

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE (HACB)**  
**Board of Commissioners Meeting**  
2039 Forest Avenue, Chico, California 95928

**MEETING AGENDA**

July 18, 2019  
2:00 p.m.

The Board of Commissioners welcomes and encourages public participation in the Board meetings. Members of the public may be heard on any items on the Commission's agenda. A person addressing the Commission 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 Commission. Members of the public desiring to be heard on matters under jurisdiction of the Commission, but not on the agenda, may address the Commission during agenda item 6.

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If you are disabled and need special assistance to participate in this meeting, please contact the Housing Authority office at 895-4474. Notification at least 48 hours prior to the meeting will enable the Housing Authority to make reasonable arrangements.

NEXT RESOLUTION NO. 4743

**ITEMS OF BUSINESS**

1. ROLL CALL
2. AGENDA AMENDMENTS
3. CONSENT CALENDAR
  - 3.1 Minutes for the meeting of June 20, 2019
  - 3.2 Checks written for:

3.2.1 Accounts Payable (General) –	\$348,854.25
3.2.2 Accounts Payable (FLH) –	\$70,228.45
3.2.3 Landlords –	\$1,037,150.82
3.2.4 Payroll –	\$119,187.91
  - 3.3 Financial Statements
  - 3.4 Section 8 Housing Choice Voucher Program
    - 3.4.1 Section 8 Housing Choice Voucher Program, Wait List opening July 22, 2019 - August 5, 2019.
  - 3.5 Property Vacancy Report
  - 3.6 Public Housing
  - 3.7 Construction Projects

- 3.8 Capital Fund Improvement Projects
- 3.9 Farm Labor Housing Report
- 3.10 Bond Properties
- 3.11 Tax Credit Properties
- 3.12 Other Properties
- 3.13 Family Self Sufficiency
- 3.14 Rental Assistance Programs
- 4. CORRESPONDENCE
- 5. REPORTS FROM EXECUTIVE DIRECTOR
  - 5.1 2020 Bonds Budget – Adoption of proposed Bond project(s) operating budget.  
Recommendation: Resolution No. 4743
  - 5.2 Gridley Springs II Apartments Budget – Adopt FY2020 Gridley Springs II operating budget.  
Recommendation: Resolution No. 4744
  - 5.3 HACB Audit – Receive and accept FY2018 Audit Report.  
Recommendation: Motion
  - 5.4 HACB – Modify office hours of operation.  
Recommendation: Motion
  - 5.5 Camp Fire Disaster – Update.  
Recommendation: Information
  - 5.6 Strategic Asset Plan – Summary Memorandum.  
Recommendation: Discussion
  - 5.7 Continuum of Care (CoC) Homeless Programs – Presentation.  
Recommendation: Discussion

6. MEETING OPEN FOR PUBLIC DISCUSSION
7. MATTERS CONTINUED FOR DISCUSSION
8. SPECIAL REPORTS
9. REPORTS FROM COMMISSIONERS
10. MATTERS INITIATED BY COMMISSIONERS
  - 10.1 Annual Property Tour
11. EXECUTIVE SESSION
12. COMMISSIONERS' CALENDAR
  - **Next Meeting – August 15, 2019**
13. ADJOURNMENT

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE  
BOARD OF COMMISSIONERS MEETING**

**MEETING MINUTES OF June 20, 2019**

Chair Moravec called the meeting of the Housing Authority of the County of Butte to order at 2:09 p.m.

**1. ROLL CALL**

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

Present for the Staff: Ed Mayer, Executive Director; Larry Guanzon, Deputy Executive Director; Finance Director, Sue Kemp; Administrative Operations Director, Tamra Young; and Marysol Perez, Executive Assistant.

Others Present: Loren Freeman, Public Housing Resident.

**2. AGENDA AMENDMENTS**

None.

**3. CONSENT CALENDAR**

Commissioner Hamman moved that the Consent Calendar be accepted as presented. Commissioner Pittman seconded. The vote in favor was unanimous.

**4. CORRESPONDENCE**

None.

**5. REPORTS FROM EXECUTIVE DIRECTOR**

- 5.1 Family Self Sufficiency (FSS) Graduate – Ms. Stenholm was a participant of the FSS program since June of 2013. While a participant of the FSS program Ms. Stenholm was able to complete a Medical Assistant program in Yuba City. She is currently working full time. During her time as an FSS participant, Ms. Stenholm was able to accrue an FSS escrow balance of \$17,785.82. Ms. Stenholm's ultimate goal is to obtain stable and permanent housing for her and her two children.



**\*RESOLUTION NO. 4738\***

Commissioner Pittman moved that Resolution No. 4738 be adopted by reading of title only: “RECOGNITION OF FSS GRADUATE ERICA STENHOLM”. Commissioner Anderson seconded. The vote in favor was unanimous.

- 5.2 Public Housing Admissions and Continued Occupancy Policy (ACOP) and Section 8 Administrative Plan (AP) –
- 5.3 Agency Annual Plan/Capital Fund Program - As a public agency administering the HUD Low Income Public Housing and Section 8 Housing Choice Voucher Programs, HACB is required to annually submit to HUD applicable agency and administrative plan documents 75 days prior to the end of HACB’s fiscal year. Draft revisions of the Public Housing Admissions and Continued Occupancy Policy (ACOP), Section 8 Housing Choice Administrative Plan (AP), Annual Agency Plan, and Capital Fund Program were received by the Board at the April 2019 meeting, where they were accepted and authorized for issuance for public comment. During the 45-day Public Comment review period, the HACB received three comments relating to the preference policies in the Section 8 Administrative Plan. Chair Moravec was concerned in regards to the government displacement preference outlined in the Section 8 Administrative Plan changes, the current policy is subject to the approval of the Executive Director, after a brief discussion it was decided that the HACB Board must be notified within a reasonable time that preference has been approved, that language was added to the preference in the Section 8 Administrative Plan. The Board elected to adopt the plans with the changes outlined. The AP and the ACOP will become effective July 1<sup>st</sup>, with the Annual Plan being effective October 1st.

**\*RESOLUTION NO. 4739\***

Commissioner Anderson moved that Resolution No. 4739 be adopted by reading of title only: “ADOPTION OF PUBLIC HOUSING ADMISSIONS AND CONTINUED OCCUPANCY PLAN (ACOP) AND SECTION8 HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN (AP).” Commissioner Pittman seconded. The vote in favor was unanimous

**\*RESOLUTION NO. 4740\***

Commissioner Hamman moved that Resolution No. 4740 be adopted by reading of title only: “ADOPTION OF THE ONE-YEAR AGENCY PLAN OF THE HOUSING AUTHORITY OF THE COUNTY OF BUTTE”. Commissioner Jones seconded. The vote in favor was unanimous.

- 5.4 Gridley Farm Labor Housing Budget – The proposed annual Farm Labor Housing operating budget was presented for adoption, the budget is due to USDA-RD by June 30<sup>th</sup>.

**\*RESOLUTION NO. 4741**

Commissioner Anderson moved that Resolution No. 4741 be adopted by reading of title only: “APPROVAL OF FISCAL YEAR 2020 BUDGET FOR THE USDA-RD FARM LABOR HOUSING PROGRAM”. Commissioner Hamman seconded. The vote in favor was unanimous.

- 5.5 Contract Amendment – The HACB Board of Commissioners has set a procurement policy such that contracts greater than \$50,000.00 be authorized by resolution of the Board. In regards to civil engineering needs at the FLH main well, specifically regarding the indefinite contract work undertaken by North Star Engineering, it has been determined necessary to extend contract authority for the contract year, increasing the not-to-exceed authorization amount to \$75,000.00 for this contract year only. This will efficiently and effectively address well contamination remediation needs for Gridley Farm Labor Housing’s well.

**\*RESOLUTION NO. 4742\***

Commissioner Jones moved that Resolution No. 4742 be adopted by reading of title only: “AUTHORIZATION TO INCREASE NORTHSTAR INDEFINITE DELIVERY, INDEFINITE QUANTITY CIVIL ENGINEERING SERVICES NOT-TO-EXCEED CONTRACT AMOUNT FOR AGENCY WIDE ENGINEERING SERVICES”. Commissioner Besser seconded. The vote in favor was unanimous.

- 5.6 Camp Fire Disaster - Executive Director Mayer provided the Board with the latest written update that is sent to HUD on a weekly basis. His update addressed various post-Camp Fire disaster subjects as well as current Section 8 program dynamics. Chair Moravec likes the updates in the packet.
- 5.7 Strategic Asset Plan – Executive Director Mayer gave a brief update regarding the Strategic Asset Plan. During the first week of June HACB staff, associates from Brawner, as well as staff from RSC, and AWI toured HACB’s non-HUD/USDA portfolio of properties. Executive Director anticipates the first status report of the analysis to be included in the July board packet.

6. MEETING OPEN FOR PUBLIC DISCUSSION

Loren Freeman, Public Housing resident detailed his recent case management experience at a hospital and expressed his thoughts on having case management available for public housing participants, particularly in regards to Camp Fire Disaster trauma. Chair Moravec thanked Mr. Freeman for his input and suggestion.

7. MATTERS CONTINUED FOR DISCUSSION

None.

8. SPECIAL REPORTS

None.

9. REPORTS FROM COMMISSIONERS

None.

10. MATTERS INITIATED BY COMMISSIONERS

- 10.1 Assembly Bill 430 – Letter of Support – Chair Moravec complimented Executive Director Mayer on writing a very nice letter.
- 10.2 HACB Property Tour – The tour has been scheduled for June 26, 2019, details will be sent to interested parties, and the tour will include commissioners and HACB staff.

11. EXECUTIVE SESSION

None.

12. COMMISSIONERS' CALENDAR

- **HACB Property Tour – June 26, 2019**
- **Next regular meeting – July 18, 2019**

13. ADJOURNMENT

Commissioner Jones moved that the meeting be adjourned. Commissioner Anderson seconded. The meeting was adjourned at 3:12 p.m.

Dated: June 20, 2019.

