
<b>DEBT SERVICE</b>									
2320-0000 - Mortgage Payable - Wells Fargo	5,000.00	5,000.00	0.00	0.00	20,000.00	20,000.00	0.00	0.00	60,000.00
6820-0000 - Interest Expense - Wells Fargo	10,788.75	10,788.75	0.00	0.00	43,214.38	43,214.38	0.00	0.00	129,227.48
6824-0000 - Interest Expense - HACB	1,297.17	1,416.31	119.14	8.41	5,188.68	5,665.24	476.56	8.41	16,995.72
6828-0000 - Service Fee	5,910.00	5,928.25	18.25	0.30	23,684.75	23,739.50	54.75	0.23	71,006.45
<b>TOTAL DEBT SERVICE</b>	<b>22,995.92</b>	<b>23,133.31</b>	<b>137.39</b>	<b>0.59</b>	<b>92,087.81</b>	<b>92,619.12</b>	<b>531.31</b>	<b>0.57</b>	<b>277,229.65</b>
<b>MISCELLANEOUS</b>									
6890-0000 - Miscellaneous Financial Exp	416.67	416.67	0.00	0.00	1,666.68	1,666.68	0.00	0.00	10,000.04
6892-0000 - Trustee Fees	283.33	283.33	0.00	0.00	1,133.32	1,133.32	0.00	0.00	7,299.96
<b>TOTAL MISCELLANEOUS</b>	<b>700.00</b>	<b>700.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,800.00</b>	<b>2,800.00</b>	<b>0.00</b>	<b>0.00</b>	<b>17,300.00</b>
<b>CAPITAL EXPENDITURES</b>									
1415-0002 - Landscape and Land Improvements	0.00	0.00	0.00	0.00	25,070.00	25,570.00	500.00	1.95	25,570.00
1440-0002 - Carpet/Flooring	0.00	0.00	0.00	0.00	1,154.28	4,000.00	2,845.72	71.14	14,000.00
1486-0000 - Appliances	(48.17)	1,000.00	1,048.17	104.81	3,390.74	4,000.00	609.26	15.23	6,400.00
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>(48.17)</b>	<b>1,000.00</b>	<b>1,048.17</b>	<b>104.81</b>	<b>29,615.02</b>	<b>33,570.00</b>	<b>3,954.98</b>	<b>11.78</b>	<b>45,970.00</b>
<b>MORTGAGOR EXPENSES</b>									
7115-0000 - Non Profit Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,000.00
7135-0000 - Asset Management Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,298.00
7153-0000 - Administration Fee Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,786.00
<b>TOTAL MORTGAGOR EXPENSES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>42,084.00</b>
<b>PROFIT/LOSS</b>	<b>13,583.69</b>	<b>17,862.17</b>	<b>(4,278.48)</b>	<b>(23.95)</b>	<b>31,916.28</b>	<b>25,540.62</b>	<b>6,375.66</b>	<b>24.96</b>	<b>119,712.13</b>
<b>Additional Adjustments to Cash Flow</b>									
Accounts Payable	(1,148.47)	0.00	(1,148.47)	(100.00)	5,290.02	0.00	5,290.02	(100.00)	0.00
Resident Accounts Receivable	9,991.41	0.00	9,991.41	(100.00)	13,755.44	0.00	13,755.44	(100.00)	0.00
Subsidy Accounts Receivable	(1,301.00)	0.00	(1,301.00)	(100.00)	1,057.19	0.00	1,057.19	(100.00)	0.00
Prepaid Expenses	(31,786.44)	0.00	(31,786.44)	(100.00)	(26,710.43)	0.00	(26,710.43)	(100.00)	0.00
Prepaid Rent	(224.70)	0.00	(224.70)	(100.00)	1,693.45	0.00	1,693.45	(100.00)	0.00
Net Accruals	552.00	0.00	552.00	(100.00)	773.92	0.00	773.92	(100.00)	0.00
Accrued Interest on Deferred Loans	1,297.17	(1,297.17)	2,594.34	200.00	5,188.68	(5,188.68)	10,377.36	200.00	(15,566.04)
Escrow Tax	(13.68)	(14.00)	0.32	2.28	25.72	(56.00)	81.72	145.92	(168.00)
Escrow Insurance	32,004.50	(2,814.17)	34,818.67	1,237.26	23,945.75	(10,489.16)	34,434.91	328.29	(33,002.52)
Escrow Other	0.00	(2.00)	2.00	100.00	0.00	(8.00)	8.00	100.00	(24.00)
<b>Total Additional Adjustments to Cash Flow</b>	<b>9,370.79</b>	<b>(4,127.34)</b>	<b>13,498.13</b>	<b>327.04</b>	<b>25,019.74</b>	<b>(15,741.84)</b>	<b>40,761.58</b>	<b>258.93</b>	<b>(48,760.56)</b>
<b>Total Net Adjusted Cash Flow</b>	<b>22,954.48</b>	<b>13,734.83</b>	<b>9,219.65</b>	<b>67.12</b>	<b>56,936.02</b>	<b>9,798.78</b>	<b>47,137.24</b>	<b>481.05</b>	<b>70,951.57</b>
<b>Net Change in Cash from TB</b>	<b>22,954.48</b>	<b>0.00</b>	<b>22,954.48</b>	<b>100.00</b>	<b>56,936.02</b>	<b>0.00</b>	<b>56,936.02</b>	<b>100.00</b>	<b>0.00</b>

**Harvest Park - 1649**  
**Budget Comparison**  
 April 30, 2022

	Month Ending 04/30/2022				Year to Date 04/30/2022				Annual
	Actual	Budget	Variance	%	Actual	Budget	Variance	%	Budget
Variance	0.00	(13,734.83)	13,734.83	100.00	0.00	(9,798.78)	9,798.78	100.00	(70,951.57)

**DHI-DFA GRIDLEY SPRINGS  
ASSOCIATES, L.P.**

**(A California Limited Partnership)  
DBA Gridley Springs Apartments**

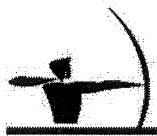
**USDA RURAL DEVELOPMENT  
Case No. 04-04-111739358**

***COMPARATIVE FINANCIAL REPORT***

**DECEMBER 31, 2021 and 2020**

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**B O W M A N**  
CERTIFIED PUBLIC ACCOUNTANTS

## **INDEPENDENT AUDITORS' REPORT**

To the Partners

**DHI-DFA Gridley Springs Associates, L.P.**  
**(A California Limited Partnership)**  
DBA Gridley Springs Apartments

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of DHI-DFA Gridley Springs Associates, L.P. ("the Partnership"), Case No. 04-04-111739358, which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, partners' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Partnership as of December 31, 2021 and 2020, 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.

#### ***Basis for Opinion***

We conducted our audits in accordance with 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 Partnership's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### ***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 auditors' report that includes our opinion. 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 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing 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 Partnership'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 Partnership's ability to continue as a going concern for a reasonable period of time.

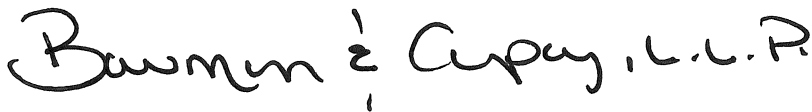
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information to the financial statements as referenced in the table of contents, as required by the *United States Department of Agriculture Rural Development*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 March 01, 2022, on our consideration of the Partnership'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 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 Partnership's internal control over financial reporting and compliance.



Stockton, California  
March 01, 2022

**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**BALANCE SHEETS**  
**December 31, 2021 and 2020**

<b>ASSETS</b>	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 8,235	\$ 46,985
Accounts receivable - tenant	6,362	2,448
Accounts receivable - other	4,180	4,390
Prepaid expenses	13,056	5,095
Tax and insurance impounds	11,922	11,411
Total current assets	<u>43,755</u>	<u>70,329</u>
<b>RESTRICTED DEPOSITS AND FUNDED RESERVES</b>		
Guarantee fee reserve	1,659	1,036
Partnership cash	725	10,125
Rental security deposits	16,726	17,070
Replacement reserve	397,806	392,678
Transition reserve	76,634	86,627
Operating deficit reserve	112,309	122,298
	<u>605,859</u>	<u>629,834</u>
<b>PROPERTY AND EQUIPMENT, at cost</b>		
Land	149,957	149,957
Building and improvements	3,137,787	3,137,787
Site improvements	165,810	165,810
Personal property	381,682	373,940
	<u>3,835,236</u>	<u>3,827,494</u>
Less accumulated depreciation	<u>(1,105,489)</u>	<u>(1,015,216)</u>
	<u>2,729,747</u>	<u>2,812,278</u>
<b>OTHER ASSETS</b>		
Investments	20,318	--
Tax credit fees, net of accumulated amortization of \$10,735 and \$9,393 in 2021 and 2020, respectively	9,394	10,736
Total other assets	<u>29,712</u>	<u>10,736</u>
Total assets	<u><u>\$ 3,409,073</u></u>	<u><u>\$ 3,523,177</u></u>

**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**BALANCE SHEETS (Cont.)**  
**December 31, 2021 and 2020**

<b>LIABILITIES AND PARTNERS' EQUITY (DEFICIT)</b>	<u>2021</u>	<u>2020</u>
<b>CURRENT LIABILITIES</b>		
Accrued interest payable, current portion	\$ 4,014	\$ 2,749
Partnership fees payable	6,276	6,186
Prepaid rent	--	51
Developer fee payable	12,040	38,205
Note payable, USDA Rural Development, current portion	12,193	11,818
Note payable, Bonneville, current portion	4,211	4,020
Total current liabilities	<u>38,734</u>	<u>63,029</u>
 <b>DEPOSIT LIABILITIES</b>		
Tenant security deposits	<u>16,726</u>	<u>17,070</u>
 <b>LONG-TERM LIABILITIES</b>		
Note payable, Bonneville, less current portion	321,947	326,158
Less unamortized debt issuance cost	<u>(55,561)</u>	<u>(57,228)</u>
	266,386	268,930
 Note payable, USDA Rural Development, less current portion	1,007,688	1,019,882
Note payable, City of Gridley	2,080,000	2,080,000
Accrued interest payable, less current portion	423,800	361,400
	<u>3,777,874</u>	<u>3,730,212</u>
 Total liabilities	<u>3,833,334</u>	<u>3,810,311</u>
 <b>PARTNERS' EQUITY (DEFICIT)</b>	<u>(424,261)</u>	<u>(287,134)</u>
 Total liabilities and partners' equity (deficit)	<u><u>\$ 3,409,073</u></u>	<u><u>\$ 3,523,177</u></u>

**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**STATEMENTS OF INCOME**  
**Years Ended December 31, 2021 and 2020**

	2021	2020
<b>REVENUE</b>		
Tenant rental income	\$ 117,317	\$ 133,296
Rental assistance - USDA Rural Development	151,496	142,893
Laundry income	4,062	3,038
Interest income	3,653	4,914
Tenant charges	728	--
Total revenue	<u>277,256</u>	<u>284,141</u>
<b>OPERATING AND MAINTENANCE EXPENSES</b>		
Maintenance and repairs payroll	22,515	22,406
Maintenance and repairs supply	14,403	4,145
Maintenance and repairs contract	12,503	6,358
Painting and decorating	--	417
Grounds	21,066	11,730
Services	1,600	1,472
Furniture and furnishings replacement	6,502	6,727
	<u>78,589</u>	<u>53,255</u>
Electricity	10,889	7,328
Water	4,998	4,294
Sewer	11,413	13,243
Gas	398	246
Garbage and trash removal	6,909	6,393
	<u>34,607</u>	<u>31,504</u>
Site management payroll	25,749	26,202
Management fee	24,050	24,180
Project auditing expense	8,000	7,400
Telephone and answering service	1,376	847
Office supplies	2,038	2,501
Health insurance and other employee benefits	2,424	1,825
Payroll taxes	5,221	4,760
Workers' compensation insurance	2,973	3,441
Other administrative expenses	5,554	4,296
	<u>77,385</u>	<u>75,452</u>

**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**STATEMENTS OF INCOME (Cont.)**  
**Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Real estate taxes	1,439	1,667
Other taxes licenses and permits	1,600	1,600
Property and liability insurance	<u>13,767</u>	<u>10,109</u>
	<u>16,806</u>	<u>13,376</u>
 Total operating and maintenance expenses	 <u>207,387</u>	 <u>173,587</u>
 <b>OTHER EXPENSES</b>		
Unrealized (gain) loss on investment	2,526	--
USDA Rural Development authorized expenditures - repairs and replacements	4,686	10,268
Depreciation	90,273	110,986
Amortization	1,342	1,342
Interest expense - mortgage payable	95,320	94,607
Interest expense - debt issuance cost	1,667	1,667
Interest - overages	3,256	4,847
USDA guarantee fees	1,651	1,670
Non-project expense - partnership fees	<u>6,275</u>	<u>6,185</u>
Total other expenses	<u>206,996</u>	<u>231,572</u>
 Total expenses	 <u>414,383</u>	 <u>405,159</u>
 Net loss	 <u><u>\$ (137,127)</u></u>	 <u><u>\$ (121,018)</u></u>

**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**STATEMENT OF PARTNERS' EQUITY (DEFICIT)**  
**Years Ended December 31, 2021 and 2020**

	Managing General Partner	Administrative General Partners	Special Limited Partner	Limited Partner	Total
Balance, December 31, 2019	\$ 38	\$ (46)	\$ (7)	\$(166,101)	\$(166,116)
Net loss	<u>(1)</u>	<u>(11)</u>	<u>(12)</u>	<u>(120,994)</u>	<u>(121,018)</u>
Balance, December 31, 2020	37	(57)	(19)	(287,095)	(287,134)
Net loss	<u>(1)</u>	<u>(12)</u>	<u>(14)</u>	<u>(137,100)</u>	<u>(137,127)</u>
Balance, December 31, 2021	<u>\$ 36</u>	<u>\$ (69)</u>	<u>\$ (33)</u>	<u>\$(424,195)</u>	<u>\$(424,261)</u>

**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2021 and 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (137,127)	\$ (121,018)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	91,615	112,328
Amortization of debt issuance cost	1,667	1,667
Unrealized gain on investment	2,526	--
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable - USDA Rural Development	--	9,256
Accounts receivable - tenant	(3,914)	(1,363)
Accounts receivable - other	210	2,581
Prepaid expenses	(7,961)	(2,114)
Increase (decrease) in:		
Accrued interest payable	63,665	63,681
Partnership fees payable	90	87
Tenant security deposits	(344)	1,435
Prepaid rent	(51)	(389)
Net cash used in (provided by) operating activities	<u>10,376</u>	<u>66,151</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(22,844)	--
Acquisition of property and equipment	(7,742)	--
Net cash used in (provided by) investing activities	<u>(30,586)</u>	<u>--</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on notes payable	(15,839)	(14,980)
Payment of developer fee payable	(26,165)	(26,302)
Net cash provided by (used in) financing activities	<u>(42,004)</u>	<u>(41,282)</u>
Increase (decrease) in cash, cash equivalents and restricted cash	(62,214)	24,869
Cash, cash equivalents and restricted cash		
Beginning	688,230	663,361
Ending	<u>\$ 626,016</u>	<u>\$ 688,230</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash payments for interest	<u>\$ 31,655</u>	<u>\$ 30,926</u>

**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**STATEMENTS OF CASH FLOWS (Cont.)**  
**Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH SUMMARY</b>		
Cash and cash equivalents	\$ 8,235	\$ 46,985
Tax and insurance impounds	11,922	11,411
Guarantee fee reserve	1,659	1,036
Partnership cash	725	10,125
Rental security deposits	16,726	17,070
Replacement reserve	397,806	392,678
Transition reserve	76,634	86,627
Operating deficit reserve	112,309	122,298
	<u>\$ 626,016</u>	<u>\$ 688,230</u>



**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**NOTES TO FINANCIAL STATEMENTS**

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

DHI-DFA Gridley Springs Associates, L.P. (the “Partnership”), is a California limited partnership formed on July 18, 2012, to acquire, rehabilitate, and operate a 32-unit affordable housing project, known as Gridley Springs Apartments (the “Project”) located in Gridley, CA. The Partnership’s property and equipment was purchased on June 28, 2013 and the rental operations began on that date. The Project rents units to low-income tenants and is operated in a manner necessary to qualify for low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code (“Section 42”). The Project is regulated by the U.S. Department of Agriculture, Rural Development (“RD”) as to rent charges and operating methods.

The co-general partners of the Partnership are DHI-DFA Gridley Springs Associates, LLC and DFA Development, LLC (collectively, the “Administrative General Partners”), a California limited liability company. The managing general partner of the Partnership is Butte County Affordable Housing Development Corporation, a California nonprofit public benefit corporation (the “Managing General Partner”) collectively with the Administrative General Partners, the “General Partners”). WNC Institutional Tax Credit Fund X California Series 10, L.P., a California limited partnership, as the limited partner (the “Limited Partner”), WNC Housing, L.P., and a California limited partnership, as the special limited partner (the “Special Limited Partner”); collectively with the Limited Partner, the “Limited Partners”.

Profits and losses from operations and low-income housing tax credits in any one year shall be allocated 99.98% to the Limited Partner, 0.01% to the Special Limited Partner, 0.0054% to the DHI-DFA Gridley Springs Associates, LLC, 0.0036% to DFA Development LLC and 0.001% to the Managing General Partner.

Pursuant to the Partnership Agreement, the Limited Partner and the Special Limited Partner will make a Capital Contribution in the aggregate amount of \$1,057,074, subject to potential adjustment based on the amount of low-income housing tax credits ultimately allocated to the Project, in addition to other potential occurrences as more fully explained in the Partnership Agreement. The Limited Partner has provided capital contributions of \$925,984. The Special Limited Partner was required and paid its entire capital contribution of \$100.

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.

**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**NOTES TO FINANCIAL STATEMENTS**

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

Cash, cash equivalents and restricted cash:

For purposes of reporting the statements of cash flows, the Partnership includes all cash accounts which are not subject to restrictions or withdrawal penalties, and all highly liquid investments with maturity of three months or less as cash and cash equivalents on the accompanying balance sheet.

Operating deficit reserve:

Pursuant to the Partnership Agreement dated June 1, 2013, an operating deficit reserve account with an initial capitalization of \$120,000 is to be funded by capital contributions of the Limited Partner. No annual deposit is required and withdrawals are subject to approval by the General Partner and Special Limited Partner. The operating deficit reserve has been fully funded.

Transition reserve account:

Pursuant to the Partnership Agreement dated June 1, 2013, a transition reserve account with an initial capitalization of \$85,000 is to be funded by capital contributions of the Limited Partner. The transition reserve may be used with the consent of the Special Limited Partner to fund any operating deficits that occur as a result of a decrease in the amount of rental assistance provided by RD. The transition reserve has been fully funded.

Replacement reserve:

Pursuant to the Partnership Agreement and the Loan Agreement with RD, the Partnership is required to establish a replacement reserve account with an initial deposit of \$208,736 and thereafter, the Partnership shall deposit the required monthly deposit into an account maintained by the lender to fund certain costs relating to the Project. The annual required deposit is \$16,250, with annual escalating increases. Withdrawals are subject to RD approval.

Revenue recognition:

Rental revenue attributable to residential leases is recorded when due from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly. Subsidy income is considered part of the lease and is not considered a contribution as government payments to specifically identified participants are considered exchange transactions. Other income is recorded when earned and consists primarily of laundry and other tenant charges.

**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**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.

Depreciation:

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

	<u>Years</u>
Buildings and improvements	40
Site improvements	15
Personal property	5-7

Property and equipment is recorded at cost. 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. At December 31, 2021 and 2020, there was no impairment losses recognized.

Amortization:

Tax credit monitoring fees will be amortized under the straight-line method over 15 years, which coincides with the compliance period in accordance with Section 42.

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.

**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**NOTES TO FINANCIAL STATEMENTS**

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

Investments:

The Partnership carries investments in marketable securities with readily determinable fair values and all investments in debt securities at fair market value. Unrealized gains and losses are included in the accompanying statements of income.

Fair value of financial instruments:

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

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 their 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.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events:

Management has evaluated subsequent events through March 01, 2022, the date on which the financial statements were available to be issued.

**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**NOTES TO FINANCIAL STATEMENTS**

**Note 2. Note Payable – USDA Rural Development**

In June 2013, as partial funding for its purchase of the Project, the Partnership assumed a loan of \$1,108,732 from the seller payable to RD. The note payable to RD is secured by a deed of trust on the real property. The obligation is payable in monthly installments of \$2,352 through May 2043, plus excess rent, if any, with the monthly payment amount applying to principal and interest, and any excess rent to additional interest. While the note payable provides for an interest rate of 3.125%, respectively per annum, RD allows interest reduction subsidies so that the Partnership pays less than the specified mortgage interest rate. The note is being amortized using the USDA Rural Development Predetermined Amortization Schedule System (PASS). Under PASS, the loan principal is amortized at the market interest rate; however, the Partnership is making monthly payments based on a 1% interest rate plus excess rents. Interest costs incurred on the note for the years ended December 31, 2021 and 2020 was \$16,404 and \$16,769, respectively. For years ending December 31, 2021 and 2020, accrued interest was \$2,749.

The future amounts of principal payments under this mortgage note at December 31, 2021 were as follows:

2022	\$ 12,193
2023	12,580
2024	12,978
2025	13,390
2026	13,815
Thereafter	954,925
	<u>\$ 1,019,881</u>

**Note 3. Note Payable – Bonneville Multifamily Loan**

In January 2015, the Partnership signed a promissory note with Bonneville Mortgage Company, a Utah corporation, for \$350,000. The loan is guaranteed through the USDA Section 538 Guaranteed Rural Rental Housing Program. The note is secured by the multifamily deed of trust, assignments of rents, security agreement and fixture filing. The interest rate on the loan is 4.65% and requires monthly principal and interest payments of \$1,607. The loan matures in January 2055. For years ending December 31, 2021 and 2020, interest on the note was \$16,516 and \$15,572, respectively. For years ending December 31, 2021 and 2020, accrued interest was \$1,265 and 1,281, respectively.

As of December 31, 2021 and 2020, debt issuance costs, net of accumulated amortization of \$11,114 and \$9,447, respectively, are amortized using the straight-line method.

**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**NOTES TO FINANCIAL STATEMENTS**

**Note 3. Note Payable – Bonneville Multifamily Loan (Cont.)**

The future amounts of principal payments under this mortgage note at December 31, 2021 were as follows:

2022	\$ 4,211
2023	4,411
2024	4,621
2025	4,840
2026	5,070
Thereafter	<u>303,005</u>
	<u>\$ 326,158</u>

**Note 4. Note Payable – City of Gridley**

The Partnership entered into a loan agreement under the Home program with the City of Gridley (the “Home Loan”) in the amount of \$2,080,000. The Home Loan is secured by a subordinate deed of trust on the Project. The Home Loan bears interest at a fixed rate of 3% simple interest and matures January 31, 2069. All payments on principal and interest have been deferred until 2024. Commencing on June 1, 2024, payments are payable in an amount equal to fifty percent (50%) of the net cash flow after payment of the distributions set forth in the note. The unpaid principal balance of this note shall be due and payable in full at the end of the term. The payments on this note shall first be applied to interest then to unpaid costs and finally principal obligated through the HOME Agreement. As of December 31, 2021 and 2020, the outstanding principal was \$2,080,000. For years ending December 31, 2021 and 2020, accrued interest was \$423,800 and \$361,400, respectively.

**Note 5. Related Party Transactions**

Asset management fee

In accordance with the Partnership Agreement, the Limited Partner receives an annual cumulative asset management fee in the amount of \$2,500 annually, increasing by 3% per year, commencing in 2014. The fee is payable from available cash flow, as further described in the Partnership Agreement. During the year ended December 31, 2021 and 2020, \$3,075 and \$2,985 was earned, respectively. As of December 31, 2021 and 2020, \$3,076 and \$2,986 was payable, respectively.

**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**NOTES TO FINANCIAL STATEMENTS**

**Note 5.     Related Party Transactions (Cont.)**

Partnership management fee

In accordance with the Partnership Agreement, the Managing General Partner is entitled to receive an annual cumulative partnership management fee in the amount of \$3,200, commencing in 2013. The fee is payable from available cash flow, as further described in the Partnership Agreement. During the years ending December 31, 2021 and 2020, \$3,200, was paid. As of December 31, 2021 and 2020, \$3,200 was payable.

Incentive management fee

In accordance with the Partnership Agreement, commencing in 2013, the Administrative General Partners receive a noncumulative incentive management fee equal to 45% of the net operating income of the Partnership, to the extent of available cash flow, as defined in the Partnership Agreement. During the years ended December 31, 2021 and 2020, the Administrative General Partners earned an incentive management fee of \$0.

Tax credit compliance fee

In accordance with the Partnership Agreement, commencing in 2014, the Administrative General Partners receive a noncumulative tax credit compliance fee equal to 45% of the net operating income of the Partnership, to the extent of available cash flow, as defined in the Partnership Agreement. During the years ended December 31, 2021 and 2020, the Administrative General Partners earned a tax credit compliance fee of \$0.

Developer fee payable

The Partnership contracted with Dawson Holdings, Inc. ("DHI"), an affiliate of the Administrative General Partner and DFA Development, LLC ("DFA") (the "Developers"), to provide development services relating the acquisition and rehabilitation of the Project for a \$344,348 development fee. The unpaid fee is paid as further described in the Partnership Agreement and the Development Agreement. For the years ending December 31, 2021 and 2020, \$12,040 and \$38,205, respectively, was payable.

**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**NOTES TO FINANCIAL STATEMENTS**

**Note 6. Fair Value Measurements**

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The hierarchy is broken down into three levels based on the observability of inputs as follows:

*Level 1* – quoted prices in active markets for identical investments.

*Level 2* – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).

*Level 3* – significant unobservable inputs (including the Partnership's own assumptions in determining fair value investments).

The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. All of the cash and cash equivalents and investments are deemed to be Level 1 within the valuation hierarchy.

**Note 7. Investments**

During the year ended December 31, 2021, the Partnership purchased investments consisting of the following at December 31, 2021:

	<u>Cost</u>	<u>Fair Market Value</u>
Equity funds mutual funds	\$ <u>22,844</u>	\$ <u>20,318</u>

The following schedule summarizes the investment returns and its classification in the statements of income for the year ended December 31, 2021:

Interest income	\$ <u>2,862</u>
Unrealized gain (loss) on investment	\$ <u>(2,526)</u>



**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**NOTES TO FINANCIAL STATEMENTS**

**Note 8. Low-Income Housing Tax Credits**

The Partnership expects to generate an aggregate total of \$1,169,912 of federal low-income housing tax credits ("Tax Credits"). Generally, such credits are expected to become available for use by its partners pro rata over a ten-year period, which began in 2013. In order to qualify for those credits, the Project must comply with various federal and state requirements. These requirements include, but are not limited to, renting to low-income tenants at rental rates which do not exceed specified percentages of area median gross income for the first 15 years of operation. The Partnership has also agreed to maintain and operate the Project as low-income housing for another 40 years after the above period ends. Because Tax Credits are subject to complying with certain requirements, there can be no assurance that the aggregate amount of tax credits will be realized and failure to meet all such requirements may result in generating less Tax Credits than expected. As of December 31, 2021 and 2020, the Partnership had generated \$981,504 and \$865,464 of Tax Credits, respectively.

The Partnership anticipates generating Tax Credits as follows for December 31:

2022	\$ 116,040
2023	<u>72,368</u>
	<u>\$ 188,408</u>

**Note 9. Return to Owner**

In accordance with Loan Agreement, the maximum annual return to owner allowable by RD for the Partnership is \$32,400.

**Note 10. Current Vulnerability Due to Certain Concentrations**

The Partnership's sole asset is Gridley Springs 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, Rural Development and 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 Rural Development or 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.

**Note 11. Contingency**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the United States of America ("U.S"). On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time and the future effects are unknown.



B O W M A N

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT 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 Partners

**DHI-DFA Gridley Springs Associates, L.P.**

**(A California Limited Partnership)**

DBA Gridley Springs Apartments

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 DHI-DFA Gridley Springs Associates, L.P. (A California Limited Partnership), which comprise the balance sheet as of December 31, 2021, and the related statement of income, partners equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 01, 2022.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Partnership'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 Partnership's internal control. Accordingly, we do not express an opinion of the effectiveness of the Partnership'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 Partnership'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.

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***Report on Compliance and Other Matters***

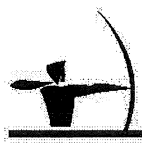
As part of obtaining reasonable assurance about whether the Partnership's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 Partnership'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 Partnership's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bauman & Cuy, L.L.P.

Stockton, California  
March 01, 2022



# B O W M A N

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR RD PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE CONSOLIDATED AUDIT GUIDE FOR AUDITS OF RD PROGRAMS

To the Partners of  
**DHI-DFA Gridley Springs Associates, L.P.**  
(A California Limited Partnership)  
DBA Gridley Springs Apartments

### Report on Compliance for Each Major RD Program

#### *Opinion on Each Major RD Program*

We have audited DHI-DFA Gridley Springs Associates, L.P.'s (the "Partnership") compliance with the compliance requirements identified in the *Consolidated Audit Guide for Audits of RD Programs* (the Guide) that could have a direct and material effect on the Partnership's major U.S. Department of Rural Development (RD) program for the year ended December 31, 2021. The Partnership's major RD program is as follows:

Name of Major RD Program	Direct and Material Compliance Requirements
Section 515 Rural Rental Housing Loan	Mortgage status, replacement reserve, return on investment or return to owner, equity skimming, cash receipts, cash disbursements, tenant security deposits, management functions, unauthorized change of ownership/acquisition of liabilities and unauthorized loans of project funds.

In our opinion, the Partnership complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major RD program for the year ended December 31, 2021.

#### *Basis for Opinion on Each Major RD 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 the Guide. Our responsibilities under those standards and the Guide are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

### ***Auditors' 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 Partnership'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 Guide 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 Partnership's compliance with the requirements of each major RD program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Guide, 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 Partnership'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 Partnership'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 Guide, but not for the purpose of expressing an opinion on the effectiveness of the Partnership'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, non-compliance with a type of compliance requirement of a RD program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 RD 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 RD 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not 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 Guide. Accordingly, this report is not suitable for any other purpose.