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Laura Moravec, Board Chair

ATTEST:

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Edward S. Mayer, Secretary

Housing Authority of the County of Butte  
HACB Operating Account  
AP Check Register

Payment Date	Payment Number	Remit to Vendor	Total Check Amt
6/3/2019	150992	Biggs Municipal Utilities	\$755.33
6/3/2019	150993	CALIF. WTR. SER. ORO	\$70.00
6/3/2019	150994	CALIFORNIA WATER SERVICE	\$60.00
6/3/2019	150995	Gridley Municipal Utilities	\$128.02
6/3/2019	150996	P G & E	\$816.91
6/7/2019	1590	Internal Revenue Service	\$20,125.47
6/7/2019	1591	Employment Development Department	\$3,726.29
6/7/2019	1592	Employment Development Department	\$214.48
6/7/2019	1593	MassMutual Financial Group	\$2,655.00
6/7/2019	1594	CalPERS	\$10,739.12
6/7/2019	1595	CalPERS	\$2,469.46
6/7/2019	150998	Advanced Document	\$212.08
6/7/2019	150999	Benefit Resource, Inc.	\$125.00
6/7/2019	151000	Biggs Municipal Utilities	\$142.97
6/7/2019	151001	Butte-Glenn Community College District	\$700.00
6/7/2019	151002	COMCAST CABLE	\$207.11
6/7/2019	151003	California State Controller's Office	\$525.18
6/7/2019	151004	Chico Turf Plus, LLC	\$80.00
6/7/2019	151005	Climate & Energy Solutions	\$255.00
6/7/2019	151006	Douglas Hallihan De Soto	\$444.29
6/7/2019	151007	E Center	\$141.60
6/7/2019	151008	EAGLE SECURITY SYSTEMS	\$90.00
6/7/2019	151009	Erica A Stenholm Ms	\$17,785.82
6/7/2019	151010	HACB Employee Flower Fund	\$400.00
6/7/2019	151011	House Detective Termite Control, Inc.	\$385.00
6/7/2019	151012	Industrial Power Products dba	\$5.17
6/7/2019	151013	LOWE'S	\$105.63
6/7/2019	151014	MACS HARDWARE	\$77.79
6/7/2019	151015	MAINTENANCE PLUS	\$203.10
6/7/2019	151016	MRI Software LLC	\$1,449.00
6/7/2019	151017	Meeks Building Supply	\$32.19
6/7/2019	151018	Messenger Publishing Group	\$128.00
6/7/2019	151019	OFFICE DEPOT INC	\$1,211.46
6/7/2019	151020	P G & E	\$4,794.66
6/7/2019	151021	P G & E	\$70.00
6/7/2019	151022	P G & E	\$70.00
6/7/2019	151023	P G & E	\$70.00
6/7/2019	151024	Pitney Bowes	\$185.01
6/7/2019	151025	S.E.C. 5 Private Security dba	\$3,440.50
6/7/2019	151026	SPRINT	\$65.69

6/7/2019	151027	Staples Business Credit	\$502.09
6/7/2019	151028	Trites Backflow Services, Inc.	\$160.00
6/7/2019	151029	US Bank	\$203.78
6/7/2019	151030	United States Postal Service (CMRS-FP)	\$2,500.00
6/7/2019	151031	Warren Asbestos Abatement Cont., Inc.	\$3,330.00
6/14/2019	1596	CalPERS	\$20,215.46
6/14/2019	1597	CalPERS	\$6.90
6/14/2019	151034	A-1 Appliance	\$585.94
6/14/2019	151035	AHA	\$650.00
6/14/2019	151036	Adecco Employment Services	\$1,315.05
6/14/2019	151037	Asbestos Science Technology	\$3,158.72
6/14/2019	151038	Baker Distributing Company, Inc.	\$186.95
6/14/2019	151039	Basic Laboratory, Inc.	\$253.20
6/14/2019	151040	CALIF. WTR. SER. ORO	\$2,340.17
6/14/2019	151041	COMCAST CABLE	\$153.08
6/14/2019	151042	CULLIGAN	\$419.68
6/14/2019	151043	Cypress Dental Administrators	\$3,565.74
6/14/2019	151044	Golden State Risk Management Authority	\$31,195.00
6/14/2019	151045	HD Supply Facilities Maintenance, Ltd.	\$1,171.36
6/14/2019	151046	JACKSONS GLASS CO, INC.	\$812.42
6/14/2019	151047	MES VISION	\$641.60
6/14/2019	151048	NOR CAL LANDSCAPE MAINTENANCE	\$12,544.00
6/14/2019	151049	National Center for Housing Management	\$95.00
6/14/2019	151050	Neal Road Recycling & Waste	\$6.00
6/14/2019	151051	NorthStar	\$6,603.75
6/14/2019	151052	OFFICE DEPOT INC	\$182.00
6/14/2019	151053	P G & E	\$987.79
6/14/2019	151054	Plan B Professional Answering Services	\$108.50
6/14/2019	151055	Platt Electric Supply	\$18.76
6/14/2019	151056	RECOLOGY BUTTE COLUSA COUNTIES, INC.	\$4,024.68
6/14/2019	151057	ROTO-ROOTER OROVILLE	\$135.00
6/14/2019	151058	Scrubbs, Inc.	\$23.95
6/14/2019	151059	Sharon Furniture, Inc	\$790.00
6/14/2019	151060	Staples	\$493.33
6/14/2019	151061	The Home Depot Credit Services	\$3,492.98
6/14/2019	151062	Thermalito Irrigation	\$511.28
6/14/2019	151063	Unum Life Insurance Company	\$409.98
6/14/2019	151064	Unum Life Insurance Company	\$570.88
6/14/2019	151065	Valero Marketing & Supply	\$677.49
6/14/2019	151066	WASTE MANAGEMENT	\$4,177.86
6/14/2019	151067	Warren Asbestos Abatement Cont., Inc.	\$3,330.00
6/21/2019	1598	Internal Revenue Service	\$21,864.69
6/21/2019	1599	Employment Development Department	\$4,109.27
6/21/2019	1600	Employment Development Department	\$218.41
6/21/2019	1601	MassMutual Financial Group	\$2,655.00
6/21/2019	1602	CalPERS	\$10,739.12
6/21/2019	1603	CalPERS	\$2,453.28
6/21/2019	151069	Lewis A Everett Jr.	\$289.00
6/21/2019	151070	A-1 Appliance	\$1,285.92

6/21/2019	151071	AHA	\$650.00
6/21/2019	151072	AT&T	\$200.24
6/21/2019	151073	Adams Ashby Group, LLC.	\$570.00
6/21/2019	151074	Adecco Employment Services	\$3,440.25
6/21/2019	151075	Advanced Document	\$596.59
6/21/2019	151076	Anne B. Jones	\$50.00
6/21/2019	151077	CALIF. WTR. SER. ORO	\$682.04
6/21/2019	151078	CHWCA	\$15,844.00
6/21/2019	151079	CITY OF CHICO (22332)	\$1,191.39
6/21/2019	151080	Climate & Energy Solutions	\$175.00
6/21/2019	151081	David Pittman	\$50.00
6/21/2019	151082	Gregory P. Einhorn	\$210.00
6/21/2019	151083	Gridley Municipal Utilities	\$1,041.60
6/21/2019	151084	Griffith Architects, Inc.	\$685.00
6/21/2019	151085	HD Supply Facilities Maintenance, Ltd.	\$254.83
6/21/2019	151086	Void / JACOBS, ANDERSON, POTTER & CHAPLI	\$0.00
6/21/2019	151087	Jiffy Lube, Inc.	\$76.04
6/21/2019	151088	Larry Hamman	\$50.00
6/21/2019	151089	Larry Hamman	\$34.80
6/21/2019	151090	Laura Moravec	\$50.00
6/21/2019	151091	Management Resource Group, Inc.	\$7,950.00
6/21/2019	151092	OPER. ENG. LOCAL #3	\$1,008.00
6/21/2019	151093	P G & E	\$1,882.45
6/21/2019	151094	Patricia Besser	\$50.00
6/21/2019	151095	Rick Dalloul	\$45.68
6/21/2019	151096	SNET 3 LLC	\$50.00
6/21/2019	151097	Sharon Furniture, Inc	\$880.09
6/21/2019	151098	Symmetric Solutions, Inc	\$440.00
6/21/2019	151099	TIAA COMMERCIAL FINANCE, INC	\$143.72
6/21/2019	151100	TPx Communications	\$763.75
6/21/2019	151101	Umpqua Bank	\$10,230.35
6/21/2019	151102	WCP Solutions	\$418.28
6/21/2019	151103	Work Training Center	\$528.00
6/28/2019	151116	CalPERS	\$50,394.28
6/28/2019	151117	A-1 Appliance	\$165.34
6/28/2019	151118	Access Information Holdings, LLC.	\$70.68
6/28/2019	151119	Advanced Document	\$288.50
6/28/2019	151120	CALIFORNIA WATER SERVICE	\$5,620.26
6/28/2019	151121	GreatAmerica Financial Services	\$155.52
6/28/2019	151122	Helena Agri-Enterprises, LLC	\$77.81
6/28/2019	151123	JACOBS, ANDERSON, POTTER & CHAPLIN, LLP	\$900.00
6/28/2019	151124	Jerry Martin	\$272.85
6/28/2019	151125	Jiffy Lube, Inc.	\$134.88
6/28/2019	151126	MI CASA EDUCATION, INC.	\$5,000.00
6/28/2019	151127	Nan McKay & Associates, Inc.	\$349.00
6/28/2019	151128	Roy V. Peters	\$832.91
6/28/2019	151129	Sherwin-Williams Company	\$223.25
6/28/2019	151130	Slakey Brothers, Inc.	\$486.90
6/28/2019	151131	Verizon Wireless	\$1,038.02

6/28/2019	151132	Youth for Change	\$1,274.56
			<b>\$348,854.25</b>

Housing Authority of the County of Butte  
FLH Operating Account  
AP Check Register