Stockton, California  
March 01, 2022

*Bauman & Co., P.C.*

**SUPPLEMENTAL INFORMATION AS REQUIRED BY  
RURAL DEVELOPMENT**

**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**SUPPLEMENTAL INFORMATION AS REQUIRED BY  
RURAL DEVELOPMENT**

December 31, 2021

See Auditors' Report

**A. Management Fee Calculation**

Total management fee is based on a fee per unit occupied by tenants during the month

Total qualified units (31 * 12 months)	372
Less: vacancies	2
Total occupied units	370
	X
Fee per unit (Effective 01/21)	\$ 65
Management fee expense	\$ 24,050

**B. Insurance Disclosure**

The Partnership maintains insurance coverage as follows:

	Deductible	Coverage
Property coverage on buildings*	\$ 25,000	\$ 365,085,249
Comprehensive business liability (per occurrence/aggregate)	\$ --	1,000,000 / \$ 2,000,000
Fidelity/employee dishonesty	\$ 2,500	\$ 1,000,000

\*Blanket coverage

**C. Return to Owner**

In accordance with the loan agreement, the annual return to owner is as follows:

Maximum Return to Owner	\$ 32,400
Budgeted Return to Owner	\$ 32,400
Return to Owner Paid:	
2020 RTO paid	\$ 32,400
	\$ 32,400

**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**SUPPLEMENTAL INFORMATION AS REQUIRED BY**  
**RURAL DEVELOPMENT**  
See Accountants' Report

**D. Schedule of Changes in Fixed Assets**

	Beginning Balance	Additions	Disposals	Ending Balance
Land	\$ 149,957	\$ --	\$ --	\$ 149,957
Building and improvements	3,137,787	--	--	3,137,787
Site improvements	165,810	--	--	165,810
Personal property	373,940	7,742	--	381,682
Total fixed assets	<u>\$ 3,827,494</u>	<u>\$ 7,742</u>	<u>\$ --</u>	<u>\$ 3,835,236</u>
Accumulated depreciation				
Building and improvements	\$ 563,898	\$ 78,445	\$ --	\$ 642,343
Site improvements	77,378	11,054	--	88,432
Personal property	373,940	774	--	374,714
Total accumulated depreciation	<u>\$ 1,015,216</u>	<u>\$ 90,273</u>	<u>\$ --</u>	<u>\$ 1,105,489</u>

Fixed asset additions for the year ended December 31, 2021  
Copy machine \$7,742

Fixed asset disposals for the year ended December 31, 2021  
None



**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**SUPPLEMENTAL INFORMATION AS REQUIRED BY**  
**RURAL DEVELOPMENT**  
See Accountants' Report

**1. Reconcile the reserve account:**

Required reserve balance, December 31, 2020	(1)	\$	303,299
Required annual reserve deposit (from Loan Agreement and any Subsequent Amendments)	(2)		20,378
Actual 2021 reserve account deposit			17,556

List all authorized withdrawals (documented by check countersigned by a  
USDA Rural development employee)

Purpose	Date	Amount	Regular or Excess	USDA Authorized
1. Copy machine*	04/29/21	\$ 7,742	Regular	Yes
2. Sign	09/29/21	4,686	Regular	Yes

\* denotes capitalized items

Total all authorized <u>regular</u> reserve withdrawals	(3)		12,428
Total all authorized <u>excess</u> reserve withdrawals			- -
Total all unauthorized reserve withdrawals			- -
Required reserve balance, December 31, 2021 (1) + (2) - (3) = (4)	(4)		311,249
Confirmed balance, December 31, 2021			397,806
Amount account over (under) funded		\$	86,557

**2. Return on investment (ROI) calculation:**

Net cash/deficit (Part I, Line 30)	\$	(22,988)
Add: Return to owner, paid this year for prior year(s)		32,400
Add: Reserve deposits over (under) required in the USDA loan agreement		(2,822)
Net cash/deficit, earned from current year's operation	\$	6,590
Maximum annual allowable distribution	\$	32,400

Project earned a partial ROI for the period ending December 31, 2021

Position 3  
**MULTIPLE FAMILY HOUSING  
BORROWER BALANCE SHEET**  
PART I - BALANCE SHEET

PROJECT NAME <b>Gridley Springs Apartments</b>	BORROWER NAME <b>DHI-DFA Gridley Springs Associates, L.P.</b>	BORROWER ID AND PROJECT NO. <b>Case No. 04-04-111739358</b>
---	--	--

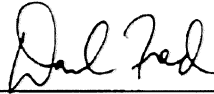
	BEGINNING DATES> ENDING DATES>	CURRENT YEAR 1/1/21 12/31/21	PRIOR YEAR 1/1/20 12/31/20	COMMENTS
<b><u>ASSETS</u></b>				
<b>CURRENT ASSETS</b>				
1. GENERAL OPERATING ACCOUNT.....		\$ 8,235	\$ 46,985	
2. R.E. TAX & INSURANCE ACCOUNT .....		11,922	11,411	
3. RESERVE ACCOUNT .....		397,806	392,678	
4. SECURITY DEPOSIT ACCOUNT .....		16,726	17,070	
5. OTHER CASH .....		0	0	
6. OTHER (identify)___Deposits .....		0	0	
7. ACCOUNTS RECEIVABLE AR USDA; AR tenants; AR other .....		10,542	6,838	
...ACCTS RCBL 0-30 DAYS \$ 10,542				
...ACCTS RCBL 30-60 DAYS \$				
8. LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS.....		0	0	
9. INVENTORIES (supplies) .....		0	0	
10. PREPAYMENTS.....		13,056	5,095	
11. OTHER - PARTNERSHIP CASH .....		191,327	220,086	
12. <b>TOTAL CURRENT ASSETS</b> (Add 1 thru 11) .....		649,614	700,163	
<b>FIXED ASSETS</b>				
13. LAND .....		149,957	149,957	
14. BUILDINGS .....		3,303,597	3,303,597	
15. LESS: ACCUMULATED DEPRECIATION .....		(731,549)	(641,276)	
16. FURNITURE & EQUIPMENT .....		381,682	373,940	
17. LESS: ACCUMULATED DEPRECIATION.....		(373,940)	(373,940)	
18. ....		0	0	
19. <b>TOTAL FIXED ASSETS</b> (Add 13 thru 18) .....		2,729,747	2,812,278	
<b>OTHER ASSETS</b>				
20. TAX CREDIT FEES, NET .....		29,712	10,736	
21. <b>TOTAL ASSETS</b> (Add 12, 19, and 20) .....		3,409,073	3,523,177	
<b><u>LIABILITIES AND OWNERS EQUITY</u></b>				
<b>CURRENT LIABILITIES</b>				
22. ACCOUNTS PAYABLE (Attach list) .....		0	0	
...ACCTS PAY 0-30 DAYS \$ 0				
...ACCTS PAY 30-60 DAYS \$				
23. NOTES PAYABLE P'ship fees pay'l; acc'd int pay'l - current; dev fee pay'l; NP USDA - current; ppd rent; NP Bonn - current .....		38,734	63,029	
24. SECURITY DEPOSITS .....		16,726	17,070	
25. <b>TOTAL CURRENT LIABILITIES</b> (Add 22 thru 24) .....		55,460	80,099	
26. NOTES PAYABLE Rural Development .....		1,007,688	1,019,882	
27. OTHER NP Bonn less unamort debt issuance costs; NP City of Gridley; acc'd int pay'l .....		2,770,186	2,710,330	
28. <b>TOTAL LONG-TERM LIABILITIES</b> (Add 26 and 27) .....		3,777,874	3,730,212	
29. <b>TOTAL LIABILITIES</b> (Add 25 and 28) .....		3,833,334	3,810,311	
30. <b>OWNER'S EQUITY</b> (Net Worth)(21 minus 29) .....		(424,261)	(287,134)	
31. <b>TOTAL LIABILITIES AND OWNER'S EQUITY</b> (Add 29 and 30) .....		\$ 3,409,073	\$ 3,523,177	

**Warning:** Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THE FOREGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

3/11/2022

(Date)



(Signature of Borrower or Borrower's Representative)

Member, DFA Development LLC as Administrative General Partner

(Title)

## PART II - THIRD PARTY VERIFICATION OF REVIEW

I/We have reviewed the borrower's records. The accompanying balance sheet, and statement of actual budget and income on Form RD 3560-7, is a fair presentation of the borrower's records

I/We certify that no identity of interest exists between me/us and any individual or organization doing business with the project or borrower.

(Date)

(Signature)

(Name and Title)

(Address)

☒ In lieu of the above verification and signature, a compilation, review or audit opinion completed, dated and signed by a person or firm qualified by license or certification is attached.

**MULTIPLE FAMILY HOUSING PROJECT BUDGET/  
UTILITY ALLOWANCE**

PROJECT NAME <b>Gridley Springs Apartments</b>		BORROWER NAME <b>DHI-DFA Gridley Springs Associates, L.P.</b>		BORROWER ID AND PROJECT NO. <b>Case No. 04-04-111739358</b>	
Reporting Period <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly	Budget Type <input type="checkbox"/> Initial <input checked="" type="checkbox"/> Regular Report <input type="checkbox"/> Rent Change <input type="checkbox"/> SMR <input type="checkbox"/> Other Servicing	Project Rental Type <input checked="" type="checkbox"/> Family <input type="checkbox"/> Elderly <input type="checkbox"/> Congregate <input type="checkbox"/> Group Home <input type="checkbox"/> Mixed <input type="checkbox"/> LH	Project Type <input type="checkbox"/> Full Profit <input checked="" type="checkbox"/> Limited Profit <input type="checkbox"/> Non-Profit	The following utilities are master metered: <input checked="" type="checkbox"/> Electricity <input checked="" type="checkbox"/> Gas <input type="checkbox"/> Water <input type="checkbox"/> Sewer <input type="checkbox"/> Trash <input type="checkbox"/> Other	
<input checked="" type="checkbox"/> I hereby request 0 units of RA. Current number of RA units 26.					Borrower Accounting Method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual

**PART I - CASH FLOW STATEMENT**

	CURRENT BUDGET ( 01/01/21 ) ( 12/31/21 )	ACTUAL ( 01/01/21 ) ( 12/31/21 )	PROPOSED BUDGET ( ) ( )	
BEGINNING DATES> ENDING DATES>				
<b>OPERATIONAL CASH SOURCES</b>				
1. RENTAL INCOME.....	277,176	117,317	0	
2. RHS RENTAL ASSISTANCE RECEIVED.....		151,496		
3. APPLICATION FEES RECEIVED.....				
4. LAUNDRY AND VENDING.....	2,880	4,062	0	
5. INTEREST INCOME.....	96	3,653	0	
6. TENANT CHARGES.....	12	728	0	
7. OTHER - PROJECT SOURCES.....	0	0	0	
8. LESS (Vacancy and Contingency Allowance).....	( 5,811 )		( 0 )	
9. LESS (Agency Approved Incentive Allowance).....	( 0 )		( 0 )	
10. SUB-TOTAL [(1 thru 7)-(8&9)].....	274,353	277,256	0	
<b>NON-OPERATIONAL CASH SOURCES</b>				
11. CASH - NON PROJECT.....	0	7,500	0	
12. AUTHORIZED LOAN (Non-RHS).....	0	0	0	
13. TRANSFER FROM RESERVE.....	34,002	12,428	0	
14. SUB-TOTAL (11 thru 13).....	34,002	19,928	0	
15. <b>TOTAL CASH SOURCES (10+14).....</b>	308,355	297,184	0	
<b>OPERATIONAL CASH USES</b>				
16. TOTAL O&M EXPENSES (From Part II).....	172,007	205,387	0	
17. RHS DEBT PAYMENT.....	28,224	28,224	0	
18. RHS PAYMENT (Overage).....		3,256		
19. RHS PAYMENT (Late Fee).....		0		
20. REDUCTION IN PRIOR YEAR PAYABLES(See Part IV).....		0		
21. TENANT UTILITY PAYMENTS.....		0		
22. TRANSFER TO RESERVE.....	20,378	17,556	0	
23. RETURN TO OWNER.....	32,400	32,400	0	
24. SUB-TOTAL (16 thru 23).....	253,009	286,823	0	
<b>NON-OPERATIONAL CASH USES</b>				
25. AUTHORIZED DEBT PAYMENT (Non-RHS).....	19,289	19,270	0	
26. ANNUAL CAPITAL BUDGET (From Part III, Line 4 - 6).....	34,002	12,428	0	
27. MISCELLANEOUS.....	0	1,651	0	Guarantee fee
28. SUB-TOTAL (25 thru 27).....	53,291	33,349	0	
29. <b>TOTAL CASH USES (24+28).....</b>	306,300	320,172	0	
30. <b>NET CASH (DEFICIT) (15-29).....</b>	2,055	(22,988)	0	
<b>CASH BALANCE</b>				
31. BEGINNING CASH BALANCE.....	0	58,396	0	
32. ACCRUAL TO CASH ADJUSTMENT.....		(15,251)		
33. ENDING CASH BALANCE (30+31+32).....	2,055	20,157	0	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

**PART II - OPERATING AND MAINTENANCE EXPENSE SCHEDULE**

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	
1. MAINTENANCE & REPAIRS PAYROLL.....	23,004	22,515	0	
2. MAINTENANCE & REPAIRS SUPPLY .....	2,700	14,403	0	
3. MAINTENANCE & REPAIRS CONTRACT .....	1,800	12,503	0	
4. PAINTING AND DECORATING .....	1,000	0	0	
5. SNOW REMOVAL .....	0	0	0	
6. ELEVATOR MAINTENANCE/CONTRACT .....	0	0	0	
7. GROUNDS .....	14,400	21,066	0	
8. SERVICES .....	2,800	1,600	0	
9. ANNUAL CAPITAL BUDGET (From Part V - Operating)	0	6,502	0	
10. OTHER OPERATING EXPENSES (Itemize) .....	0	0	0	
11. SUB-TOTAL MAINT.& OPERATING (1 thru 10)	45,704	78,589	0	
12. ELECTRICITY .....	7,560	10,889	0	
13. WATER .....	4,380	4,998	0	
14. SEWER .....	14,000	11,413	0	
15. FUEL (Oil/Coal/Gas).....	480	398	0	
16. GARBAGE & TRASH REMOVAL.....	6,600	6,909	0	
17. OTHER UTILITIES .....	0	0	0	
18. SUB-TOTAL UTILITIES (12 thru 17)	33,020	34,607	0	
19. SITE MANAGEMENT PAYROLL .....	23,004	25,749	0	
20. MANAGEMENT FEE .....	24,180	24,050	0	
21. PROJECT AUDITING EXPENSE .....	8,000	7,600	0	
22. PROJECT BOOKKEEPING/ACCOUNTING .....	0	0	0	
23. LEGAL EXPENSES .....	1,000	0	0	
24. ADVERTISING .....	0	0	0	
25. TELEPHONE & ANSWERING SERVICE .....	1,440	1,376	0	
26. OFFICE SUPPLIES .....	1,800	2,038	0	
27. OFFICE FURNITURE & EQUIPMENT .....	600	0	0	
28. TRAINING EXPENSE .....	1,000	0	0	
29. HEALTH INS. & OTHER EMP. BENEFITS .....	5,100	2,424	0	
30. PAYROLL TAXES .....	4,800	5,221	0	
31. WORKMAN'S COMPENSATION .....	3,180	2,973	0	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize) .....	3,000	5,554	0	
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32)	77,104	76,985	0	
34. REAL ESTATE TAXES .....	1,899	1,439	0	
35. SPECIAL ASSESSMENTS .....	0	0	0	
36. OTHER TAXES, LICENSES & PERMITS .....	1,200	0	0	
37. PROPERTY & LIABILITY INSURANCE .....	13,080	13,767	0	
38. FIDELITY COVERAGE INSURANCE .....	0	0	0	
39. OTHER INSURANCE .....	0	0	0	
40. SUB-TOTAL TAXES & INSURANCE (34 thru 39)	16,179	15,206	0	
41. TOTAL O&M EXPENSES (11+18+33+40).....	172,007	205,387	0	

**PART III - ACCOUNT BUDGETING / STATUS**

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	
<b>RESERVE ACCOUNT:</b>				
1. BEGINNING BALANCE .....	110,746	392,678	0	
2. TRANSFER TO RESERVE .....	20,378	17,556	0	
TRANSFER FROM RESERVE:				
3. OPERATING DEFICIT .....	0	0	0	
4. ANNUAL CAPITAL BUDGET .....	34,002	12,428	0	
5. BUILDING & EQUIPMENT REPAIRS .....	0	0	0	
6. OTHER NON-OPERATING EXPENSES .....	0	0	0	
7. TOTAL (3 thru 6) .....	( 34,002 )	( 12,428 )	( 0 )	
8. ENDING BALANCE [(1+2)-7] .....	97,122	397,806	0	

**GENERAL OPERATING ACCOUNT: \***

BEGINNING BALANCE.....  
ENDING BALANCE.....

a	46,985
b	8,235

Beginning
58,396

**REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:\***

BEGINNING BALANCE.....  
ENDING BALANCE.....

c	11,411
d	11,922

Ending
20,157

**TENANT SECURITY DEPOSIT ACCOUNT:\***

BEGINNING BALANCE.....  
ENDING BALANCE.....

17,070
16,726

(\* Complete upon submission of actual expenses.)