Payment Date	Payment Number	Remit to Vendor	Total Check Amt
6/7/2019	1649	HMR Architects, Inc.	\$28,218.70
6/7/2019	1650	Messenger Publishing Group	\$125.00
6/7/2019	1651	Susie Torres-Agustin	\$13.41
6/14/2019	1652	HARSHBARGER ACE HARDWARE	\$45.03
6/14/2019	1653	JACOBS, ANDERSON, POTTER & CHAPLIN, LLP	\$540.20
6/21/2019	1654	P G & E	\$130.72
6/28/2019	1655	HACB	\$40,835.39
6/28/2019	1656	Messenger Publishing Group	\$125.00
6/28/2019	1657	United States Postal Service (CMRS-FP)	\$195.00
			<b>\$70,228.45</b>



Date/Time  
7/10/2019 12:25:52 PM

Housing Authority of the County of Butte  
**BALANCE SHEET**  
May, 2019

Cumulative

**ASSETS**

**Current Assets**

Cash - Unrestricted	2,644,369.67
Cash - Other Restricted	1,393,396.85
Cash - Tenant Security Deposits	295,162.97
Accounts Receivable - HUD	41,065.10
Accounts Receivable - Other Gov	30,336.00
Accounts Receivable - Misc	189,782.71
Accounts Receivable - Tenants	65,663.67
Accounts Receivable - Fraud	169.89
Note Receivable- Current Portion	0.00
Accrued Interest Receivable	64,042.60
Investments - Unrestricted	2,554,726.76
Investments - Restricted	2,695,523.52
Inventories	26,760.32
Prepaid Expenses	153,544.35
Inter-program Due From	177,271.13

**Total Current Assets**

10,331,815.54

**Fixed Assets**

Fixed Assets & Accumulated Depreciation	21,868,474.42
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**Total Fixed Assets**

21,868,474.42

**Other Non-Current**

Notes Loans & Mortgages Receivable	1,841,656.50
Deferred Outflows - GASB 68, Pension Ben	662,419.19 * Updated w/FY 18 audit adjustments
Safety Deposit Box, Key Deposit	10.00
Investment in Limited Partnerships	3,416,718.53

**Total Other Non-Current**

5,920,804.22

**TOTAL ASSETS**

38,121,094.18

**LIABILITIES**

**Current Liabilities**

Accounts payable < 90 days	77,354.27
Accrued Payroll Liabilities	187,839.94
Accrued Interest Payable	175,536.64
Tenant Security Deposits	290,248.78
Deferred Revenue	146,253.63
Payable to HUD	2,313.18
Long Term Debt - Current Portion	318,632.00
Accrued Liabilities - Other	162,845.74
Inter-program Due To General Fund	177,271.13

**Total Current Liabilities**

1,538,295.31

**Long-Term Liabilities**

Deferred Outflows - GASB 68	307,131.00 * Updated w/FY 18 audit adjustments
Other Post Retirement Ben-Net GASB 75	242,594.45
Unfunded Pension Liability - GASB 68	3,240,458.00 * Updated w/FY 18 audit adjustments
Long-Term Debt	6,419,742.92
Non-Current Liability- Other (FSS)	88,010.12

**Total Long-Term Liabilities**

10,297,936.49

**TOTAL LIABILITIES**

11,836,231.80

**NET POSITION**

Beginning Net Position	26,097,237.97 * Updated w/FY 18 audit adjustments
Retained Earnings	187,624.41

**TOTAL NET POSITION**

26,284,862.38

**TOTAL LIABILITIES AND NET POSITION**

38,121,094.18

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**HOUSING AUTHORITY of the COUNTY of BUTTE**  
**CONSOLIDATED INCOME STATEMENT**  
**October 1, 2018 to May 31, 2019**

	Month to Date			Year to Date			66.7%
	Actual	Budget	Remaining	Actual	Budget	Remaining	% used
<b>REVENUE</b>							
NET DWELLING RENT	261,253	266,809	5,556	2,062,060	3,201,711	1,139,651	64.4%
TENANT CHARGES	15,337	5,068	-10,270	80,861	60,810	-20,051	133.0%
LAUNDRY REVENUE	2,493	2,682	189	21,251	32,184	10,933	66.0%
HUD GRANT REVENUE	1,161,634	1,353,856	192,222	10,161,900	16,246,274	6,084,374	62.5%
OTHER GRANT REVENUE	30,336	27,500	-2,836	236,682	330,000	93,318	71.7%
MORTGAGE INTEREST INCOME	10	5,741	5,731	41,582	68,894	27,312	60.4%
FRAUD RECOVERY	3,635	7,500	3,865	33,816	90,000	56,184	37.6%
OTHER INCOME <sup>3</sup>	30,280	56,829	26,548	510,312	681,943	171,631	74.8%
INVESTMENT INCOME-unrestricted	4,357	2,859	-1,498	35,130	34,306	-824	102.4%
INVESTMENT INCOME-restricted	1,460	676	-785	11,233	8,110	-3,123	138.5%
<b>TOTAL REVENUE</b>	<b>1,510,795</b>	<b>1,729,519</b>	<b>218,724</b>	<b>13,194,828</b>	<b>20,754,232</b>	<b>7,559,404</b>	<b>63.6%</b>
<b>EXPENSES</b>							
ADMIN. EMPLOYEE SALARIES	148,967	153,487	4,520	1,280,356	1,841,842	561,486	69.5%
AUDIT FEE	0	2,695	2,695	7,000	32,334	25,334	21.6%
ADVERTISING & MARKETING	210	937	727	5,021	11,240	6,219	44.7%
PR TAXES & BENEFITS-ADMIN	67,091	77,908	10,817	610,576	934,899	324,323	65.3%
OFFICE EXPENSES	18,890	23,674	4,784	178,147	284,091	105,944	62.7%
LEGAL EXPENSES	1,003	1,517	513	9,430	18,200	8,770	51.8%
TRAVEL	3,397	2,310	-1,087	13,679	27,725	14,046	49.3%
ALLOCATED OVERHEAD	0	0	0	0	0	0	0.0%
OTHER ADMIN. EXPENSE	17,106	23,762	6,656	201,730	285,140	83,410	70.7%
<b>TOTAL ADMIN. COSTS</b>	<b>256,665</b>	<b>286,289</b>	<b>29,625</b>	<b>2,305,940</b>	<b>3,435,471</b>	<b>1,129,531</b>	<b>67.1%</b>
TENANT SERVICES-SALARIES	3,760	3,875	115	31,950	46,500	14,550	68.7%
RELOCATION COSTS	0	0	0	0	0	0	0.0%
EMP. BENEFITS-TENANT SVCS	1,126	1,940	814	9,360	23,275	13,915	40.2%
TENANT SERVICES-MISC.	142	2,920	2,779	18,549	35,045	16,496	52.9%
<b>TOTAL TENANT SERVICES</b>	<b>5,027</b>	<b>8,735</b>	<b>3,708</b>	<b>59,859</b>	<b>104,820</b>	<b>44,961</b>	<b>57.1%</b>
WATER	9,849	14,430	4,581	85,721	173,161	87,440	49.5%
ELECTRICITY	7,362	9,030	1,668	56,445	108,361	51,916	52.1%
GAS	860	1,604	744	9,785	19,248	9,463	50.8%
SEWER	15,062	15,126	64	108,383	181,514	73,131	59.7%
<b>TOTAL UTILITIES-PROJECT</b>	<b>33,132</b>	<b>40,190</b>	<b>7,058</b>	<b>260,334</b>	<b>482,283</b>	<b>221,950</b>	<b>54.0%</b>
MAINT. SALARIES	24,673	25,750	1,077	195,836	309,000	113,164	63.4%
MAINTENANCE MATERIAL	15,026	12,006	-3,020	107,783	144,074	36,291	74.8%
MAINT. CONTRACT COSTS	63,323	74,856	11,533	492,814	898,275	405,461	54.9%
PR TAXES & BENEFITS-MAINT	8,432	18,573	10,141	102,673	222,873	120,200	46.1%
<b>TOTAL MAINTENANCE</b>	<b>111,454</b>	<b>131,185</b>	<b>19,731</b>	<b>899,107</b>	<b>1,574,222</b>	<b>675,115</b>	<b>57.1%</b>
PROTECTIVE SERVICES	3,921	5,167	1,246	32,292	62,000	29,708	52.1%
INSURANCE-ALL	20,581	20,724	143	161,992	248,693	86,701	65.1%
OTHER GENERAL EXP	6,225	4,167	-2,058	48,997	50,000	1,003	98.0%
P.I.L.O.T.	9,344	8,883	-461	87,164	106,600	19,436	81.8%
BAD DEBTS - TENANTS	0	2,233	2,233	0	26,797	26,797	0.0%
BAD DEBTS - OTHER	0	3,750	3,750	0	45,000	45,000	0.0%
INTEREST EXPENSE	18,058	22,224	4,167	143,916	266,691	122,775	54.0%
<b>TOTAL OTHER OPERATING EXP.</b>	<b>58,128</b>	<b>67,148</b>	<b>9,020</b>	<b>474,360</b>	<b>805,781</b>	<b>331,420</b>	<b>58.9%</b>
EXTRAORDINARY MAINT.	0	0	0	0	0	0	0.0%
CASUALTY LOSSES	0	0	0	0	0	0	0.0%
HOUSING ASSIST PAYMENTS	1,035,922	1,088,218	52,297	7,871,247	13,058,620	5,187,373	60.3%
HAP - PORTS IN	0	0	0	0	0	0	0.0%
FRAUD LOSSES	0	3,750	3,750	0	45,000	45,000	0.0%
<b>TOTAL OTHER COSTS</b>	<b>1,035,922</b>	<b>1,091,968</b>	<b>56,047</b>	<b>7,871,247</b>	<b>13,103,620</b>	<b>5,232,373</b>	<b>60.1%</b>
<b>TOTAL EXPENSES</b>	<b>1,500,328</b>	<b>1,625,516</b>	<b>125,188</b>	<b>11,870,847</b>	<b>19,506,197</b>	<b>7,635,350</b>	<b>60.9%</b>
<b>RETAINED EARNINGS (- Deprec.) 1</b>	<b>10,467</b>	<b>104,003</b>	<b>93,536</b>	<b>1,323,981</b>	<b>1,248,035</b>	<b>-75,946</b>	<b>106.1%</b>
+ PRINCIPAL/REPL. RESERVE <sup>2</sup>	15,627	4,133	-11,494	15,627	49,600	33,973	31.5%
- DEBT SERVICE PMTS (Bonds & USDA)	-17,111	-25,443	-8,331	-286,891	-305,312	-18,421	94.0%
+/- GAIN/LOSS on PARS TRUST ACCT	-46,087	0	0	10,863	0	-10,863	0.0%
- CAPITALIZED ASSETS	-18,615	-58,571	-39,955	-315,533	-702,846	-387,313	44.9%
+/- RESERVES DEPOSITS/ACCR. INTEREST	-36,959	-11,831	25,128	-106,297	-141,973	-35,676	74.9%
<b>NET CASH FLOW</b>	<b>-92,679</b>	<b>12,292</b>	<b>58,884</b>	<b>641,750</b>	<b>147,504</b>	<b>-494,245</b>	<b>435.1%</b>