Form RD 3560-7 Page 3

Part II, Line 32, Itemization

	Actual
Travel	\$ 149
Credit check	116
IT support services	2,052
Dues and subscriptions	403
Education/registration fees	443
Bank fees	345
Uniforms	83
Admin expense/office personnel	1,963
	<u>\$ 5,554</u>

**PART V - ANNUAL CAPITAL BUDGET**

Gridley Springs Apartments

**Appliances:**

<b>Proposed # of units/ items</b>	<b>Proposed From Reserve</b>	<b>Actual From Reserve</b>	<b>Proposed From Operating</b>	<b>Actual From Operating</b>	<b>Actual Total</b>
Range	2	1,500	0	0	1,187
Refrigerator	1	1,300	0	0	642
Range Hood	1	90	0	0	0
Other	0	0	0	0	0

**Carpet and Vinyl:**

1 BR	1	1,840	0	0	0
2 BR	1	2,056	0	0	1,950
3 BR	1	4,116	0	0	0

**Cabinets:**

Kitchens	0	0	0	0	0
Bathroom	0	0	0	0	0

**Doors:**

Exterior	0	0	0	0	0
Interior	0	0	0	0	0

**Window Coverings:**

Blinds	0	0	0	0	346
--------	---	---	---	---	-----

**Heating and Air Conditioning:**

Heating	1	5,500	0	0	0
Air conditioning	0		0	0	0

**Plumbing:**

Water Heater	1	2,000	0	0	0
Bath Sinks	0	0	0	0	0
Kitchen Sinks	0	0	0	0	0
Tub	0	0	0	0	0
Other	0	0	0	0	0

**Major Electrical:**

Lighting		0	0	0	0
----------	--	---	---	---	---

**Structures:**

Windows	0	0	0	0	0
Screens	0	0	0	0	0
Walls		0	0	0	0
Roofing		0	0	0	0
Exterior Painting		0	0	0	0
Other		0	0	0	0

**Paving:**

Asphalt		0	0	0	0
Concrete		0	0	0	0
Seal and Stripe		0	0	0	0

**Landscape and grounds:**

Landscaping		0	0	0	0
Lawn Equipment		0	0	0	0
Fencing		0	0	0	0
Recreation area		0	0	0	0
Other: signs		9,000	4,686	0	4,686
ADA inspection		0	0	0	0

**Automation equipment:**

Site management		6,600	7,742	0	7,742
Common area		0	0	0	2,377

**Other:**

List: _____		0	0	0	0
List: _____		0	0	0	0
List: _____		0	0	0	0

**TOTAL CAPITAL EXPENSES:**

9	34,002	12,428	0	6,502	18,930
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PART VI - SIGNATURES, DATES AND COMMENTS

**Warning:** Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both.

I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THE FOREGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

3/11/2022

(Date)



(Signature of Borrower or Borrower's Representative)

Member, DFA Development LLC as Administrative General Partner

(Title)

AGENCY APPROVAL (Rural development Approval Official):

DATE:

COMMENTS:



**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
See Auditors' Report

For the year ended December 31, 2021:

There were no findings or questioned costs for the year ended December 31, 2021.

For the year ended December 31, 2020:

There were no findings or questioned costs for the year ended December 31, 2020.

**DHI-DFA GRIDLEY SPRINGS ASSOCIATES, L.P.**  
**(A California Limited Partnership)**  
**DBA Gridley Springs Apartments**

**SCHEDULE OF LEAD AUDITOR**

See Auditors' Report

Auditor Information:	Bowman and Company, LLP 10100 Trinity Parkway Suite 310 Stockton, CA 95219
Phone Number:	(209) 473-1040
Fax Number:	(209) 473-9771
Auditor Contact:	Tobbie J. Wells, CPA
Auditor Contact Title:	Partner
Auditor Contact Email:	Twells@cpabowman.com

**Chico Harvest Park, L.P.**

**Financial Statements  
(With Supplementary Information)  
and Independent Auditor's Report**

**December 31, 2021 and 2020**

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# Chico Harvest Park, L.P.

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## Independent Auditor's Report

To the Administrative General Partner  
Chico Harvest Park, L.P.

### *Opinion*

We have audited the financial statements of Chico Harvest Park, L.P., which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations, partners' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Chico Harvest Park, L.P. as of December 31, 2021 and 2020, 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.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Chico Harvest Park, L.P. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 Chico Harvest Park, L.P.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

### *Auditor's 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 opinion. 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 GAAS 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 GAAS, 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 Chico Harvest Park, L.P.'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 Chico Harvest Park, L.P.'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.

#### Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of certain income and expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Sacramento, California  
March 15, 2022

**Chico Harvest Park, L.P.**

**Balance Sheets  
December 31, 2021 and 2020**

Assets

	<u>2021</u>	<u>2020</u>
Investment in rental property, net	\$ 11,952,983	\$ 12,364,021
Cash	336,291	419,656
Restricted deposits and funded reserves		
Escrows	46,045	43,648
Tenants' security deposits	58,775	57,710
Replacement reserve	216,136	188,126
Operating reserve	250,000	250,000
Other reserves	<u>98,262</u>	<u>94,819</u>
Total restricted deposits and funded reserves	<u>669,218</u>	<u>634,303</u>
Tenants' accounts receivable, net	30,272	6,291
Prepaid expenses	7,675	6,798
Tax credit monitoring fees, net	20,863	23,845
Other assets	<u>2,000</u>	<u>11,500</u>
Total assets	<u><u>\$ 13,019,302</u></u>	<u><u>\$ 13,466,414</u></u>

Liabilities and Partners' Equity (Deficit)

Liabilities		
Accounts payable - operations	\$ 10,685	\$ 29,394
Accrued property management fees	3,967	3,745
Other accrued liabilities	25,999	18,632
Accrued interest - first mortgage	67,365	67,484
Accrued interest - other loans	1,158,059	1,143,811
Tenants' security deposits liability	57,275	56,210
Payable to general partner and affiliates	31,941	31,593
Annual fee payable to the investor limited partner	9,500	9,223
Mortgages and notes payable, net	13,291,875	13,312,319
Other liabilities - construction	<u>5,950</u>	<u>5,950</u>
Total liabilities	<u>14,662,616</u>	<u>14,678,361</u>
Contingencies	-	-
Partners' equity (deficit)	<u>(1,643,314)</u>	<u>(1,211,947)</u>
Total liabilities and partners' equity (deficit)	<u><u>\$ 13,019,302</u></u>	<u><u>\$ 13,466,414</u></u>

See Notes to Financial Statements.

**Chico Harvest Park, L.P.**

**Statements of Operations  
Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Revenue		
Rental income	\$ 973,621	\$ 936,638
Vacancies and concessions	(8,474)	(17,846)
Other operating income	<u>5,710</u>	<u>9,569</u>
Total revenue	<u>970,857</u>	<u>928,361</u>
Operating expenses		
Salaries and employee benefits	101,493	80,393
Repairs and maintenance	151,328	105,172
Utilities	77,013	76,369
Property management fee	45,563	45,222
Real estate taxes	161	161
Property insurance	29,775	26,618
Miscellaneous operating expenses	<u>91,081</u>	<u>68,912</u>
Total operating expenses	<u>496,414</u>	<u>402,847</u>
Net operating income	<u>474,443</u>	<u>525,514</u>
Other income (expense)		
Interest income	20	567
Interest expense - first mortgage	(153,732)	(155,157)
Interest expense - other loans	(192,612)	(192,280)
Other financial income (expense)	(80,189)	(83,763)
Miscellaneous other income (expense)	3,443	3,651
Annual fee payable to the investor limited partner	(9,500)	(9,224)
Other related party fees and expenses	(31,941)	(31,593)
Depreciation	(438,317)	(438,317)
Amortization	<u>(2,982)</u>	<u>(2,982)</u>
Total other income (expense)	<u>(905,810)</u>	<u>(909,098)</u>
Net loss	<u><u>\$ (431,367)</u></u>	<u><u>\$ (383,584)</u></u>

See Notes to Financial Statements.



**Chico Harvest Park, L.P.**

**Statements of Partners' Equity (Deficit)  
Years Ended December 31, 2021 and 2020**

	<u>Administrative general partner</u>	<u>Managing general partner</u>	<u>Investor limited partner</u>	<u>Total partners' equity (deficit)</u>
Balance, January 1, 2020	\$ (226)	\$ (226)	\$ (827,911)	\$ (828,363)
Net loss	<u>(19)</u>	<u>(19)</u>	<u>(383,546)</u>	<u>(383,584)</u>
Balance, December 31, 2020	(245)	(245)	(1,211,457)	(1,211,947)
Net loss	<u>(21)</u>	<u>(22)</u>	<u>(431,324)</u>	<u>(431,367)</u>
Balance, December 31, 2021	<u><u>\$ (266)</u></u>	<u><u>\$ (267)</u></u>	<u><u>\$ (1,642,781)</u></u>	<u><u>\$ (1,643,314)</u></u>
Partners' percentage of partnership losses	<u><u>0.005%</u></u>	<u><u>0.005%</u></u>	<u><u>99.99%</u></u>	<u><u>100.00%</u></u>

See Notes to Financial Statements.

**Chico Harvest Park, L.P.**

**Statements of Cash Flows**  
**Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Net loss	\$ (431,367)	\$ (383,584)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation	438,317	438,317
Amortization	2,982	2,982
Amortization of debt issuance costs	23,198	23,198
Bad debt	20,133	3,256
Changes in		
Tenants' accounts receivable	(44,114)	(1,875)
Prepaid expenses	(877)	(431)
Other assets	9,500	(11,500)
Accounts payable - operations	(18,709)	16,610
Accrued property management fees	222	(69)
Prepaid rent	7,367	145
Accrued interest - first mortgage	(119)	(118)
Accrued interest - other loans	30,606	119,847
Tenants' security deposits liability	1,065	4,544
Payable to general partner and affiliates	348	338
Annual fee payable to investor limited partner	277	268
Net cash provided by operating activities	<u>38,829</u>	<u>211,928</u>
Cash flows from investing activities		
Expenditures on rental property paid	(27,279)	-
Deposits to replacement reserve	(28,010)	(28,019)
Change in other reserves	(3,443)	-
Change in escrows	(2,397)	8,136
Net cash used in investing activities	<u>(61,129)</u>	<u>(19,883)</u>
Cash flows from financing activities		
Payments of mortgage note payable	<u>(60,000)</u>	<u>(60,000)</u>
Net cash used in financing activities	<u>(60,000)</u>	<u>(60,000)</u>
Net (decrease) increase in cash and restricted cash	(82,300)	132,045
Cash and restricted cash, beginning	<u>727,366</u>	<u>595,321</u>
Cash and restricted cash, end	<u>\$ 645,066</u>	<u>\$ 727,366</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 292,659</u>	<u>\$ 204,510</u>
Supplemental schedule of noncash investing and financing activities		
Accrued interest converted to loan principal	<u>\$ 16,358</u>	<u>\$ 16,032</u>

See Notes to Financial Statements.

## **Chico Harvest Park, L.P.**

### **Notes to Financial Statements December 31, 2021 and 2020**

#### **Note 1 - Organization and nature of operations**

Chico Harvest Park, L.P. (the "Partnership") was formed as a limited partnership under the laws of the State of California on Report Date for the purpose of investing in and acquiring a fee interest in the land, constructing, developing, owning, improving, leasing, maintaining, operating, financing, mortgaging, and encumbering a residential rental housing project (the "Project"). The Project completed construction and commenced operating on December 30, 2013. The Project consists of 90 units located in Chico, California. The Project is currently operating under the name of Harvest Park.

The partnership agreement was amended and restated on January 1, 2013, from which date the Partnership consists of an administrative general partner, Chico Harvest Park, LLC, which owns 0.0050%, a managing general partner, Butte County Affordable Housing Development Corporation, which owns 0.0050%, and one investor limited partner, R4 HP Acquisition LLC, which owns 99.99%. All profits, losses and credits, except those gains and losses referred to in Section 7.2 of the amended partnership agreement (the "partnership agreement"), shall be allocated to the partners in accordance with their percentage interests.

Each building of the Project qualified for and has been allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42 ("Section 42"), which regulates the use of the Project as to occupant eligibility and unit gross rent, among other requirements. Each building of the Project must meet the provisions of the regulations during each of the 15 consecutive years in order to remain qualified to receive the tax credits. In addition, the Partnership entered into an extended use regulatory agreement with the California tax credit agency which requires the use of the Project in accordance with Section 42 for a minimum number of years even after disposition of the buildings by the Partnership.

The partnership agreement provides that the Partnership shall continue in existence until December 31, 2073, unless sooner dissolved and terminated by provisions of the partnership agreement or by operation of law.

#### **Note 2 - Significant accounting policies**

##### **Basis of accounting**

The financial statements have been prepared on the accrual basis of accounting. Accordingly, income is recognized as earned and expenses as incurred, regardless of the timing of payments.

##### **Tenants' accounts receivable**

Tenants' accounts receivable are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of tenants' accounts receivable. It is reasonably possible that management's estimate of the allowance will change. As of December 31, 2021 and 2020, the allowance for doubtful accounts was \$23,508 and \$3,375, respectively.

## Chico Harvest Park, L.P.

### Notes to Financial Statements December 31, 2021 and 2020

#### Investment in rental property

Rental property is stated at cost and includes all cost of development and construction of the Project. Expenditures for maintenance and repairs are charged to expenses as incurred while major renewals and betterments are capitalized. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses will be reflected in the statement of operations. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Building and improvements	40 years
Land improvements	15 years
Building equipment	5 years

#### Impairment of long-lived assets

The Partnership reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment losses have been recognized during the years ended December 31, 2021 and 2020.

#### Deferred fees and amortization

Tax credit monitoring fees totaling \$44,727 are being amortized over the compliance period using the straight-line method. As of December 31, 2021 and 2020, accumulated amortization was \$23,864 and \$20,882, respectively.

Estimated amortization expense for each of the next five years following December 31, 2021 is \$2,982 per year.

#### Rental income

Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and the tenants of the property are operating leases.

#### Advertising costs

Advertising and marketing costs are expensed as incurred.

#### Debt issuance costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

#### Income taxes

The Partnership is a pass-through entity for income tax purposes and, is not subject to income taxes. All items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a partnership. The Partnership is required to file and does file tax returns with the Internal Revenue Service ("IRS") and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure. Income tax returns

## Chico Harvest Park, L.P.

### Notes to Financial Statements December 31, 2021 and 2020

filed by the Partnership are subject to examination by the IRS for a period of three years. While no income tax returns are currently being examined by the IRS, tax years since 2018 remain open.

#### 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### Note 3 - Investment in rental property, net

Rental property is comprised of the following as of December 31:

	2021	2020
Land	\$ 1,375,634	\$ 1,375,634
Land improvements	2,110,048	2,082,769
Buildings and improvements	11,974,275	11,974,275
Furniture and equipment	1,290,016	1,290,016
Subtotal	16,749,973	16,722,694
Accumulated depreciation	(4,796,990)	(4,358,673)
Net	<u>\$ 11,952,983</u>	<u>\$ 12,364,021</u>

#### Note 4 - Restricted deposits and funded reserves

##### Replacement reserve

The Partnership is required to make monthly deposits to a replacement reserve account for use in funding future maintenance and replacement costs. Beginning from the conversion of the construction loan to permanent financing, monthly deposits are required based upon an initial amount of \$300 per unit per year. As of December 31, 2021 and 2020, the balance in the replacement reserve account is \$216,136 and \$188,126, respectively. The replacement reserve activity is as follows:

	2021	2020
Balance, January 1	\$ 188,126	\$ 160,107
Deposits	27,990	27,990
Interest income	20	29
Withdrawals	-	-
Balance, December 31	<u>\$ 216,136</u>	<u>\$ 188,126</u>

##### Operating reserve

Pursuant to the partnership agreement, the Partnership is required to establish an operating reserve concurrent with the Rental Achievement Installment from the investor limited partner in the amount of \$250,000. As of December 31, 2021 and 2020, the balance in the operating reserve is \$250,000 and \$250,000, respectively.

## Chico Harvest Park, L.P.

### Notes to Financial Statements December 31, 2021 and 2020

#### Other reserves

Other reserves on deposit with Wells Fargo Corporate Trust Services are comprised of the following at December 31:

	2021	2020
Interest account	\$ 60,527	\$ 61,121
Borrower equity account	2,401	2,401
Principal redemption account	25,000	25,000
Fee's account	10,334	6,297
	<u>\$ 98,262</u>	<u>\$ 94,819</u>

#### Note 5 - Related party transactions

##### Capital contributions

Capital contributions amounting to \$5,019,000 are due from the limited partner when certain milestones are achieved as disclosed in the partnership agreement. The capital contributions due from the limited partner are subject to adjustments as defined in the partnership agreement. As of December 31, 2021, all capital contributions from the limited partner have been received.