1 Retained Earnings less Depreciation on Balance Sheet = \$187,624

2 Loan Principal received and Replacement Reserve receipts

3 Includes \$79,106 Kathy Ct insurance claim for lost rents

HOUSING AUTHORITY OF THE COUNTY OF BUTTE  
SECTION 8 HOUSING CHOICE VOUCHER PROGRAM  
CALENDAR YEAR 2019

HCV FSS GRANT (old)	131,152	FY 2019 ADMIN FEES	-51,672
PHA HELD HAP-current	578,858	POST-2003 ADMIN FEES	1,151,079
HUD HELD HAP@12/31/18	949,254	INV. IN CAP ASSETS	170,900

HACB FINANCIAL DATA													
ADMINISTRATIVE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	Y-T-D
BEGINNING ADMIN RESERVES	964,809	981,968	1,028,970	1,013,881	1,037,712	0	0	0	0	0	0	0	964,809
BEG. INVESTED IN CAPITAL ASSETS	188,423	186,727	185,031	176,552	173,726	0	0	0	0	0	0	0	188,423
HUD ADMIN FEE REVENUE	125,676	153,661	125,562	125,562	125,562	0	0	0	0	0	0	0	656,023
FRAUD RECOVERY	2,913	2,295	2,186	1,386	1,818	0	0	0	0	0	0	0	10,597
INTEREST INCOME	1,663	7,352	8,751	16,432	-21,890	0	0	0	0	0	0	0	12,308
DEPRECIATION (reduces Capital Assets)	-1,696	-1,696	-8,479	-2,826	-2,826	0	0	0	0	0	0	0	-17,523
BAD DEBT-ADMIN / OPEB YE Adj	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE EXPENDITURES	-113,093	-116,306	-151,591	-119,568	-113,024	0	0	0	0	0	0	0	-613,582
ENDING ADMIN RESERVE BALANCE	1,168,695	1,214,001	1,190,430	1,211,418	1,201,077	0	0	0	0	0	0	0	1,201,055
YTD Change in Admin.	15,463	60,769	37,198	58,187	47,846								47,824
HAP - Cash Basis	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	Y-T-D
BEGINNING HAP RESERVES	223,263	360,160	464,093	542,354	578,858	0	0	0	0	0	0	0	223,263
HUD HAP REVENUE	1,022,981	1,022,981	1,035,938	1,035,938	913,629	0	0	0	0	0	0	0	5,031,467
FRAUD RECOVERY	2,912	2,295	2,186	1,386	1,818	0	0	0	0	0	0	0	10,597
FSS FORFEITURES	36	1,507	0	0	0	0	0	0	0	0	0	0	1,543
BAD DEBT-HAP	0	0	0	0	0	0	0	0	0	0	0	0	0
HOUSING ASSISTANCE PAYMENTS	-889,032	-922,851	-959,863	-1,000,820	-1,017,477	0	0	0	0	0	0	0	-4,790,043
ENDING HAP RESERVE BALANCE	360,160	464,093	542,354	578,858	476,827	0	0	0	0	0	0	0	578,858
YTD Change in HAP	136,897	240,829	319,091	355,594	253,564								355,595
HUD VOUCHER MGMT SYSTEM DATA (Incl. Accrued HAP Exp)													
HAP - Accrual Basis	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	Y-T-D
HAP BUDGET (Funding + Reserves)	1,199,329	1,199,329	1,199,329	1,199,329	1,199,329								5,996,645
HAP EXPENDITURES (Current Month)	920,925	949,185	967,855	979,357	997,656								4,814,978
CY 2019 HAP BUDGET UTILIZATION	77%	79%	81%	82%	83%								80%
BUDGET AVAILABLE (YTD)	1,199,329	2,398,658	3,597,987	4,797,316	5,996,645								5,996,645
TOTAL HAP EXPENDITURES (YTD)	921,543	1,870,728	2,838,583	3,817,940	4,815,596								4,814,978
BUDGET REMAINING (YTD)	277,786	527,930	759,404	979,376	1,181,049	-	-	-	-	-	-	-	1,181,667
UNITS LEASED SUMMARY	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	Y-T-D
UNITS LEASED (1st of Mo.)	1,773	1,791	1,819	1,814	1,821								9,018
UNIT MONTH'S AVAILABLE	2,206	2,206	2,206	2,206	2,206								11,030
OVER or (UNDER) LEASED	-433	-415	-387	-392	-385	0	0	0	0	0	0	0	-1,639
CY 2019 VOUCHER UTILIZATION	80%	81%	82%	82%	83%								82%
CY 2018 VOUCHER UTILIZATION	93%	94%	93%	93%	92%	92%	92%	92%	92%	93%	93%	80%	92%
CY 2019 AVERAGE HAP	519	530	532	540	548								534
CY 2018 AVERAGE HAP	485	482	484	484	485	482	482	484	485	496	497	507	488

Notes: Post-2003 Admin Fees include 2011 HAP Set-Aside of \$290,786

CY 2019 HAP Budget = \$14,391,949: \$13,161,762 Renewal + \$1,172,503 Carryover + \$57,684 VASH increment

7/10/2019

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE****HOUSING CHOICE VOUCHER (SECTION 8)****UTILIZATION SUMMARY REPORT****ROLLING 12 MONTH ANALYSIS**

<b>UNITS LEASED SUMMARY</b>	<b>JUL'19</b>	<b>JUN'19</b>	<b>MAY'19</b>	<b>APR'19</b>	<b>MAR'19</b>	<b>FEB'19</b>	<b>JAN'19</b>	<b>DEC'18</b>	<b>NOV'18</b>	<b>OCT'18</b>	<b>SEP'18</b>	<b>AUG'18</b>
<b>BUTTE</b>												
ACC UNIT MONTHS	1955	1955	1955	1955	1955	1955	1955	1955	1955	1955	1955	1955
CURRENT LEASED	1705	1691	1679	1640	1622	1601	1587	1593	1877	1864	1856	1834
<b>VOUCHER UTILIZATION %</b>	<b>87.21%</b>	<b>86.50%</b>	<b>85.88%</b>	<b>83.89%</b>	<b>82.97%</b>	<b>81.89%</b>	<b>81.18%</b>	<b>81.48%</b>	<b>96.01%</b>	<b>95.35%</b>	<b>94.94%</b>	<b>93.81%</b>
<b>GLENN</b>												
ACC UNIT MONTHS	87	87	87	87	87	87	87	87	87	87	87	87
CURRENT LEASED	62	60	60	54	52	56	57	56	58	57	57	57
<b>VOUCHER UTILIZATION %</b>	<b>71.26%</b>	<b>68.97%</b>	<b>68.97%</b>	<b>62.07%</b>	<b>59.77%</b>	<b>64.37%</b>	<b>65.52%</b>	<b>64.37%</b>	<b>66.67%</b>	<b>65.52%</b>	<b>65.52%</b>	<b>65.52%</b>
<b>VASH</b>												
ACC UNIT MONTHS	164	164	164	164	164	164	164	164	164	164	164	164
CURRENT LEASED	109	108	108	110	112	110	112	112	116	116	116	115
<b>VOUCHER UTILIZATION %</b>	<b>66.46%</b>	<b>65.85%</b>	<b>65.85%</b>	<b>67.07%</b>	<b>68.29%</b>	<b>67.07%</b>	<b>68.29%</b>	<b>68.29%</b>	<b>70.73%</b>	<b>70.73%</b>	<b>70.73%</b>	<b>70.12%</b>
<b>TOTAL</b>												
ACC UNIT MONTHS	2206	2206	2206	2206	2206	2206	2206	2206	2206	2206	2206	2206
CURRENT LEASED	1876	1859	1847	1804	1786	1767	1756	1728	2051	2037	2029	2006
<b>VOUCHER UTILIZATION %</b>	<b>85.04%</b>	<b>84.27%</b>	<b>83.73%</b>	<b>81.78%</b>	<b>80.96%</b>	<b>80.10%</b>	<b>79.60%</b>	<b>78.33%</b>	<b>92.97%</b>	<b>92.34%</b>	<b>91.98%</b>	<b>90.93%</b>

<b>HAP SUMMARY*</b>	<b>JUL'19</b>	<b>JUN'19</b>	<b>MAY'19</b>	<b>APR'19</b>	<b>MAR'19</b>	<b>FEB'19</b>	<b>JAN'19</b>	<b>DEC'18</b>	<b>NOV'18</b>	<b>OCT'18</b>	<b>SEP'18</b>	<b>AUG'18</b>
ACC BUDGET	\$ 1,194,522	\$ 1,194,522	\$ 1,194,522	\$ 1,208,943	\$ 1,208,943	\$ 1,208,943	\$ 1,208,943	\$ 1,051,832	\$ 1,051,832	\$ 1,051,832	\$ 1,051,832	\$ 1,051,832
ACTUAL HAP	\$ 1,036,746	\$ 988,833	\$ 979,862	\$ 932,289	\$ 911,625	\$ 892,882	\$ 868,942	\$ 876,871	\$ 1,014,466	\$ 998,564	\$ 980,374	\$ 971,889
PER UNIT COST	\$ 553	\$ 532	\$ 531	\$ 517	\$ 510	\$ 505	\$ 495	\$ 507	\$ 495	\$ 490	\$ 483	\$ 484
<b>BUDGET UTILIZATION %</b>	<b>86.79%</b>	<b>82.78%</b>	<b>82.03%</b>	<b>77.12%</b>	<b>75.41%</b>	<b>73.86%</b>	<b>71.88%</b>	<b>83.37%</b>	<b>96.45%</b>	<b>94.94%</b>	<b>93.21%</b>	<b>92.40%</b>

<b>ACTIVITY SUMMARY</b>	<b>JUL'19</b>	<b>JUN'19</b>	<b>MAY'19</b>	<b>APR'19</b>	<b>MAR'19</b>	<b>FEB'19</b>	<b>JAN'19</b>	<b>DEC'18</b>	<b>NOV'18</b>	<b>OCT'18</b>	<b>SEP'18</b>	<b>AUG'18</b>
# PORT IN BILLED	0	0	0	0	0	0	0	0	0	0	0	0
#PORT OUT UNDER CONTRACT	110	88	88	74	53	34	26	24	22	24	23	23
ZERO HAP	14	13	12	14	15	15	16	16	24	24	19	19
UTILITY ASSISTANCE PAYMENTS	45	44	52	46	49	46	41	41	50	45	45	42
NEW ADMISSIONS	**	41	44	7	7	4	8	19	20	37	39	40
INITIAL VOUCHERS SEARCHING	158	118	118	116	93	49	39	88	92	140	174	172
ACTUAL/ESTIMATED EOP	12	11	10	11	9	9	10	87	100	21	27	20
REMAIN ON WAITING LIST	1403	875	875	1066	1156	1200	1470	3007	3434	3459	3568	3797

\*HAP Summary is a "snapshot" as of the 1st of the month, which does not include prior month adjustments per VMS.

\*\*No data.

## Section 8 Wait List Opening Announcement

# **The Housing Authority of the County of Butte/Glenn will be opening the Section 8 wait list July 22-August 5, 2019**

**All applications will be submitted ONLINE ONLY!!!**

- Due to limited funding availability, not all applicants will be placed on the Wait List. Applications will be selected and ordered using a random lottery system. The number of applicants placed on the Wait List will be set at 5,000.
- Time and date of receipt of the application online during the Wait List opening will have no bearing on whether the application will be selected for the Wait List. There is no need or advantage to apply immediately after the Wait List opens.
- We have included a list of public places (i.e., libraries, etc.) where applicants can get free online computer access.
- Online applications assistance for persons with disabilities (or elderly) will be provided, if requested as a reasonable accommodation.
- Once opened, there will be no fee to apply for the online HACB wait list (last time the list opened, some applicants ran across fraudulent websites that charged fees).
- HACB will have a unique phone number for Wait List inquiries.
- Information regarding the Wait List opening will be added to the HACB website soon.

**WWW.BUTTE-HOUSING.COM**

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE  
VACANCY REPORT AS OF THE 1ST OF THE MONTH  
2019**

HOUSING AUTHORITY OWNED PROPERTIES												
	Gridley FLH		Open Market Units			Bond Properties						
Location	FLH	Demo	Locust	Gridley Springs II	Other	Alamont	Evanswood	Kathy Ct	Lincoln	Park Place	Total	Occupancy
# of Units	115*	7	10	24	3	30	27	12	18	40	127	%
Jul-19	12**	0	1	0	0	0	0	12***	0	0	0	100.0%
Jun-19	14**	0	0	0	0	1	0	12***	0	0	1	99.2%
May-19	13**	0	0	0	0	0	0	12***	0	2	2	98.4%
Apr-19	13**	0	0	0	0	0	0	12***	0	0	0	100.0%
Mar-19	17**	0	0	0	0	0	0	12***	0	1	1	99.2%
Feb-19	15**	0	0	0	0	0	0	12***	0	0	0	100.0%
Jan-19	17**	0	0	0	0	0	0	12***	0	0	0	100.0%
Dec-18	21**	0	0	0	0	0	0	12***	1	1	2	98.4%
Nov-18	23**	0	0	3	0	0	0	0	0	0	0	100.0%
Oct-18	24**	0	0	3	0	0	0	1	1	0	2	98.4%
Sep-18	26**	0	0	2	0	0	1	1	0	0	2	98.4%
Aug-18	27**	0	0	2	0	0	0	2	0	0	2	98.4%

\* Unit count adjusted by units offline - (6) uninhabitable and (9) less units due to rehab reconfiguration.

\*\* Vacancy rate does not include units offline for construction; (14) units.

\*\*\* Full vacancy; (12) units, due to Camp Fire loss.

HUD LOW-INCOME PUBLIC HOUSING									
Location	Gridley	Biggs	Chico	Oroville	Chico	Oroville	Oroville	Total	Occupancy
Project #	43-1, 4	43-2	43-3	43-10	43-13	43-14	43-15		
# of Units	50	20	100	60	45	20	50	345	%
Jul-19	0	0	0	0	2	1	1	4	98.8%
Jun-19	0	0	2	0	2	0	1	5	98.6%
May-19	0	1	1	0	3	0	1	6	98.3%
Apr-19	0	1	4	1	3	0	0	9	97.4%
Mar-19	1	1	2	1	2	0	0	7	98.0%
Feb-19	1	1	2	1	3	0	1	9	97.4%
Jan-19	0	0	1	1	1	0	1	4	98.8%
Dec-18	0	0	1	0	4	1	0	6	98.3%
Nov-18	0	1	0	0	0	2	1	4	98.8%
Oct-18	0	0	1	0	0	0	0	1	99.7%
Sep-18	0	1	2	2	0	0	0	5	98.6%
Aug-18	0	1	4	1	1	0	1	8	97.7%

BANYARD MGMT	
Location	Chico Commons
# of Units	72
Jul-19	3
May-19	3
Apr-19	3
Mar-19	2
Feb-19	0
Jan-19	0
Dec-18	3
Nov-18	2
Oct-18	2
Sep-18	2
Aug-18	3

BCAHDC					
Location	Cordillera	1200 Park Ave	Gridley Springs I	Harvest Park	Walker Commons
# of Units	20	107	32	90	56
Jul-19	0	2	1	1	0
May-19	0	1	0	1	0
Apr-19	0	1	0	0	0
Mar-19	0	1	1	0	0
Feb-19	0	2	0	1	0
Jan-19	0	2	0	1	1
Dec-18	0	1	1	0	1
Nov-18	0	3	4	0	1
Oct-18	0	4	4	0	1
Sep-18	0	2	4	0	2
Aug-18	0	3	4	3	0

## Public Housing

### Waiting List: Number of Applicants

Bedroom Size	Chico	est wait	Oroville	est wait	Gridley/Biggs	est wait
1	0/ 16 Transfer list	1+	264	8+	177	8+
2	239	7+			129	6+
3	77	5+	73	3+	54	4+
4	9	5+			10	3+
5					1	5+

\* Chico 1-bedroom waiting list closed 06-15-09

\*\*Only 1 5-bedroom unit. Est wait would be based on when the family plans to move out

### Waiting List: Number of ADA Requested Units

Bedroom Size	Chico	# PH	Oroville	# PH	Gridley/Biggs	# PH
1	0	3	18		10	2
2	3	7			3	
3	1	2	3	6	1	
4	0	4+			2	
5					0	

## MEMO

Date: July 12, 2019

To: HACB Board of Commissioners

From: Jerry Martin, Modernization Coordinator

Subject: Status of HACB Construction Projects

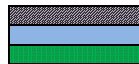
As of July 12, 2019, the status of HACB construction activity follows:

- Public Housing – All sites. Abatement and replacement of asbestos-containing floor tiles; seven Public Housing units have been completed during the 2018/2019 fiscal year to date; 99 of 232 Public Housing units overall.
- Public Housing – Tree Maintenance: including pruning and selected removals of diseased or dead trees at all Public Housing properties. Project complete.
- Public Housing – Energy Conservation. Electrical Fixture replacements in planning, project bidding and site work planned for 2019.
- Public Housing – Projects 43-10, 43-13, 43-14, and 43-15 – A Project has been organized to perform needed parking lot and driveway roadway resurfacing, site maintenance and ADA path of travel improvements. Project contracting and scheduling process underway.
- Public Housing – Sewer Lateral Investigations, Projects 43-1A, 1B, 04, 43-2A & 2B – Investigate and prioritize the repair and replacement of deteriorating sewer line laterals serving the Gridley and Biggs concrete block units. Project construction scheduled to begin during the month of August.
- Walker Commons – Roofing Phase II, Project construction underway with 4 of 8 buildings completed to date. Architectural design for project siding, PTAC unit, window, and path of travel replacements are currently in planning for 2019.
- Chico Commons – Phased Siding Replacement Project. Project construction is underway.
- Farm Labor Housing – Combined Phase II & III Rehab. Architectural project design updates are on schedule with completion expected in July-August. Construction bidding planned for August-October 2019.