As of December 31, 2021, all capital contributions from the general partners have been received.

##### Developer fee

The Partnership entered into a development agreement with an affiliate of the administrative general partner for services rendered in overseeing the development and construction of the Project until all development work is complete. The total fee was \$2,182,816; however, due to the limitations imposed by the California Tax Credit Allocation Committee, only \$1,995,743 has been incurred and capitalized as a cost of the rental property. The developer fee was paid in full in 2015.

##### Managing general partner fee

The Partnership entered into an agreement with the managing general partner for its services in monitoring the tenants and performing other duties as managing general partner, as defined in the partnership agreement. The annual fee is \$20,000. The fee is cumulative and payable only from the available cash flow of the Partnership, as defined in the partnership agreement. However, while the developer fee is outstanding, an \$11,000 portion shall not be payable or accrue. For the years ended December 31, 2021 and 2020, \$20,000 and \$20,000, respectively, was incurred and expensed. As of December 31, 2021 and 2020, \$20,000 and \$20,000, respectively, remains due and is included in payable to general partner and affiliates in the balance sheets.

##### Administrative general partner fee

The Partnership shall pay a fee to the administrative general partner for services rendered as defined in the partnership agreement. The annual fee is \$10,000, with annual increases of 3%. The fee is cumulative and payable only from the available cash flow or capital transaction proceeds of the Partnership, as defined in the partnership agreement. However, while the developer fee is outstanding, the fee shall not be payable or accrue. The annual fee plus any other distributions to the administrative general partner is not to exceed 84.995% of cash flow distributed to the partners. For the years ended December 31, 2021 and 2020, \$11,941 and \$11,593, respectively, was incurred. As of December 31, 2021 and 2020, \$11,941 and \$11,593, respectively, remains due and is included in payable to general partner and affiliates in the balance sheets.

## **Chico Harvest Park, L.P.**

### **Notes to Financial Statements December 31, 2021 and 2020**

#### **Annual local administration fee**

The Partnership is to pay an annual asset management fee to the investor limited partner for its services in monitoring the operations of the Partnership. The fee is cumulative and payable only from the available cash flow or capital transaction proceeds of the Partnership, as defined in the partnership agreement. The annual fee is \$7,500 with annual increases of 3%. For the years ended December 31, 2021 and 2020, \$9,500 and \$9,224, respectively, was incurred and expensed. As of December 31, 2021 and 2020, \$9,500 and \$9,223, respectively, remains payable.

#### **Cash flow distributions**

As defined in the partnership agreement, cash flow, if available with respect to any Partnership accounting year, shall be applied or distributed annually, within 60 days after the end of the Partnership Accounting Year, but in no event earlier than the filing of the Partnership tax return for such year. Net cash flow is to be distributed as follows:

1. To the investor limited partner, any unpaid but accrued annual local administrative fees;
2. To replenish the operating reserve to the extent any withdrawals have been made;
3. To repay any loan payable to any Partner, including voluntary loans, other than loans payable to the general partner or its affiliates, applied first to accrued interest and then to principal;
4. To the management agent, an amount equal to any accrued and unpaid deferred management fees;
5. To the managing general partner, an amount equal to \$9,000 of the MGP partnership management fee;
6. To the developer, an amount equal to all accrued but unpaid interest and principal in respect of the deferred development fee, applied first to accrued interest and then to principal;
7. To the managing general partner, an amount equal to \$11,000 of the MGP partnership management fee and any accrued and unpaid MGP partnership management fee;
8. To the administrative general partner, any unpaid but accrued AGP partnership management fees;
9. To repay any voluntary loan payable to the general partner or its affiliates, applied first to accrued interest and then to principal;
10. To the person making an operating deficit loan, to the extent of 50% of the remaining cash flow, an amount equal to the unpaid balance of any operating deficit loan made by such person;
11. To the payment of unpaid but accrued interest with respect to the City of Chico Loan;
12. To the payment of unpaid but accrued principal and interest with respect to the Housing Authority of the County of Butte Loan; and
13. The balance, 15% to the investor limited partner, 84.995% to the administrative general partner and .005% to the managing general partner.

## Chico Harvest Park, L.P.

### Notes to Financial Statements December 31, 2021 and 2020

#### Development deficit guaranty

During the development deficit period, as defined, the general partner shall advance the Partnership any amounts required to fund any development deficits and any operating deficits. As of December 31, 2021, no amounts were due under the guaranty.

#### Guaranty agreement

The partnership agreement provides for a guaranty agreement between affiliates of the general partners and the investor limited partner. The guarantors guarantee the following: i) the full and complete payment and performance by the general partner of the Special Obligations; ii) the full and complete payment and performance by the developer under the development agreement. As of December 31, 2021, no amounts were due under the guaranty.

#### Note 6 - Statements of cash flows

The following table provides a reconciliation of cash and restricted cash reported within the balance sheets that sum to the total of the same such amounts in the statements of cash flows.

	2021	2020
Cash	\$ 336,291	\$ 419,656
Tenants' security deposits	58,775	57,710
Operating reserve	250,000	250,000
Total cash and restricted cash shown in the statements of cash flows	<u>\$ 645,066</u>	<u>\$ 727,366</u>

Amounts included in restricted cash are comprised of security deposits held in trust for the future benefit of tenants upon moving out of the project and the operating reserve as required by the partnership agreement.

#### Note 7 - Mortgages and notes payable

The Partnership entered into a loan agreement in the amount of \$10,711,311 of bonds issued by California Statewide Communities Development Authority from the proceeds of Affordable Multifamily Housing Revenue Bonds Series 2013 A-1 (\$4,300,000) ("Series 2013 A-1 bonds") and Series 2013 A-2 (\$6,411,311) ("Series 2013 A-2 bonds"). The bonds are secured by the Project. The Series 2013 A-2 bonds were paid in full in 2014.

The Series 2013 A-1 bonds bear interest at a fixed interest rate of 3.30% and mature on July 1, 2030. The Series 2013 A-1 bonds will be paid in biannual monthly installments of interest only until conversion on January 1, 2016, when they will be paid in biannual installments of principal and interest as determined under the debt service payment schedule until the maturity date at which time a balloon payment in the principal amount of \$3,325,000 will be due. For the years ended December 31, 2021 and 2020, interest of \$130,534 and \$131,959, respectively, was incurred and expensed. As of December 31, 2021 and 2020, the outstanding principal was \$3,970,000 and \$4,030,000, respectively, and accrued interest was \$67,365 and \$67,484 at December 31, 2021 and 2020, respectively.



## Chico Harvest Park, L.P.

### Notes to Financial Statements December 31, 2021 and 2020

Debt issuance costs, net of accumulated amortization, totaled \$202,634 and \$225,832 as of December 31, 2021 and 2020, respectively, and are related to the first mortgage. During 2021 and 2020, amortization of debt issuance costs of \$23,198 and \$23,198, respectively, have been expensed and are included in interest expense - first mortgage in the statements of operations. Debt issuance costs on the above note are being amortized using an imputed interest rate of 4.3%.

The Partnership entered into a loan agreement in the amount of \$8,800,000 payable to CRA. The mortgage is secured by the Project and bears interest at 2%, which is payable from residual receipts. The loan matures March 1, 2066, at which time the entire principal and any outstanding interest are due. For the years ended December 31, 2021 and 2020, interest of \$176,000 and \$176,000, respectively, was incurred and expensed. As of December 31, 2021 and 2020, the outstanding principal was \$8,800,000 and \$8,800,000, respectively, and accrued interest was \$1,146,825 and \$1,132,831 at December 31, 2021 and 2020, respectively.

The Partnership entered into a loan agreement in the amount of \$600,000 payable to the Housing Authority of the County of Butte ("HACB"). The mortgage is secured by the Project and bears interest at 2.31%, which is payable annually from excess cash flow. The loan matures February 28, 2068, at which time the entire principal and any outstanding interest are due. For the years ended December 31, 2021 and 2020, interest of \$16,612 and \$16,280, respectively, was incurred and expensed. Interest is compounded and added to the principal on May 1st of each year. As of December 31, 2021 and 2020, the outstanding principal was \$724,509 and \$708,151, respectively, and accrued interest was \$11,234 and \$10,980 at December 31, 2021 and 2020, respectively.

The liability of the Partnership under the mortgages and notes payable is limited to the value of the underlying real estate collateral and an assignment of rents and other amounts deposited with the lenders.

Principal payment requirements for each of the next five years and thereafter subsequent to December 31, 2021 are as follows:

	Series 2013 A-1	CRA	HACB	Total
2022	\$ 60,000	\$ -	\$ -	\$ 60,000
2023	65,000	-	-	65,000
2024	70,000	-	-	70,000
2025	70,000	-	-	70,000
2026	80,000	-	-	70,000
Thereafter	3,625,000	8,800,000	724,509	13,149,509
Subtotal	3,970,000	8,800,000	724,509	13,494,509
Less unamortized debt issuance costs	(202,634)	-	-	(202,634)
Total	<u>\$ 3,767,366</u>	<u>\$ 8,800,000</u>	<u>\$ 724,509</u>	<u>\$ 13,291,875</u>

#### Note 8 - Management agreement

The Project is managed by WinnResidential California L.P., a related party, pursuant to a management agreement that provides for a management fee of 5.00% of monthly rental collections. For the years ended December 31, 2021 and 2020, management fees of \$45,563 and \$45,222, respectively, were incurred and expensed.

## Chico Harvest Park, L.P.

### Notes to Financial Statements December 31, 2021 and 2020

#### Note 9 - Economic concentrations

The Partnership operates a 90-unit apartment project located in Chico, California. Future operations could be affected by changes in economic or other conditions in that geographical area or by changes in federal low-income housing subsidies or the demand for such housing.

The Partnership received rental assistance payments from local housing agencies on behalf of the tenants. During the years ended December 31, 2021 and 2020, rental assistance payments of \$252,207 and \$235,175 were received by the Partnership and are included in rental income in the statements of operations.

#### Note 10 - Contingencies

##### Low-income housing tax credits

The Partnership has been allocated federal low-income housing tax credits by the California Tax Credit Allocation Committee amounting to \$4,972,730. As of December 31, 2021, \$3,968,013 in tax credits has been allocated to the partners. The expected availability of the remaining tax credits is as follows:

Year	Amount
2022	\$ 497,273
2023	497,273
2024	10,171
	<u>\$ 1,004,717</u>

##### COVID-19 Pandemic

In early 2020, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity which could result in a loss of lease revenue and other material adverse effects to the Partnership's financial position, results of operations, and cash flows. The Partnership is currently unable to fully determine the extent of COVID-19's impact on its business in future periods. The Company's performance in future periods will be heavily influenced by the timing, length, and intensity of any business disruption from COVID-19 and the related effects on the Partnership's operations. Management continues to monitor the results of operations to evaluate the actual and potential economic impact of the pandemic on the Project.

#### Note 11 - Concentration of credit risk

The Partnership maintains its cash with various financial institutions. The Partnership also maintains bond funded escrows and reserves. All escrows and reserves are held in trust accounts in the Partnership's name. At times, these balances may exceed the federal insurance limits; however, the Partnership has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these balances at December 31, 2021.

**Chico Harvest Park, L.P.**

**Notes to Financial Statements  
December 31, 2021 and 2020**

**Note 12 - Subsequent events**

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Partnership through March 15, 2022, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.

## **Supplementary Information**

**Chico Harvest Park, L.P.**

**Schedules of Certain Income and Expenses  
Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Rental income		
Rent revenue - gross potential	\$ 721,414	\$ 701,463
Tenant assistance payments	<u>252,207</u>	<u>235,175</u>
Total rental income	<u><u>\$ 973,621</u></u>	<u><u>\$ 936,638</u></u>
Vacancies and concessions		
Apartment vacancies	<u>\$ 8,474</u>	<u>\$ 17,846</u>
Total vacancies and concessions	<u><u>\$ 8,474</u></u>	<u><u>\$ 17,846</u></u>
Other operating income		
Cable contract revenue	\$ 3,474	\$ 3,002
Damages income	1,641	5,512
Late fees	-	100
Application fees	420	700
Miscellaneous other income	<u>175</u>	<u>255</u>
Total other operating income	<u><u>\$ 5,710</u></u>	<u><u>\$ 9,569</u></u>
Salaries and employee benefits		
Salaries - administrative	\$ 44,437	\$ 36,982
Salaries - maintenance	32,825	25,614
Payroll taxes	6,286	6,095
Health insurance and other benefits	13,223	9,535
Workmen's compensation insurance	<u>4,722</u>	<u>2,167</u>
Total salaries and employee benefits	<u><u>\$ 101,493</u></u>	<u><u>\$ 80,393</u></u>
Repairs and maintenance		
Exterminating	\$ 5,900	\$ 2,980
Grounds	39,983	24,341
Fire protection	3,185	877
Security services/contract	1,783	3,829
Supplies	26,081	15,908
Painting, decorating and cleaning	3,360	6,602
Pool	3,352	2,728
Repairs and maintenance - other than contracts	19,456	11,614
Repairs and maintenance - contracts	36,208	15,112
Carpeting	10,846	20,115
Miscellaneous maintenance expenses	<u>1,174</u>	<u>1,066</u>
Total repairs and maintenance	<u><u>\$ 151,328</u></u>	<u><u>\$ 105,172</u></u>

**Chico Harvest Park, L.P.**

**Schedules of Certain Income and Expenses  
Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Utilities		
Electricity	\$ 10,389	\$ 14,570
Sewer	52,316	48,115
Trash removal	12,290	11,443
Gas	2,018	2,156
Cable	-	85
	<u>77,013</u>	<u>76,369</u>
Total utilities	<u>\$ 77,013</u>	<u>\$ 76,369</u>
Miscellaneous operating expenses		
Office supplies and expense	\$ 12,044	\$ 11,557
Training and travel	2,921	4,920
Telephone and answering service	12,288	17,732
Bad debt expense	20,133	3,256
Other rent expense	345	391
Miscellaneous administrative	12,516	5,392
Rent free unit	14,301	10,949
Advertising and newspaper	1,468	1,290
Accounting	13,880	12,250
Other taxes, licenses and insurance	1,185	1,175
	<u>91,081</u>	<u>68,912</u>
Total miscellaneous operating expenses	<u>\$ 91,081</u>	<u>\$ 68,912</u>
Interest expense - other loans		
Interest expense CRA loan	\$ 176,000	\$ 176,000
Interest expense HACB loan	16,612	16,280
	<u>192,612</u>	<u>192,280</u>
Total interest expense - other loans	<u>\$ 192,612</u>	<u>\$ 192,280</u>
Other financial income (expense)		
Trustee fees	\$ (3,400)	\$ (3,400)
Credit enhancement, issuer, and servicing fees	(76,789)	(80,363)
	<u>(80,189)</u>	<u>(83,763)</u>
Total other financial income (expense)	<u>\$ (80,189)</u>	<u>\$ (83,763)</u>
Miscellaneous other income (expense)		
Miscellaneous other income	\$ 3,443	\$ 3,651
	<u>3,443</u>	<u>3,651</u>
Total miscellaneous other income (expense)	<u>\$ 3,443</u>	<u>\$ 3,651</u>
Other related party fees and expenses		
Managing general partner fee	\$ 20,000	\$ 20,000
Administrative general partner fee	11,941	11,593
	<u>31,941</u>	<u>31,593</u>
Total other related party fees and expenses	<u>\$ 31,941</u>	<u>\$ 31,593</u>

See Independent Auditor's Report.



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**1200 PARK AVENUE LP**  
**(A California Limited Partnership)**  
***COMPARATIVE FINANCIAL REPORT***  
**December 31, 2021 and 2020**



## **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  
1200 Park Avenue, L.P.  
(A California Limited Partnership)  
Chico, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of 1200 Park Avenue, L.P. (the "Partnership"), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, partners' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Partnership as of December 31, 2021 and 2020, 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.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 Partnership's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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### *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 auditors' report that includes our opinion. 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 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, including omissions, 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, 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 Partnership'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 Partnership'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.

### *Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information to the financial statements as referenced in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Burns & Carpay, L.L.P.*

Stockton, CA  
February 14, 2022

**1200 PARK AVENUE, L.P.**  
**(A California Limited Partnership)**

**BALANCE SHEETS**  
**December 31, 2021 and 2020**

<b>ASSETS</b>	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 53,054	\$ 155,493
Accounts receivable - tenant	8,388	6,019
Accounts receivable - other	51,971	--
Prepaid expenses	77,822	25,079
Total current assets	<u>191,235</u>	<u>186,591</u>
<b>RESTRICTED DEPOSITS AND FUNDED RESERVES</b>		
Tax and insurance impounds	6,017	11,873
Tenant security deposits	35,879	35,879
Reserve for replacements	325,837	336,332
	<u>367,733</u>	<u>384,084</u>
<b>PROPERTY AND EQUIPMENT, at cost</b>		
Land	629,523	629,523
Building and improvements	18,390,783	18,390,783
Furniture and equipment	128,913	128,913
	<u>19,149,219</u>	<u>19,149,219</u>
Less accumulated depreciation	<u>(7,213,779)</u>	<u>(6,753,560)</u>
	<u>11,935,440</u>	<u>12,395,659</u>
<b>OTHER ASSETS</b>		
Deposit	329	329
Tax credit fees, net of accumulated amortization of \$106,280 and \$102,146 in 2021 and 2020, respectively	--	4,134
	<u>329</u>	<u>4,463</u>
Total assets	<u><u>\$ 12,494,737</u></u>	<u><u>\$ 12,970,797</u></u>

**1200 PARK AVENUE, L.P.**  
**(A California Limited Partnership)**

**BALANCE SHEETS (Cont.)**  
**December 31, 2021 and 2020**

<b>LIABILITIES AND PARTNERS' EQUITY</b>	<u>2021</u>	<u>2020</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 30,558	\$ 11,447
Due to affiliate	2,438	2,438
Accrued interest expense, current portion	34,529	33,777
Note payable - Berkadia, current portion	62,511	58,239
Partnership fees payable	13,026	12,792
Total current liabilities	<u>143,062</u>	<u>118,693</u>
 <b>DEPOSIT LIABILITIES</b>		
Tenant security deposits	<u>34,114</u>	<u>33,914</u>
 <b>LONG-TERM LIABILITIES</b>		
Note payable - Berkadia, less current portion	1,653,443	1,715,954
Less unamortized debt issuance costs	(13,925)	(14,880)
Accrued interest expense, less current portion	588,769	588,970
Note payable - Redevelopment Agency of the City of Chico	3,675,000	3,675,000
Note payable - Housing Authority of the County of Butte	1,220,540	1,196,413
	<u>7,123,827</u>	<u>7,161,457</u>
 Total liabilities	<u>7,301,003</u>	<u>7,314,064</u>
 <b>PARTNERS' EQUITY</b>	<u>5,193,734</u>	<u>5,656,733</u>
 Total liabilities and partners' equity	<u><u>\$ 12,494,737</u></u>	<u><u>\$ 12,970,797</u></u>

**1200 PARK AVENUE, L.P.**  
**(A California Limited Partnership)**

**STATEMENTS OF INCOME**  
**Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
Tenant rental income	\$ 922,046	\$ 869,211
Tenant charges	5,239	9,669
Laundry	7,000	9,000
Other income	104	1,065
Interest income	126	167
Total revenue	<u>934,515</u>	<u>889,112</u>
 <b>OPERATING AND MAINTENANCE EXPENSES</b>		
Repairs and maintenance	125,134	123,777
Utilities	116,223	108,667
Wages and salaries	123,911	95,997
Property management fees	46,830	44,352
Services	31,720	35,330
Insurance	34,114	25,971
General and administrative	21,715	19,631
Health insurance and other employee benefits	11,184	16,332
Professional fees	22,395	14,250
Payroll taxes and workers' compensation insurance	16,697	13,717
Bad debt expense (recovery)	4,688	1,715
Other taxes and licenses	12,731	1,676
Total operating and maintenance expenses	<u>567,342</u>	<u>501,415</u>
 Net operating income	<u>367,173</u>	<u>387,697</u>
 <b>OTHER EXPENSES</b>		
Depreciation expense	460,219	460,219
Interest expense	256,254	259,206
Partnership fees	48,394	37,881
Amortization expense	4,134	7,085
Reserve withdrawals	42,528	2,500
Interest expense - debt issuance costs	955	955
Total other expenses	<u>812,484</u>	<u>767,846</u>
 Net income (loss)	<u><u>\$ (445,311)</u></u>	<u><u>\$ (380,149)</u></u>

**1200 PARK AVENUE, L.P.**  
**(A California Limited Partnership)**

**STATEMENTS OF PARTNERS' EQUITY**  
**Years Ended December 31, 2021 and 2020**

	BCAHDC	CCPXXVIII, LP (Withdrawing Partner) HACB (Admitted Partner)	CCPXXXIII, LP (Withdrawing Partner) HACB (Admitted Partner)	RCXXXVIII SLP LLC (Withdrawing Partner) HACB (Admitted Partner)	Total
Balance, December 31, 2019	\$ (566)	\$ 5,574,837	\$ 471,742	\$ (566)	\$ 6,045,447
Partner distributions	(1)	(7,898)	(665)	(1)	(8,565)
Net loss	(38)	(350,565)	(29,508)	(38)	(380,149)
Balance, December 31, 2020	(605)	5,216,374	441,569	(605)	5,656,733
Partner distributions	--	(16,481)	(1,204)	(3)	(17,688)
Net loss	(45)	(410,656)	(34,566)	(45)	(445,311)
Balance, December 31, 2021	<u>\$ (650)</u>	<u>\$ 4,789,237</u>	<u>\$ 405,799</u>	<u>\$ (653)</u>	<u>\$ 5,193,734</u>

**1200 PARK AVENUE, L.P.  
(A California Limited Partnership)**

**STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (445,311)	\$ (380,149)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	464,353	467,304
Amortization of debt issuance costs	955	955
Change in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable - tenant	(2,369)	(3,247)
Accounts receivable - other	(51,971)	--
Prepaid expenses	(52,743)	(3,561)
Increase (decrease) in:		
Accounts payable and accrued liabilities	19,111	1,134
Accrued interest payable	24,678	24,518
Tenant security deposits	200	(1,965)
Partnership fees payable	234	227
Net cash provided by (used in) operating activities	<u>(42,863)</u>	<u>105,216</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments of long-term debt	(58,239)	(54,259)
Partners distributions	<u>(17,688)</u>	<u>(8,565)</u>
Net cash provided by (used in) financing activities	<u>(75,927)</u>	<u>(62,824)</u>
Increase (decrease) in cash, cash equivalents and restricted cash	(118,790)	42,392
Cash, cash equivalents and restricted cash		
Beginning	539,577	497,185
Ending	<u>\$ 420,787</u>	<u>\$ 539,577</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash payments for interest	<u>\$ 231,576</u>	<u>\$ 234,688</u>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH SUMMARY</b>		
Cash and cash equivalents	\$ 53,054	\$ 155,493
Tax and insurance impounds	6,017	11,873
Tenant security deposits	35,879	35,879
Reserve for replacements	325,837	336,332
	<u>\$ 420,787</u>	<u>\$ 539,577</u>



**1200 PARK AVENUE LP**  
**(A California Limited Partnership)**

**NOTES TO FINANCIAL STATEMENTS**

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

1200 Park Avenue, L.P. (the “Partnership”), a California limited partnership, was formed in March 2003, to own, maintain and operate a 107-unit senior citizen apartment complex, known as Park Avenue 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 Second Amended and Restated Agreement of Limited Partnership, the Partnership consisted of a 0.00% Administrative General Partner, 1200 Park Avenue LLC; a 0.01% Managing General Partner, Butte County Affordable Housing Development Corporation (BCAHDC); a 92.2177% investor limited partner, Centerline Corporate Partners XXVIII, LP; a 7.7623% investor limited partner, Centerline Corporate Partners XXXIII, LP; and a 0.001% Special Limited Partner, Related Corporate XXXVIII SLP LLC.

In November 2020, under the Third Amended and Restated Agreement of Limited Partnership, the Housing Authority of the County of Butte (HACB), a public body, corporate and politic, purchased the limited partners’ interests of the Partnership. Pursuant to the Third Amended and Restated Agreement of Limited Partnership, the Partnership consists of a 0.00% Administrative General Partner, 1200 Park Avenue LLC; a 0.01% Managing General Partner, BCAHDC; a 99.98% investor limited partner, HACB; and a 0.01% special limited partner, HACB. All profits, losses and credits, except those gains and losses referred to in Sections 9.1, 9.2, and 9.3 of the Partnership Agreement, shall be allocated to the partners in accordance with their percentage interest.

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.

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.

**1200 PARK AVENUE LP**  
**(A California Limited Partnership)**

**NOTES TO FINANCIAL STATEMENTS**

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

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 \$2,675 per month.

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	40
Furniture and equipment	5 - 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, 2021 and 2020.

Amortization

Organization costs are expensed as incurred. Tax credit monitoring fees are amortized over the fifteen year Low-Income Tax Credit Compliance period, using the straight-line method.

**1200 PARK AVENUE LP**  
**(A California Limited Partnership)**

**NOTES TO FINANCIAL STATEMENTS**

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

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.

Fair value of financial instruments

The carrying amount of financial instruments, including cash and cash equivalents, accounts receivable-tenant, accounts receivable-other, prepaid expenses, due to affiliate, partnership fees payable, accrued liabilities, and accounts payable 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. Other income is recorded when earned and consists primarily of laundry and other tenant charges.

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.

Subsequent events

Management has evaluated subsequent events through February 14, 2022, the date the financial statements were available to be issued.

**1200 PARK AVENUE LP**  
**(A California Limited Partnership)**

**NOTES TO FINANCIAL STATEMENTS**

**Note 2. Related Parties Transactions**

Annual local administrative fee

Pursuant to the Second Amended and Restated Agreement of Limited Partnership, the Partnership agreed to pay the Special Limited Partner a cumulative annual fee of \$5,000. As of December 31, 2021 and 2020, \$5,000 annual local administrative fee was payable. For the years ending December 31, 2021 and 2020, \$5,000 of the annual local administrative fee was earned.

Social services reimbursement fee

Pursuant to the Second Amended and Restated Agreement of Limited Partnership, the Partnership agreed to pay the Managing General Partner a cumulative annual fee of \$5,000, to be increased at an annual rate of 3%. As of December 31, 2021 and 2020, \$8,026 and \$7,792, respectively, of the social services reimbursement fee was earned and payable.

Tax credit monitoring fee

Pursuant to the Second Amended and Restated Agreement of Limited Partnership, the Partnership agreed to pay the Managing General Partner an annual fee of 2% of gross effective income. For the years ending December 31, 2021 and 2020, \$17,680 and \$16,524, respectively, of the tax credit monitoring fee was paid.

Supervisory management fee

Pursuant to the Amended and Restated Agreement of Limited Partnership, the Partnership agreed to pay the Managing General Partner an annual fee equal to 50% of the cash flow otherwise available for distribution. The supervisory management fee cannot exceed 8% of gross effective income. For the years ending December 31, 2021 and 2020, \$17,688 and \$8,565, respectively, of the supervisory management fee was paid.

**Note 3. Excess Cash Distributions**

The 2021 excess cash distributions to be paid subsequent to December 31, 2021 is \$152,804 to be distributed to the Special Limited Partner for the annual local administrative fee for \$5,000, to the Managing General Partner for the social services reimbursement fee for \$8,026, to the Managing General Partner for the tax credit monitoring fee for \$18,547, to the Managing General Partner for the supervisory management fee of \$6,635, to HACB for interest on its loan for \$34,460, to the City of Chico for \$73,500 for interest on its loan, and \$6,636 distributed to the Partners.

**1200 PARK AVENUE LP**  
**(A California Limited Partnership)**

**NOTES TO FINANCIAL STATEMENTS**

**Note 4. Long-Term Debt**

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

	<u>2021</u>	<u>2020</u>
Note payable to the City of Chico, acting as the successor agency to Chico Redevelopment Agency, issued in May 2003, in the amount of \$3,675,000. The loan is secured by land and building. The loan bears interest at a fixed rate of 2.00% simple interest. The note matures on May 29, 2058. The Partnership incurred \$73,500 and \$73,701, respectively, of interest expense during the years ended December 31, 2021 and 2020. At December 31, 2021 and 2020, accrued interest was \$588,769 and \$588,970, respectively.	\$ 3,675,000	\$ 3,675,000
Note payable to Berkadia, issued in June 2007 in the amount of \$2,261,000. The loan is secured by land and building. The loan bears interest at a fixed rate of 7.10%. Monthly principal and interest payments in the amount of \$15,195 are due monthly. The note matures in July 2037. The Partnership incurred \$124,097 and \$128,076 of interest expense during the years ended December 31, 2021 and 2020, respectively.	1,715,954	1,774,193
Note payable to the Housing Authority of the County of Butte (HACB), issued in November 2004, in the amount of \$675,000. The loan is secured by land and building. The loan bears interest at a fixed rate of 4.84% compounding interest. The loan matures in November 2054. Principal and interest payments are required to be paid from residual receipts as defined in the promissory note. The Partnership incurred interest expense of \$58,657 and \$57,429 during the years ended December 31, 2021 and 2020, respectively. The accrued interest expense not paid during the year is included with principal. At December 31, 2021 and 2020, accrued interest was \$34,529 and \$33,777, respectively.	<div style="text-align: right;">1,220,540</div> <div style="text-align: right;">\$ <u>6,611,494</u></div>	<div style="text-align: right;">1,196,413</div> <div style="text-align: right;">\$ <u>6,645,606</u></div>

**1200 PARK AVENUE LP**  
**(A California Limited Partnership)**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 4. Long-Term Debt (Cont.)**

The future amounts of principal payments under the note payables at December 31, 2021 were as follows:

2022	\$ 62,511
2023	67,097
2024	72,019
2025	77,302
2026	82,972
Thereafter	<u>6,249,593</u>
	<u>\$ 6,611,494</u>

As of December 31, 2021 and 2020, debt issuance costs, net of accumulated amortization of \$14,722 and \$13,767, respectively, are amortized using the straight-line method.

**Note 5. City of Chico Home Program Regulatory Agreements**

In consideration of a grant made by the City of Chico, and a loan made to the Project, by the Chico Redevelopment Agency, the Partnership has entered into regulatory agreements with the City and Agency. 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 senior citizen tenants subject to various covenants and conditions.

**Note 6. Current Vulnerability Due to Certain Concentrations**

The Partnership's sole asset is 1200 Park Avenue 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.

**Note 7. Contingency**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the United States of America ("U.S."). On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time and the future effects are unknown.