**12 Month HACB Project Schedule - July 12, 2019**

1 to 5	1 Most Urgent	5 Less Urgent	Cost Est	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
<b>FLH</b>															
1		Phase (II & III) Combined Unit Rehab - Re-design	\$153,230.00												
1		Phase (II & III) Combined Unit Rehab - Bidding and CM	\$60,100.00												
1		Phase (II & III) Combined Unit Rehab - Construction	\$5,886,694.00												
1		Well 1,2,3 TCP Water Contaminate Compliance- Action Plan Development	\$18,000.00												
3		Admin Building- Gutters, Downspout, Paint	\$35,000.00												
1		FLH - Tree Maintenance	\$75,000.00												
1		Demo Units - Siding & Paint	\$128,000.00												
<b>Public Housing</b>															
2		Energy Performance - Electrical	\$254,380.00												
2		Tree Pruning and Removals	\$268,800.00												
2		Appliance Replacements (Refrigerators)	\$69,000.00												
3		ADA Units upgrade (43-10)	\$213,000.00												
1		Sewer Lateral Replacement 43-03	\$86,000.00												
1		Sewer Lateral Investigation and Replacement 43-01A,1B, 4, 2A, 2B	\$162,136.00												
2		Roadway Resurfacing, ADA POT, Site Improvements	\$232,669.83												
1		ACM Tile Abatement	\$58,484.00												
4		Oro Dam Wall	\$250,000.00												
1		HVAC Replacement 43-03 (3 Units)	\$22,862.00												
3		PH Capital Fund Energy Audit	\$13,000.00												
3		PH Capital Fund Environmental Review	\$25,000.00												
<b>Chico Commons</b>															
1		Siding replacement IV Construction Contract	\$197,419.00												
1		Gutters and Downspout Replacement	\$36,177.00												
1		Exterior Building Paint	\$176,418.00												
2		HVAC Replacements	\$300,000.00												
3		Cabinets, Interior Work	\$200,000.00												
<b>Walker Commons</b>															
2		Architecture: Window, HVAC, Siding Repl.	\$35,000.00												
3		Siding Repl/ Gutter and Downspout Repl/ Window Upgrade	\$225,000.00												
3		HVAC	\$89,000.00												
1		Roof Replacement - Phase 2	\$113,547.50												
3		ADA Path of Travel	\$95,000.00												
<b>DAC's Reports</b>															
1		Update ALL reports in ALL projects	\$1,200.00												
<b>Alamont</b>															
1		Patio Replacements (2)	\$12,000.00												
4		Painting of Buildings	\$27,000.00												
<b>Evanswood HOA</b>															
<b>Lincoln Apts.</b>															
3		Parking Lot ADA and Asphalt Overlay	\$27,000.00												
<b>Kathy Court Apts.</b>															
1		Camp Fire Disaster, Building Site Ash and Debris Removal	\$69,645.00												
<b>Cordillera</b>															
1		Painting of Buildings	\$50,000.00												
<b>Locust Apts.</b>															
<b>2039 Forest Avenue</b>															
1		Public Housing Patio Security Fencing	\$15,000.00												
<b>Other</b>															
1		Strategic Asset Plan	\$20,000.00												
<b>Total next 12 months</b>			<b>\$9,700,762.33</b>												



Design/Bid Phase  
Construction Phase  
Completed

501-17	
Obligation Start:	8/16/2017
Obligation End:	8/15/2019
Disbursement End:	8/15/2021
501-18	
Obligation Start:	5/29/2018
Obligation End:	5/28/2020
Disbursement End:	5/28/2022
501-19	
Obligation Start:	4/16/2019
Obligation End:	4/15/2021
Disbursement End:	4/15/2023

## MEMO

Date: July 12, 2019

To: HACB Board of Commissioners

From: Jerry Martin, Modernization Coordinator

Subject: Public Housing - Capital Fund Status Report

### **Capital Fund 501-17, Funding Amount \$557,643**

This Capital Fund is 93% obligated, and 87% expended. Projects include:

- **ACM Tile Replacement** – All concrete-block units, ongoing - sixteen (16) units complete.
- **Energy Conservation Work** – Electrical fixture replacements, countywide, in planning.
- **ADA Site Accessibility Work** – Hammon Park (43-15), Oroville. Project is complete.
- **Sewer Service Line Replacements** – Chico CMU units (43-03), Project is complete.
- **Site Upgrade, Landscaping and Accessibility Work** – Landscape upgrades, tree trimming, and miscellaneous improvements addressed in DAC report, in planning.
- **Tree Maintenance** – Countywide, Pruning and Selected Removals. Project final punch list work underway.

### **Capital Fund 501-18, Funding Amount \$817,783**

This Capital Fund is 61% obligated and 6% expended. Projects Include:

- **ACM Tile Replacement** – All concrete-block units – ongoing.
- **Bathroom Tub/Shower Remodel** – All concrete block units – ongoing
- **Energy Conservation Work** – Electrical fixture replacements, countywide, in planning.
- **Sewer Service Line Investigation and Replacements** – Gridley and Biggs CMU units (43-01A, 01B, 04, 02A, 02B), Project construction scheduled to begin during August.
- **HVAC Replacements** – 43-03, Replace three (3) failing gas/electric roof mounted package HVAC units.
- **ADA Unit Accessibility Work** – Winston Gardens (43-10), three units to be upgraded to full accessibility standards, in planning.
- **Unit Appliance Replacements/Upgrades** – Countywide, in planning.
- **Resurfacing of Roadways** – Rhodes Terrace, Shelton Oaks (43-13), Winston Gardens (43-10), Gardella (43-14), Hammon Park, Oro Dam Blvd (43-15), Project contracting and scheduling process underway.
- **Site Upgrade, Landscaping and Accessibility Work** – Landscape upgrades, tree trimming and miscellaneous improvements addressed in DAC report, ongoing.

### **Capital Fund 501-19, Funding Amount \$808,426**

Disbursement is subject to HUD approval of Annual Budget/Statement

## Capital Fund Program - Summary by Capital Fund Project

Cash Available as of 07-12-2019

Capital Funds 501-17, 501-18 and 501-19

			501-17 (Revision #1, 10-30-2018)				501-18 (Revision #1, 10-30-2018)				501-19				Totals		
			Original	Revised	Obligated	Expended	Original	Revised	Obligated	Expended	Original	Revised	Obligated	Expended	Orig/Revised	Expended	Balance
Line No.	Summary by Development Account																
	Total Non-CGP Funds																
1	100	Reserved Budget					9,226	0			808,426				808,426	0	808,426
2	1406	Operations (20%)	20,000	0			27,875	27,875							27,875	0	27,875
3	1408	Management Improvements					2,000	2,000							2,000	0	2,000
4	1410	Administration (10%)	55,764	55,764	55,764	55,764	80,855	81,778	81,778.00	42,364.69					137,542	98,129	39,413
5	1480	Audit	2,000	2,000			2,000	2,000							4,000	0	4,000
7	1480	Fees and Costs	35,818	35,818	22,261.95	16,865.45	55,120	55,120	25,010.00	7,003.75					90,938	23,869	67,069
14	1480	General Capital Fund Activity: Site Improvement, Dwelling Structures, Dwelling Equipment	444,061	464,061	440,088	413,208	637,207	645,510	394,805.83	0.00					1,109,571	413,208	696,363
17	1480	Relocation Costs					3,500	3,500							3,500	0	3,500
16	1492	Move to Work Demonstration													0	0	0
18	1501	Moving To Work Demonstration													0	0	0
19	1503	Collator Exp/Debt Svc													0	0	0
20	1504	RAD-CFP													0	0	0
21	9000	RAD Investment Activity													0	0	0
22	9001	Debt Reserves													0	0	0
23	9002	Bond Debt Obligation													0	0	0
24	9900	Post Audit Adjustment													0	0	0
			557,643	557,643	518,113.78	485,837	817,783	817,783	501,593.83	49,368.44	808,426	0	0	0	2,183,852	535,206	1,648,646
					93%	87%			61%	6%			0%	0%			

		100 Reserved Budget	1406 Operations	1408 Mgmt. Improvements	1410 Admin	1480 Audit	1480 Fees and Cost	1480 General Capital Activity	1480 Relocation Costs	Totals	"UC" Under Contract
Acct Code	Cash Available as of 07-12-2019	808,426	27,875	2,000	39,413	4,000	67,069	696,363	3,500	1,648,646	
	501-17, 501-18 and 501-19 Funding										
100	Reserved Budget	808,426								808,426	
1406	Operations		27,875							27,875	
1408	Management Improvements			2,000						2,000	
1411	Audit Cost Cap Fund					4,000				4,000	
1410	Administration				39,413					39,413	
1430	Fees and Costs: Arch. Service, Permits Const. Admin, Etc..						67,069			67,069	
1450	Tree Maintenance- Amp Wide							26,880		26,880	UC
1450	Sewer Lateral Investigation 43-01A,01B, 04							116,732		116,732	UC
1450	Sewer Lateral Investigation 43-02A, 02B							45,404		45,404	UC
1450	Parking and Driveway Asphalt and Concrete Site Imp							232,670		232,670	
1460	Dwelling Structures									-	
1465	Dwelling Equipment									-	
1470	Non-Dwelling Structures									-	
1475	Non-Dwelling Equipment									-	
1485	Demolition									-	
	General Capital Fund Activity: Site Improvement, Dwelling Structures, Dwelling Equipment							274,677		274,677	
1495	Relocation Costs								3,500	3,500	
1502	Contingency									-	
										1,648,646	Total

## MEMO

Date: July 12, 2019

To: HACB Board of Commissioners

From: Larry Guanzon, Deputy Executive Director  
Ed Mayer, Executive Director  
Juan Meza, Property Manager

Subject: Farm Labor Housing, Gridley – status report

As of July 1, 2019 the total number of occupied units on the property is (85) of which *three (3) are FEMA evacuees*; (16) units are offline because they are part of Phases II and III of the rehab, (8) uninhabitable units, and (12) units available for occupancy. We currently have (7) applicants on our waiting list, and we anticipate moving in (1-2) of these applicants before the end of the month. We have (2) intent to vacate notices from (2) of the FEMA households who have secured permanent housing in the Chico and Las Vegas area, and no unlawful detainers at this time. Our goal and number one priority continues to be renting out all habitable units on the property.

Notices regarding proposed rent increases went out to all residents on July 1, 2019. The rent increase for each bedroom size is as follows: (1) bedroom units will increase from \$710.00 to \$780.00, (2) bedroom units will increase from \$725.00 to \$795.00, (3) bedroom units will increase from \$1,443.00 to \$1,585.00, and (4) bedroom units will increase from \$1,689.00 to \$1,854.00. If these rent increases are approved by USDA RD they would go into effect on October 1, 2019. We don't anticipate these changes having a negative impact on our vacancy as the majority of our residents are on Rental Assistance and will not see an increase in their monthly rent payment.

Our new water service operator A&K Water Works has officially come on board as of July 4, 2019. Culligan of Chico was released from their contract on July 3, 2019.

A grant contract with the State has been completed for provision of potable water to FLH tenants. This action is consistent with the plan of action approved by the State addressing the seasonally contaminated well water (1-2-3 TCP) at the property.