## **SUPPLEMENTAL INFORMATION**

**1200 PARK AVENUE, L.P.**  
**(A California Limited Partnership)**

**CALCULATION OF SURPLUS CASH**  
**Year Ended December 31, 2021**

<b>NET INCOME (LOSS)</b>	\$ (445,311)
Add: depreciation, amortization and interest expense - debt issuance costs	<u>465,308</u>
<b>CASH FLOW FROM OPERATIONS</b>	19,997
<b>Less:</b>	
Transfers to replacement reserve (including interest)	(32,183)
Capital improvements	--
Mortgage loan principal payments - Berkadia	(58,239)
<b>Add:</b>	
Tax credit monitoring fee	17,680
Supervisory management fee	17,688
Social service reimbursement fee	8,026
Annual local administrative fee	5,000
Interest expense - HACB	58,657
Interest expense - City of Chico	73,500
Transfers in from reserves	<u>42,678</u>
<b>NET CASH FLOWS AVAILABLE FOR DISTRIBUTION</b>	<u><u>\$ 152,804</u></u>



**1200 PARK AVENUE, L.P.**  
**(A California Limited Partnership)**

**EXCESS CASH DISTRIBUTION CALCULATION**  
**Year Ended December 31, 2021**

<b>EXCESS CASH FLOW</b>			\$ 152,804
<b>DISTRIBUTION OF CASH FLOW</b>			
Local administrative fee			(5,000)
City of Chico annual interest payment (as per Loan Agreement 75% RR)			(73,500)
Social services reimbursement fee			(8,026)
Tax credit monitoring fee (2% of gross effective income)			
	Gross potential rent	957,300	
	Other income (tenant charges/laundry)	12,343	
	Vacancy loss & concessions	(35,254)	
	Change in accounts receivable-tenant	(2,369)	
	Tenant bad debt (direct write-off/reversal)	(4,688)	
	Gross effective income	<u>927,332</u>	(18,547)
HACB annual interest payment			<u>(34,460)</u>
			13,271
Supervisory management fee (50% of remainder, not to exceed 8% of gross effective income)		74,187	<u>(6,635)</u>
Balance to be distributed to Partners			6,636
	Limited Partner (HACB)	99.98%	6,634
	Special Limited Partner (HACB)	0.01%	1
	General Partners (BCAHDC)	0.01%	1
			<u>\$ - -</u>

**1200 PARK AVENUE, L.P.**  
**(A California Limited Partnership)**

**CALCULATION OF DEBT SERVICE COVERAGE RATIO**  
**Year Ended December 31, 2021**

Gross potential rent	\$ 957,300
Other income (tenant charges/laundry/interest)	12,469
Vacancy loss and concessions	(35,254)
Change in prepaid rent	--
Change in accounts receivable - tenant	<u>(2,369)</u>
Gross income	932,146
Operating expenses*	<u>(706,923)</u>
Net income	225,223
Debt service (Citibank P&I)	<u>182,340</u>
<b>Debt Service Coverage Ratio</b>	<b><u><u>1.24</u></u></b>

\* Operating expenses include required reserves, residual receipts, debt, interest and excludes partnership fees accrued.

**WALKER COMMONS, L.P.**  
**(A California Limited Partnership)**  
***COMPARATIVE FINANCIAL REPORT***  
**December 31, 2021 and 2020**

## **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  
**Walker Commons, L.P.**  
(A California Limited Partnership)

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Walker Commons, L.P. (the "Partnership"), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, partners' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Partnership as of December 31, 2021 and 2020, 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.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 Partnership's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Stockton, CA 95219

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### *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 auditors' report that includes our opinion. 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 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, including omissions, 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, 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 Partnership'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 Partnership'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.

*Bauman & Cypay, L.L.P.*

Stockton, California  
February 25, 2022

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

**BALANCE SHEETS**  
**December 31, 2021 and 2020**

<b>ASSETS</b>	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 241,461	\$ 237,137
Accounts receivable - tenant	21	18
Prepaid expenses	6,668	10,890
Total current assets	<u>248,150</u>	<u>248,045</u>
<b>RESTRICTED DEPOSITS AND FUNDED RESERVES</b>		
Tax and insurance impounds	37,959	26,439
Tenant security deposits	20,950	22,390
Reserve for replacements	435,431	323,989
	<u>494,340</u>	<u>372,818</u>
<b>PROPERTY AND EQUIPMENT, at cost</b>		
Land	600,000	600,000
Building and improvements	2,797,998	2,797,998
Furniture and equipment	75,044	75,044
	<u>3,473,042</u>	<u>3,473,042</u>
Less accumulated depreciation	<u>(1,804,168)</u>	<u>(1,729,188)</u>
	<u>1,668,874</u>	<u>1,743,854</u>
 Total assets	 <u><u>\$ 2,411,364</u></u>	 <u><u>\$ 2,364,717</u></u>

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

**BALANCE SHEETS (Cont.)**  
**December 31, 2021 and 2020**

<b>LIABILITIES AND PARTNERS' EQUITY</b>	<u>2021</u>	<u>2020</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 16,623	\$ 14,776
Accrued interest expense, current portion	15,000	15,000
Partnership fees payable	7,500	7,500
Total current liabilities	<u>39,123</u>	<u>37,276</u>
 <b>DEPOSIT LIABILITIES</b>		
Tenant security deposits	<u>20,950</u>	<u>20,950</u>
 <b>LONG-TERM LIABILITIES</b>		
Accrued interest expense, less current portion	18,402	34,982
Note payable - Redevelopment Agency of the City of Chico	500,000	500,000
Less unamortized debt issuance costs	(2,616)	(3,146)
	<u>515,786</u>	<u>531,836</u>
 Total liabilities	<u>575,859</u>	<u>590,062</u>
 <b>PARTNERS' EQUITY</b>	<u>1,835,505</u>	<u>1,774,655</u>
 Total liabilities and partners' equity	<u><u>\$ 2,411,364</u></u>	<u><u>\$ 2,364,717</u></u>



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

**STATEMENTS OF INCOME**  
**Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
Tenant rental income	\$ 494,656	\$ 469,568
Tenant charges	1,901	1,836
Laundry	2,975	2,599
Interest income	304	2,039
Other income	563	418
Total revenue	<u>500,399</u>	<u>476,460</u>
 <b>OPERATING AND MAINTENANCE EXPENSES</b>		
Repairs and maintenance	92,697	77,509
Wages and salaries	67,935	59,842
Utilities	37,984	38,480
Property management fees	28,896	27,552
Health insurance and other employee benefits	15,713	10,228
Services	4,461	6,663
Insurance	14,239	10,781
General and administrative	14,390	9,385
Payroll taxes and workers' compensation insurance	8,795	8,038
Professional fees	10,128	8,561
Other taxes and licenses	3,334	1,548
Total operating and maintenance expenses	<u>298,572</u>	<u>258,587</u>
 Net operating income	<u>201,827</u>	<u>217,873</u>
 <b>OTHER EXPENSES</b>		
Interest expense	15,000	15,000
Interest expense - debt issuance costs	530	530
Depreciation expense	74,980	74,639
Partnership fees	7,500	7,500
Total other expenses	<u>98,010</u>	<u>97,669</u>
 Net income (loss)	<u><u>\$ 103,817</u></u>	<u><u>\$ 120,204</u></u>

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

**STATEMENTS OF PARTNERS' EQUITY**  
**Years Ended December 31, 2021 and 2020**

	<u>BCAHDC</u>	<u>HACB</u>	<u>Total</u>
Balance, December 31, 2019	\$ 67,172	\$ 1,644,161	\$ 1,711,333
Partner distributions	(38,111)	(18,771)	(56,882)
Net income (loss)	<u>1,202</u>	<u>119,002</u>	<u>120,204</u>
Balance, December 31, 2020	30,263	1,744,392	1,774,655
Partner distributions	(28,788)	(14,179)	(42,967)
Net income (loss)	<u>1,038</u>	<u>102,779</u>	<u>103,817</u>
Balance, December 31, 2021	<u><u>\$ 2,513</u></u>	<u><u>\$ 1,832,992</u></u>	<u><u>\$ 1,835,505</u></u>

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

**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ 103,817	\$ 120,204
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	74,980	74,639
Amortization of debt issuance costs	530	530
Change in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable - tenant	(3)	(18)
Prepaid expenses	4,222	(2,670)
Increase (decrease) in:		
Accounts payable and accrued liabilities	1,847	11,880
Accrued interest payable	(16,580)	--
Tenant security deposits	--	(600)
Deferred revenue	--	(113)
Net cash provided by (used in) operating activities	<u>168,813</u>	<u>203,852</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	<u>--</u>	<u>(5,579)</u>
Net cash provided by (used in) investing activities	<u>--</u>	<u>(5,579)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Partners distributions	<u>(42,967)</u>	<u>(56,882)</u>
Net cash provided by (used in) financing activities	<u>(42,967)</u>	<u>(56,882)</u>
Increase (decrease) in cash and cash equivalents	125,846	141,391
Cash, cash equivalents and restricted cash		
Beginning	<u>609,955</u>	<u>468,564</u>
Ending	<u>\$ 735,801</u>	<u>\$ 609,955</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash payments for interest	<u>\$ 31,580</u>	<u>\$ 15,000</u>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH SUMMARY</b>		
Cash and cash equivalents	\$ 241,461	\$ 237,137
Tax and insurance impounds	37,959	26,439
Reserve for replacements	435,431	323,989
Tenant security deposits	20,950	22,390
	<u>\$ 735,801</u>	<u>\$ 609,955</u>

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

**NOTES TO FINANCIAL STATEMENTS**

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

Walker Commons, L.P. (the "Partnership"), a California limited partnership, was formed in May 1995, to own, maintain and operate a 56-unit senior and disabled households' apartment complex, known as Walker 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 Second Amended and Restated Agreement of Limited Partnership, the Partnership consists of a 1% General Partner, Butte County Affordable Housing Development Corporation (BCAHDC) 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.

Cash, cash equivalents and restricted cash

For purposes of reporting the statements of cash flows, the Partnership includes all cash, cash equivalents 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 \$933 per month.

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.

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

**NOTES TO FINANCIAL STATEMENTS**

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

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	7 - 40
Furniture and equipment	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, 2021 and 2020.

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.

Fair value of financial instruments

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

Rental revenue

Rental income attributable to residential leases is recorded when due from residents, generally upon the first day of each month. Leases are for a period of up to one year, with rental payments due monthly. Rental income is shown at its maximum gross potential. Vacancies and concessions are shown as a reduction in rental income. Other income is recorded when earned and consists primarily of laundry and other tenant charges.

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

**NOTES TO FINANCIAL STATEMENTS**

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

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.

Subsequent events

Management has evaluated subsequent events through February 25, 2022, the date the financial statements were available to be issued.

**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 a cumulative annual fee of \$7,500. As of December 31, 2021 and 2020, \$7,500 partnership management fee was payable. For the years ending December 31, 2021 and 2020, a partnership management fee of \$7,500 was earned.

Cash flows

Cash flow from operations for each fiscal year commencing in 1996 shall be distributed 33% to the Limited Partner and 67% to the General Partner. Pursuant to the loan agreement with the City of Chico, the Partnership may make distributions to the Partners when residual receipts exceed the amount necessary to pay that year's annual interest to the City.

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

**NOTES TO FINANCIAL STATEMENTS**

**Note 3. Long-Term Debt**

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

	<u>2021</u>	<u>2020</u>
Note payable to the City of Chico, issued in July 1995, in the amount of \$500,000. The loan is secured by a subordinate deed of trust. The loan bears interest at a fixed rate of 3.00% simple interest and requires annual interest only payments. The note matures in May 2051. Payments are deferred to the extent they exceed the residual receipts of the Partnership. The Partnership incurred \$15,000 of interest expense during the years ended December 31, 2021 and 2020. At December 31, 2021 and 2020, accrued interest was \$33,402 and \$49,982, respectively.	\$ <u>500,000</u>	\$ <u>500,000</u>

As of December 31, 2021 and 2020, debt issuance costs, net of accumulated amortization of \$13,298 and \$12,768, respectively, are amortized using the straight-line method.

**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.

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

The Partnership's sole asset is Walker 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.

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

**NOTES TO FINANCIAL STATEMENTS**

**Note 6. Contingency**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the United States of America ("U.S."). On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time and the future effects are unknown.



May 13, 2022

**MEMO**

To: BCAHDC Board of Directors

From: Hope Stone, CFO  
Ed Mayer, President

Subject: Agenda Item - CY 2021 1200 Park Ave Surplus Cash Flow - Distribution

The 1200 Park Ave 2021 Residuals Receipts from operations are \$113,586, see next page. After the annual fees and interest payments are made, there will be a negative balance of \$(12,201) This amount does not allow for partnership distribution.

*Recommendation: Motion to approve authorization to make annual fee and interest payments with no disbursement to partners as described above.*

**1200 PARK AVENUE, L.P.**  
**(A California Limited Partnership)**

**EXCESS CASH DISTRIBUTION CALCULATION**

**Year Ended December 31, 2021**

**EXCESS CASH FLOW** \$ 113,586

**DISTRIBUTION OF CASH FLOW**

Local administrative fee		(5,000)
City of Chico annual interest payment (as per Loan Agreement 75% RR)		(73,500)
Social services reimbursement fee		(8,026)
Tax credit monitoring fee (2% of gross effective income)		
Gross potential rent	902,964	
Other income (Tenant charges/laundry)	16,535	
Vacancy loss & concessions	(27,419)	
Change in prepaid rent	-	
Change in accounts receivable	(3,247)	
Tenant bad debt (direct write-off/reversal)	(4,687)	
	<u>Gross effective income</u>	<u>(17,683)</u>
		<u>(33,779)</u>
HACB annual interest payment		(24,402)
Supervisory management fee (50% of remainder, not to exceed 8% of gross effective income)	70,732	12,201
Balance to be distributed to Partners (87.4% of the distribution is allocated to the withdrawing limited partners)		(12,201)
Withdrawing Limited Partner (CCP XXVII, LP)	92.2177%	0
Withdrawing Limited Partner (CCP XXXIII, LP)	7.7623%	0
Withdrawing Limited Partner (RC XXXVIII SLP LLC)	0.0100%	0
Limited Partner (HACB)	99.9800%	0
Special Limited Partner (HACB)	0.0100%	0
General Partners (BCAHDC)	0.0100%	0
		<u>\$ 0</u>

May 13, 2022

## MEMO

To: BCAHDC Board of Directors

From: Hope Stone, CFO  
Ed Mayer, President

Subject: Agenda Item - CY 2021 Walker Commons Surplus Cash Flow - Distribution

The Walker Commons 2021 Residuals Receipts from operations are \$83,127, see next page. This amount does not exceed the \$142,967 maximum allowed for partnership distribution, as per the City of Chico Loan Agreement; therefore, the City will not receive any additional accrued interest payments. The proposed distribution amount is 15% higher than the average with past years.

2015	50,192	
2016	142,967	anomaly
2017	31,279	
2018	26,622	100K withheld
2019	56,882	
2020	42,967	100K withheld
AVERAGE	58,485	
<b>2021</b>	<b>\$68,127</b>	

BCAHDC, as Managing General Partner (MGP) of Walker Commons, L.P., has certain power and authority as outlined in the Limited Partnership Agreement (LPA), as amended. Section 1.10 Cash Flow from Operations is defined to exclude Reserves deposits. Section 8.2 Other Reserves gives the General Partner authority to maintain contingent Reserves at its “sole discretion”. Section 9.3 Specific Powers of the General Partner, part (e) states: “In the Partnership’s name and behalf, the General Partner may deposit, withdraw, invest, pay, retain and distribute Partnerships funds in a manner consistent with the provisions of this Agreement”. Furthermore, Section 4.k. of the Second Amendment to the LPA gives the MGP the authority to “determine the amount and timing of distributions to partners and establish and maintain all required reserves”.