On-site security is reporting no significant problems on the property at this time. Maintenance staff and the Resident Manager continue to work on vacancy make-readies.

We now have (2) temporary workers assisting maintenance with landscaping. Landscape maintenance capacity is increasingly challenged as Flood Insurance premium and Flood District assessment costs have risen precipitously over the last several years. We anticipate hiring a full time landscaping crew to service the lawns after the rents are increased in October, 2019.

Monthly food distribution was held this month on July 9, 2019, from 5-8 pm in the Community Room. Promotores staff continues to host a youth group every Wednesday from 3:30 pm to 4:30 pm. Migrant Education staff will be leasing office space within our

Administrative building as of July 15, 2019, which is a win-win situation as Migrant Education secures a work site for their Gridley staff and our residents do not have to travel into town as they now have services offered by this program onsite.

Mi C.A.S.A.'s Summer School classes started on July 8<sup>th</sup>, 2019 and will run until August 9<sup>th</sup>, 2019. These classes are for all students in grades kindergarten through sixth grade. All students who attend these classes will be provided with breakfast and lunch.

Rehab phases II & III are in plan document preparation stage. Phases II and III includes 19 buildings, in which 38 units will be converted to 31 units. Bidding is scheduled for August, with a construction start scheduled for early this fall.

The levee taking transaction is now ready for closing, having approval documents from both USDA-RD and state HCD. Proceeds in the amount of \$66,450 will be directed to the rehab efforts.

## MEMO

Date: July 12, 2019

To: HACB Board of Commissioners

From: Larry Guanzon, Deputy Executive Director

Subject: Status Report – Bond Portfolio (Series 2000A Bonds)

- Alamont Apartments, Chico (30 units, family)
- Lincoln Apartments, Chico (18 units, family)
- Kathy Court Apartments, Paradise (12 units, family)
- Evanswood Estates, Oroville (27 units, family)
- Park Place Apartments, Oroville (40 units, senior)

*For Alamont, Lincoln, Kathy Court, Evanswood Apartments and Park Place Apartments, please also see monthly reports provided by the property manager, RSC Associates Inc., following this memo.*

**Alamont Apartments, Chico** – As of July 1st there was zero (0) vacancy. Exterior painting of all buildings is planned in the next 60-90 days.

**Evanswood Apartments, Oroville** – This property continues to have no (0) vacancies and continues to perform as budgeted.

**Kathy Court Apartments, Paradise** – Kathy Court was burned to the ground in the Camp Fire on November 8, 2018. Insurance proceeds have been received and transmitted to the Bond Trustee at Bank of New York Mellon, where they will be used to pay off bonds, per the Trust Indenture. Bond principal and interest payments will be recalculated for implementation starting October 1<sup>st</sup>. Site clearance is substantially complete. Staff is analyzing how the multi-family site might best be used in addressing area affordable housing needs in the future.

**Lincoln Apartments, Chico** – The Lincoln Apartments had zero (0) vacancy as of the 1<sup>st</sup> of July. Capital improvement work continues in upgrade of the patio railing assemblies. Exterior painting will follow the patio improvements, and parking lot repair is being planned.

**Park Place Apartments, Oroville** – The property currently had zero (0) vacancies.



July 9, 2019

Mr. Ed Mayer, Executive Director  
Housing Authority of the County of Butte  
2039 Forest Avenue, Suite 10  
Chico, CA 95928

**RE: 2000-A REVENUE BOND PROPERTIES**

Dear Ed:

Please find enclosed for your review the following financial information for the month that ended on June 30, 2019, for the five properties under the 2000-A Revenue Bond, consisting of Alamont Apartments, Evanswood Estates, Kathy Court Apartments, Lincoln Apartments, and Park Place Apartments.

1. Alamont Apartments
  - a. Project Cash Flow and Bank Account Summary, Budget Comparison, General Ledger, Trial Balance and Tenant Rent Roll.
  - b. 12 Month Income Statement.
  - c. 2018/2019 Performance Review.
  - d. Capital Improvement Summary.
2. Evanswood Estates
  - a. Project Cash Flow and Bank Account Summary, Budget Comparison, General Ledger, Trial Balance and Tenant Rent Roll.
  - b. 12 Month Income Statement.
  - c. 2018/2019 Performance Review.
  - d. Capital Improvement Summary.
3. Kathy Court Apartments
  - a. Project Cash Flow and Bank Account Summary, Budget Comparison, General Ledger, Trial Balance and Tenant Rent Roll.
  - b. 12 Month Income Statement.
  - c. 2018/2019 Performance Review.
  - d. Capital Improvement Summary.





4. Lincoln Apartments

- a. Project Cash Flow and Bank Account Summary, Budget Comparison, General Ledger, Trial Balance and Tenant Rent Roll.
- b. 12 Month Income Statement.
- c. 2018/2019 Performance Review.
- d. Capital Improvement Summary.

5. Park Place Apartments

- a. Project Cash Flow and Bank Account Summary, Budget Comparison, General Ledger, Trial Balance and Tenant Rent Roll.
- b. 12 Month Income Statement.
- c. 2018/2019 Performance Review.
- d. Capital Improvement Summary.

**ALAMONT APARTMENTS**

Alamont Apartments ended the month of June with no vacancies, as there was a new move into Unit #10.

Total rental income for the month of June was \$24,042.50 which was \$2,138.50 more than was budgeted due to less vacancy loss and unpaid rents. Service income for the month came to \$929.30 and was over budget by \$140.30 due to more laundry income being collected. This brought the total income to \$24,971.80, which was higher than budget by \$2,278.80 due to the reasons previously mentioned.

Moving on to the monthly expenses, you will see that the renting expenses totaled \$60.25 which was under budget by \$172.75 due to less office supplies cost and no resident activities. Total administrative expenses came to \$2,577.79 which was higher than budget for the month by \$464.79. Total utility expenses were \$2,317.19 and under budget by \$477.81, due to lower water and sewer costs. The apartment turnover expenses totaled \$655.94, under budget by \$2,894.06 for the month. Maintenance expenses for the month were \$3,272.07 which was under budget by \$286.93, due to lower service costs. The net operating came in at \$5,645.56 better than anticipated at a total of \$16,088.56. The capital improvements totaled \$1,806.56, under budget by \$7,463.44. This included carpet and paint for Unit #10. Also, due to the budgeted patio work not being completed yet. After the total financial expenses of \$7,385.00, the net project cash flow came to \$6,897.00 which was \$13,109.00 better than the budget for the reasons mentioned above.

As you review the Cash Balance Summary on Page 2 of the Cash Flow Statement, you will see that the property ended the month with total cash on hand of \$70,602.65. This total consisted of \$3,000.00 in the

general checking account, \$37,701.76 in the general savings account, \$29,850.89 in the financial reserve account, and \$50.00 in the petty cash account.

### **EVANSWOOD ESTATES**

Evanswood Estates ended the month of June with no vacant units, as the property had a new move in at Unit 368 Table Mountain Blvd.

Total rental income for the month came to \$28,835.17 which was over budget by \$790.17. This variance was due to the rent increases that became effective in June. The service income for the month was \$134.87, over budget by \$124.87, due to late fees and cleaning reimbursements being collected. This brought the total income to \$26,970.04, which was \$915.04 higher than what was budgeted for the reasons previously mentioned.

Moving on to the monthly expenses, the renting expenses totaled \$50.85, under budget by \$312.15 due to less office supplies being purchased, no referral fees and no promotional activities costs. Total administrative expenses were \$6,795.11, which was \$448.11 higher than what was budgeted. The total utility expenses for the month came to \$1,370.66, which was lower than the budget by \$344.34. There was a negative apartment turnover expense figure of \$185.00, due to the voiding of a stale dated check that had not been cashed made out to Modern Carpet Cleaning. Total maintenance expenses were \$1,171.44, under budget by \$1,003.56, due to no servicing costs. This brought the net operating income to \$17,766.98, which was \$4,761.98 higher than the budget due to the reasons described above.

The capital improvements totaled \$2,514.40, under budget by \$1,035.60. This included two water heater replacements for Units #32 and #71. The total financial expenses for the month came in at \$10,947.00 which brought the net project cash flow to \$4,305.58, better than the budgeted figure by \$5,797.58.

As you review the Cash Balance Summary on the Cash Flow Statement, you will see that the property ended the month with total cash on hand of \$79,574.49 with \$3,000.00 in the general checking, \$35,159.55 in the general savings, and \$41,414.94 in the replacement reserve account.

### **KATHY COURT APARTMENTS**

Kathy Court Apartments ended the month of June with no available units due to the Camp Fire.

There was no rental income for June due to the Camp Fire. There was \$300.00 of service income for June, which was collected from a past tenant from Unit 1563-C. There were no renting expenses. The total administrative expenses came to \$370.00, which was under budget by \$454.68, due to a reduced management fee and no resident manager expense. There were no utility expenses, apartment turnover expenses or maintenance expenses. The total operating expenses came to \$370.00, under budget by \$4,473.93 due the reasons described above. The net operating income was a negative \$70.00, which was \$4,554.07 under budget due to the reasons stated. With no capital improvements, the project cash flow came to a negative \$70.00, under budget by \$160.89.

As you can see on the Cash Flow statement, the property ended the month with total cash on hand of \$93,738.73.

#### **LINCOLN APARTMENTS**

Lincoln Apartments ended the month of June with no vacant units, as there were no new move ins or move outs.

The total rental income for the month of June came to \$11,835.00 and was higher than budget by \$1,225.00, due to the lower unpaid rents and no vacancy loss. Service income totaled \$280.87, which was higher than budget by \$24.87, due to higher laundry income being collected. This brought the total income to \$12,115.87, higher than what was budgeted by \$1,249.87, for the reasons previously mentioned.

Moving on to the June monthly expenses, the renting expenses came to \$37.15 and under budget by \$107.85 due to no advertising and less office supplies costs. Total administrative expenses were \$1,285.72 and higher than budget for the month by \$144.72, due to higher management fees and higher resident manager expenses. Utility expenses totaled \$518.37, which was less than what was budgeted by \$916.63, due to no water and sewer costs. There were no apartment turnover expenses for the month. The total maintenance expenses were \$672.39, which was under budget by \$1,295.61, mainly due to less labor and repairs and servicing costs. This brought the net operating income to \$9,602.24 which was higher than budget by \$4,890.24 due to the reasons previously mentioned.