*Recommendation: Motion to approve authorization to make Distributions as described above.*

**WALKER COMMONS, L.P.**  
**CALCULATION OF EXCESS CASH**  
**CALENDAR YEAR ENDING DECEMBER 31, 2021**  
***DRAFT 3/14/2022***

PROFIT or (LOSS) FROM OPERATIONS	103,817.00
ADD: DEPRECIATION; AMORTIZATION; INTEREST ON DEBT ISSUANCE	75,510.00
<b>NET CASH FLOW FROM OPERATIONS</b>	<b>179,327.00</b>
SUBTRACT: TRANSFERS TO RESERVES	-111,200.00
SUBTRACT: CAPITAL EXPENDITURES	0.00
ADD: ACCRUED INTEREST TO CITY OF CHICO	15,000.00
ADD: WITHDRAWAL FROM RESERVE	0.00
<b>RESIDUAL RECEIPTS</b>	<b>83,127.00</b>
ANNUAL INTEREST DUE TO CITY OF CHICO	-15,000.00
<b>SUBTOTAL</b>	<b>68,127.00</b>
AMOUNT OVER 8% OF CAP. INVEST. PER CITY LOAN AGREEMENT	0.00
<b>SUBTOTAL</b>	<b>68,127.00</b>
PENDING BOARD APPROVAL TRANSFER TO RESERVES	0.00
<b>TOTAL DISTRIBUTION</b>	<b>68,127.00</b>

<b><u>PARTNER DISTRIBUTION DETAIL</u></b>	<b><u>SPLIT</u></b>
HACB - LIMITED PARTNER'S SHARE OF NET EXCESS CASH @ 33%	22,481.91
BCAHDC - GENERAL PARTNER'S SHARE OF NET EXCESS CASH @ 67%	45,645.09
<b>TOTAL PARTNER DISTRIBUTIONS</b>	<b><u>68,127.00</u></b>

		<u>book gain/loss</u>
HACB	99%	119,003.88
BCAHDC	1%	1,202.06
		120,205.94
		0.00

<b><u>*Distributions capped @ 8% of partner's capital investment, per City of Chico agreements</u></b>		
WNC (HACB assumed LP interest), as per LPA		1,143,551.00
BCAHDC, as per LPA		643,538.00
Less Syndication Costs (\$0, per Cost Certification)		<u>0.00</u>
Net Capital Contribution		<u>1,787,089.00</u>
<b>Max distribution</b>	<b>8%</b>	<b>142,967.00</b>

May 13, 2022

Memo

To: BCAHDC Board of Directors

From: Ed Mayer, President

Subject: Development Activity – Status

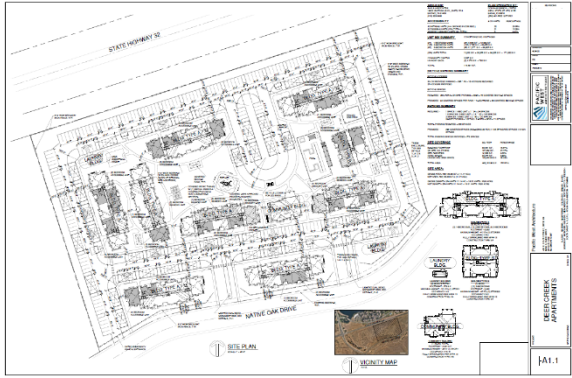
The following outlines status of affordable housing development activity in Butte and Glenn Counties, activity in which BCAHDC serves as Managing General Partner in the owning partnerships. Twelve (12) projects have seen their Construction Loans close and are starting, if not under, construction, five in Chico, five in Oroville, and two in Gridley. Two more projects, both in Orland, are scheduled around the first of June, one (1) in November, and one (1) in March 2023. Developers have approached BCAHDC regarding participation in additional projects – these will be brought to the Board for consideration.



**North Creek Crossings Apts I, Chico** (106 units, family, CCHCC/BCAHDC. Lender: Wells Fargo/Berkadia. LIHTC Investor: R4 Capital) – located in Meriam Park, this project is under construction, with delivery of units scheduled for the end of 2022, early 2023. The project just finished its eleventh month of construction.

**North Creek Crossings Apts II, Chico** (60 units, family, CCHC/BCAHDC. Lender: Wells Fargo/Berkadia. LIHTC Investor: R4 Capital) – the development closed, with construction now commenced. Sunseri Construction is building both phases of the project. The first month of construction is complete.





**Deer Creek Apts I, Chico** (156 units, family, The Pacific Companies/BCAHDC. Lender: Bank of America/CitiBank. LIHTC Investor: Bank of America) – located at the southeast corner of Bruce Road and Highway 32, the project cleared environmental concerns and closed as scheduled on December 30<sup>th</sup>. The site is being cleared, construction has begun on both phases. The Pacific Companies, development partner, is the contractor for the work.

**Deer Creek Apts II, Chico** (48 units, family, The Pacific Companies/BCAHDC. Lender: Bank of America/CitiBank. LIHTC investor: Bank of America) – The project has seen its construction close mid-March, and will be built out with Phase I. Both phases are scheduled for occupancy in the summer of 2023.

**1297 Park Ave Apts, Chico** (59 units, formerly homeless singles, Jamboree & BCAHDC. Lender: Banner Bank. LIHTC Investor, CREA) – located across Park Avenue from HACB/BCAHDC's 1200 Park Avenue Apartments, the project construction close was in October. Local contractor Modern Construction will build out the property. Occupancy is scheduled for the Summer 2023. HACB has committed 43 Section 8 project-based vouchers to this special needs project. The demolition of the "Ice House" is complete, though it unearthed unanticipated site conditions, including underground storage tanks and old concrete

foundations, required further environmental remediation, something the City will help with. The site is now ready for construction.



**Riverbend Apts I, Oroville** (72 units, family, The Pacific Companies/BCAHDC. Lender: Union Bank. LIHTC Investor: CREA) – located at the intersection of Nelson Avenue and Table Mountain Boulevard, the project is under construction. Delivery is scheduled for the Summer of 2022. The project has seen its eighth construction advance.



**Riverbend Apts II, Oroville** (48 units, family, The Pacific Companies/BCAHDC. Lender: Pacific Western Bank. LIHTC investor: CREA) – The project has closed, and is being built out alongside Phase I. PWC’s construction company is building the two phases.



**Mitchell Ave Apts I, Oroville** (36 units, seniors, The Pacific Companies/BCAHDC. Lender: Pacific Western Bank. LIHTC

Investor: Redstone) – located immediately to the west of HACB’s Winston Garden Public Housing property, the project is under construction, with delivery of units scheduled for the Spring of 2022. The eighth construction draw has been processed.

**Mitchell Ave Apts II, Oroville** (35 units, seniors, The Pacific Companies/BCAHDC. Lender Pacific Western Bank. LIHTC investor: The Richman Group) – located immediately to the west of Mitchell Avenue Apts I, the project has closed. Construction has commenced, to build out the improvements alongside the completion of Phase I.

**Prospect View Apts, Oroville** (40 units, formerly homeless singles, The Pacific Companies/BCAHDC. Lender: Pacific Western Bank. LIHTC investor: Boston Financial) – located next to the County Clerk and Recorder’s office on Nelson Avenue, the project secured approvals from the City of Oroville and a State NPLH commitment from Butte County. HACB has made a commitment of 39 Section 8 project-based vouchers to this project. Construction financing has closed, releasing the project for construction.

**Fogg Ave Apts, Oroville** (16-18 units, singles, HACB) – located immediately to the east of HACB’s Hammon Park Public Housing property off of Nelson Avenue, feasibility work has been advanced, analyzing both manufactured and stick-built development approaches. CDBG-DR monies are being contemplated for partial funding of this development. Staff seeks Board affirmation to pursue development using a traditional multi-family site-built approach.



**Ford Oaks Apts, Gridley** (36 units, family, The Pacific Companies/BCAHDC. Lender: Umpqua Bank. LIHTC Investor: CREA) – located on Ford Avenue near the Gridley Springs I & II Apts, the project is under construction. Eight construction draws have been completed. Delivery of units is scheduled for the Spring of 2022.

**Sunrise Village Apts, Gridley** (37 units, seniors, The Pacific Companies/BCAHDC) – with CDBG funds secured from the City, and MHP funds from the State, shifting State program policy pushed finalization of financing. HACB has made a commitment of 36 Section 8 project-based vouchers to this project. The project has closed, advancing the construction and build-out phase. The project is supported with 36 Section 8 PBV's. Increased construction costs are necessitating a re-evaluation of financing sources, including possible use of BCAHDC and

HACB loan funds contemplated for use in the development MOA.



**Kathy Court Apts, Paradise** (12 units, family, HACB) – burned to the ground in 2018's Camp Fire Disaster, the property is being re-built. Building Permits have been applied for. No news has been received regarding the PG&E lawsuit. The project is now tentatively scheduled for construction in the Fall of 2022, with lease-up scheduled for late 2023. Next steps are bidding and financing.

**Liberty Bell Apts, Orland** (32 units, seniors, The Pacific Companies/BCAHDC. Lender and LIHTC investor unknown at this time.) – this project has secured local HOME program funds, and has applied for 4% LIHTC's in the September funding competition. The project is on schedule for

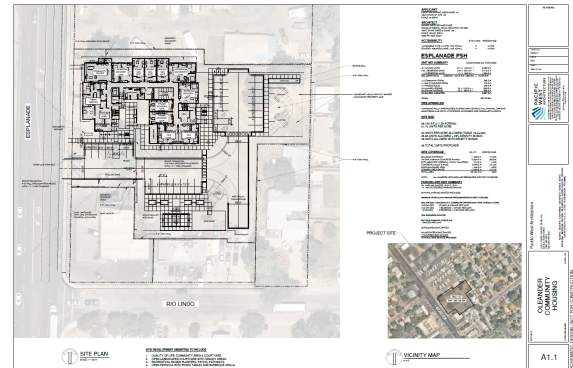
delivery in the Spring of 2023. HACB has committed 31 Section 8 project-based vouchers to this project. The close is scheduled for early June, at which point construction can start.



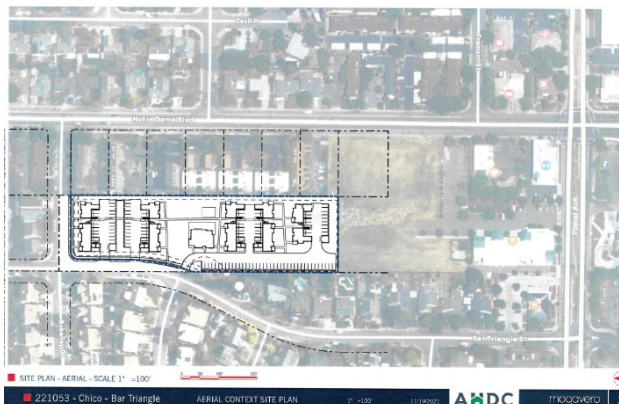
**Woodward Apts, Orland** (36 units, family, The Pacific Companies/BCAHDC. Lender and LIHTC investor unknown at this time.) – Like Liberty Bell Apts, the project is scheduled for delivery in the Spring of 2023. HACB has committed 25 Section 8 project-based vouchers to this project. The closing is scheduled for the end of May, after which construction can start.

**Oleander Community Housing Apartments, Chico** (38-units, special needs homeless, The Pacific Companies/BCAHDC. Lender and LIHTC investor unknown at this time.) This project has secured State No Place Like Home funds, 15-year NPLH services commitment from

Butte County Behavioral Health, CDBG-Disaster Recovery funds, and 4% LIHTC's to achieved viability. It is scheduled to close in March 2023, with delivery in Spring 2024.



**Orchard View Apartments I, Gridley** (48 units, family, The Pacific Companies/BCAHDC. Lender and LIHTC investor unknown at this time.) The first of three (3) phases, this project is scheduled for a June 2021 close, with Fall 2023 delivery.



**Bar Triangle Apartments, Chico** (70 units, family, CCHC/BCAHDC. Lender: Wells Fargo & Berkadia. LIHTC investor: R4

Capital) Scheduled for delivery in Summer 2024, this property, located near the Raley's shopping complex in south Chico, will site 25 project-based vouchers, awarded by the HACB at its December meeting.



**Eaglepointe Apartments, Paradise** (43 units, family, The Pacific Companies/BCAHDC. Lender and Investor unknown at this time.) The most recent of BCAHDC's development partnerships, this project seeks use of CDBG-DR and LIHTC monies.

**Other** – BCAHDC continues to see overtures from affordable housing developers. There is significant new activity in Paradise, much less Chico and Oroville, attracted by the availability of federal CDBG Disaster Recovery funds.

## Housing Authority of the County of Butte (HACB)/Butte County Affordable Housing Development Corporation (BCAHDC) Development:

						Funding Round	Investor LP	Const Lender	Perm Lender	Housing Authority Vouchers	Close	Delivery
TPC-AMG/BCAHDC	City	Units	Serves	Funding								
Sunrise Village Apts.	Gridley	37	Seniors	MHP, City CDBG	9% Disaster LIHTC's II	Jul 2021	Redstone	Banner		36	03/24/2022	Spring 2023
Riverbend Apts. Phase 1	Oroville	72	Family		9% Disaster LIHTC's	Jul 2020	CREA	Union Bank			06/07/2021	Fall 2022
Riverbend Apts. Phase 2	Oroville	48	Family		9% Disaster LIHTC's II	Jul 2022	CREA	Pacific Western Bank			04/01/2022	Spring 2023
Liberty Bell Apts.	Orland	32	Seniors	HOME	4% LIHTC's	Sep 2021	Redstone	Pacific Western Bank		31	06/01/2022	Spring 2023
Woodward Apts.	Orland	36	Family	MHP	4% LIHTC's	Sep 2021	Redstone	Pacific Western Bank		25	05/24/2022	Spring 2023
Mitchell Ave Apts Phase I	Oroville	36	Seniors		9% Disaster LIHTC's	Jul 2020	Redstone	Pacific Western Bank			05/11/2021	Aug-Oct 2022
Mitchell Ave Apts Phase II	Oroville	35	Seniors		9% Disaster LIHTC's II	Jul 2021	The Richman Group	Pacific Western Bank			03/22/2022	Winter 2023
Ford Oaks Apts	Gridley	36	Family		9% Disaster LIHTC's	Jul 2020	CREA	Umpqua			05/27/2021	Summer 2022
Deer Creek Apts Phase I	Chico	156	Family		9% Disaster LIHTC's	Jul 2020	BofA	BofA CitiBank			12/30/2021	Summer 2023
Deer Creek Apts Phase II	Chico	48	Family		9% Disaster LIHTC's II	Jul 2021	BofA	BofA BofA			03/17/2022	Summer 2023
Prospect View	Oroville	40	Singles PSH	NPLH (15), \$1mil City RDA	9% Disaster LIHTC's II	Jul 2021	Boston Financial	Pacific Western Bank		39	04/26/2022	Spring 2023
Orchard View Apts Phase I	Gridley	48	Family	County CDBG-DR	9% LIHTC's	Mar 2022?					Nov 2022	Fall 2023
Oleander Community Housing Apts	Chico	38	Singles/PSH	NPLH (15), City CDBG-DR	4% LIHTC's	Oct 2021				37	Mar 2023	Spring 2024
TPC-Koss/BCAHDC												
Eaglepointe Apts	Paradise	43	Families	CDBG-DR	9% LIHTC's	Feb 2022						
CCHC/BCAHDC												
North Creek Crossing Apts., Phase I	Chico	106	Family	City AHF	9% Disaster LIHTC's	Jul 2020	R4	Wells Fargo	Berkadia	26	06/17/2021	Spring 2023
North Creek Crossing Apts., Phase II	Chico	54	Family	City HOME & AHF	9% Disaster LIHTC's II	Jul 2021	R4	Wells Fargo	Berkadia	13	03/17/2022	Dec 2023
Bar Triangle	Chico	70	Family	City CDBG-DR	4% LIHTC/CDLAC Bonds	Mar 2022	R4?	Wells Fargo?	Berkadia?	25		Summer 2024
Jamboree/BCAHDC												
Park Avenue Apts.	Chico	59	Singles/PSH	County CDBG-DR, City HOME & CDBG	9% Disaster LIHTC's	Jul 2020	CREA	Banner		43	10/05/2021	Spring 2023
HACB												
Kathy Court Apts - rebuild	Paradise	12	Family	Bond Proceeds, PG&E Claim, CDBG-DR?								Fall 2022
Fogg Ave Apts	Oroville	16	Singles	CDBG-DR, MHP?								Fall 2023
HACB/BCAHDC Summary:		1,022	total units	13 projects						275	Vouchers	
		465	9% Disaster Credit units - Round 1									
		208	9% Disaster Credit units - Round 2									

## Legend:

CCHC - Central California Housing Corporation, Clovis, CA (Private LIHTC Developer)

BCAHDC - Butte County Affordable Housing Development Corporation (non-profit instrumentality of the Housing Authority of the County of Butte)

CHIP - Community Housing Improvement Program, Chico, CA, (non-profit Developer)

Jamboree - Jamboree Housing Corporation, Irvine, CA (non-profit Developer)

TPC - The Pacific Companies, Boise, ID (private LIHTC Developer)

Please join

*Affordable Housing Development Corporation,  
Butte County Affordable Housing  
Development Corporation  
and the City of Chico*

as we celebrate the

# Groundbreaking of **North Creek Crossings at Meriam Park**



## **Phase I and II Chico, California**

**Friday, June 17, 2022  
10:00 AM**

**Ceremony to be located at the site  
at the end of Notre Dame Blvd.  
just south of Marsh Junior High School**

***Please RSVP to [Nia@AHDCinc.com](mailto:Nia@AHDCinc.com) by June 10th***