There were no capital improvements in the month of June. After the total financial expenses of \$1,692.00, the net project cash flow came to \$7,910.24, which was higher than the budget by \$4,890.24 for the reasons described above.

As you review the Cash Balance Summary on Page 2 of the Cash Flow Statement, you will see that the property ended the month with total cash on hand of \$43,136.09. This consisted of \$3,000.00 in the general checking account, \$29,937.09 in the general savings, \$10,099.00 in the financial reserve account, and \$100.00 in the petty cash account.

### **PARK PLACE APARTMENTS**

Park Place Apartments ended the month of June with no vacant units, as there were no move outs or move ins.

Total rental income for the month of June was \$24,068.00 which was higher than the budget by \$1,773.00. This variance was due to less vacancy loss and the unpaid rents. Service income for the month totaled \$239.39, which was under budget by \$265.61 due to no repairs and maintenance or cleaning being collected. This brought the total income to \$24,307.39 and better than budget by \$1,507.39 for the reasons described above.

Moving on to the monthly expenses, you will see that the renting expenses came to \$182.62 which was \$32.38 less than the budget. Total administrative expenses were \$2,131.98, which was over budget by \$84.98 due to a higher resident manager expense and higher management fees. Utility expenses totaled \$1,266.26, which was \$476.74 under budget due to no pest control costs and lower water costs. There were no apartment turnover expenses for the month. Maintenance expenses totaled \$2,314.52, under budget by \$1,710.48, due to less repairs and labor costs. This brought the net operating income to \$18,143.01, over budget by \$5,322.01 for the reasons previously mentioned.

The capital improvements for June were \$4,116.06, over budget by \$1,966.06 due to carpet and vinyl expenses for Units #1 and #5.

After the total financial expenses of \$9,688.00, the net project cash flow came to \$4,338.95, better than budget by \$3,355.95, for the reasons previously mentioned.

As you review the Cash Balance Summary on Page 2 of the Cash Flow Statement, you will see that the property ended the month with total cash on hand of \$74,624.27. This consisted of \$3,000.00 in the general checking account, \$26,466.27 in the general savings account, \$45,058.00 in the financial reserve account and \$100.00 in the petty cash account

Ed Mayer, Executive Director  
Chico, California

July 9, 2019  
Page 6

Please give me a call if you have any questions regarding any of your properties. We will keep you apprised of any needs or concerns regarding each of the properties.

Sincerely yours,

RSC ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read 'Rich' or 'Richard', written in a cursive style.

Richard Gillaspie  
Property Manager

RG:ph  
Enclosures

**ALAMONT APARTMENTS**

Performance Review 2018 - 19

**2018 / 2019 PERFORMANCE REVIEW**

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
TOTAL INCOME 2013/14	19,374	17,217	18,227	18,999	18,927	19,071	18,800	20,176	18,211	18,369	19,012	18,077	224,459
TOTAL INCOME 2014/15	19,260	19,264	19,400	18,583	18,518	19,543	17,920	18,930	19,942	19,071	19,092	19,060	228,583
TOTAL INCOME 2015/16	19,094	18,781	20,358	19,663	19,667	20,674	20,112	20,031	20,112	20,304	18,897	20,922	238,614
TOTAL INCOME 2016/17	20,554	19,496	20,063	20,103	19,755	19,712	19,831	20,550	19,790	21,389	20,733	21,892	243,868
TOTAL INCOME 2017/18	21,116	20,232	21,376	22,180	21,356	21,815	20,840	21,521	20,783	25,254	21,031	26,876	264,379
TOTAL INCOME 2018/19	22,324	23,966	24,865	22,689	23,755	23,318	22,432	22,893	24,972				211,215
VARIANCE	1,208	3,735	3,489	509	2,399	1,503	1,593	1,372	4,189				19,997

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2013/14 VACANCY LOSS	0	-472	-765	-473	0	0	0	-563	-45	0	0	-710	-3,027
2014/15 VACANCY LOSS	-1,250	-217	-293	29	-685	0	-685	23	-92	82	0	0	-3,088
2015/16 VACANCY LOSS	0	0	0	-295	-245	-6	0	-308	-383	-745	-786	308	-2,459
2016/17 VACANCY LOSS	-1,009	-59	-143	-715	-715	-715	-715	-1,276	0	0	-623	-900	-6,870
2017/18 VACANCY LOSS	-900	-1,650	-692	0	-362	-630	0	0	0	0	-600	-510	-5,343
2018/19 VACANCY LOSS	0	0	-75	0	0	0	1	-453	-853				-1,381
VARIANCE	900	1,650	617	0	362	630	1	-453	-853				2,853

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2013/14 UNPAID RENTS	0	-924	190	819	196	0	0	-109	26	35	0	-286	-53
2014/15 UNPAID RENTS	147	-53	54	38	12	1	-579	-959	1,530	-81	2	0	112
2015/16 UNPAID RENTS	0	0	0	-6	25	18	38	17	18	-387	-10	-106	-393
2016/17 UNPAID RENTS	372	-701	-523	90	0	0	0	-82	-188	520	-5	5	-512
2017/18 UNPAID RENTS	0	0	0	-105	-388	435	-880	-905	-890	2,970	-1,330	2,258	1,165
2018/19 UNPAID RENTS	-763	651	161	20	10	49	-1,331	-397	1,567				-32
VARIANCE	-763	651	161	125	398	-386	-451	508	2,457				2,701

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2013/14 TOTAL OPER EXP	6,122	6,240	8,860	7,334	5,592	4,028	6,996	4,926	7,660	6,587	5,815	5,859	76,018
2014/15 TOTAL OPER EXP	11,839	6,210	7,274	6,227	6,335	7,770	5,854	8,492	5,120	5,535	4,536	5,880	81,072
2015/16 TOTAL OPER EXP	7,727	5,984	6,690	6,298	7,919	7,167	7,624	6,575	11,218	14,315	11,245	7,644	100,405
2016/17 TOTAL OPER EXP	8,496	11,058	11,877	6,413	6,078	9,088	6,795	8,681	5,630	7,085	5,697	9,850	96,747
2017/18 TOTAL OPER EXP	6,106	5,187	9,864	6,020	7,929	9,337	6,550	5,796	6,207	8,438	7,682	8,730	87,846
2018/19 TOTAL OPER EXP	7,667	4,586	6,898	7,084	6,495	9,216	7,876	9,609	8,883				68,314
VARIANCE	1,561	-601	-2,966	1,064	-1,434	-122	1,326	3,813	2,677				5,318

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2013/14 TOTAL NOI	13,252	10,977	9,368	11,665	13,335	15,043	11,804	15,250	10,550	11,782	13,197	12,218	148,441
2014/15 TOTAL NOI	7,421	13,054	12,126	12,357	12,183	11,772	12,066	10,439	14,822	13,536	14,556	13,180	147,511
2015/16 TOTAL NOI	11,367	12,797	13,668	13,365	11,748	13,508	12,488	13,456	8,894	5,989	7,652	13,277	138,209
2016/17 TOTAL NOI	12,058	8,438	8,186	13,690	13,677	10,624	13,036	11,869	14,160	14,304	15,036	12,043	147,121
2017/18 TOTAL NOI	15,009	15,045	11,512	16,160	13,427	12,477	14,290	15,725	14,576	16,816	13,349	18,145	176,533
2018/19 TOTAL NOI	14,657	19,380	17,967	15,605	17,260	14,102	14,557	13,284	16,089				142,901
VARIANCE	-353	4,335	6,455	-555	3,833	1,625	267	-2,441	1,513				14,678

**EVANSWOOD ESTATES**  
**2018 - 2019 PERFORMANCE REVIEW**

Ev08-09pr

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
TOTAL INCOME 2013/2014	25761	22166	21931	21631	22844	23897	25209	24634	24046	24708	24330	24920	286077
TOTAL INCOME 2014/2015	23371	21626	22118	22210	23141	25887	25234	23634	22078	24210	24226	24330	282065
TOTAL INCOME 2015/2016	24785	22727	24227	24736	24603	24193	23688	23949	24683	22273	25678	24151	289695
TOTAL INCOME 2016/2017	24015	25556	22288	22612	24826	25791	25401	24471	22296	28305	26950	27243	299754
TOTAL INCOME 2017/2018	22505	26517	25247	25129	28868	24735	27062	25902	25823	25872	26340	26061	310062
TOTAL INCOME 2018/2019	26346	23751	29950	26505	26326	26333	26637	27013	26970				239830
<b>VARIANCE</b>	<b>3841</b>	<b>-2766</b>	<b>4703</b>	<b>1375</b>	<b>-2542</b>	<b>1598</b>	<b>-424</b>	<b>1111</b>	<b>1147</b>				<b>8042</b>
	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2013/2014 VACANCY LOSS	-1532	-1929	-1317	-2000	-333	-1000	14	0	-115	-312	-433	-1999	-10958
2014/2015 VACANCY LOSS	-1000	52	-2425	-1833	-735	-1710	-932	-420	-2455	-897	-497	0	-12852
2015/2016 VACANCY LOSS	-300	0	0	0	-767	-573	0	0	-1015	-2102	-1117	-906	-6780
2016/2017 VACANCY LOSS	-1050	-2120	-2986	-1883	-832	183	0	-925	-1043	139	0	16	-10501
2017/2018 VACANCY LOSS	-1106	-1073	-1394	0	0	0	0	0	-271	0	-470	0	-4314
2018/2019 VACANCY LOSS	0	0	-406	0	0	0	0	0	-663				-1070
<b>VARIANCE</b>	<b>1106</b>	<b>1073</b>	<b>988</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-393</b>				<b>2775</b>
	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2013/2014 UNPAID RENTS	-206	-686	-463	-95	-1013	387	-841	1062	50	50	-924	880	-1801
2014/2015 UNPAID RENTS	414	-2017	-39	-1136	-125	2592	510	0	8	-153	-150	150	54
2015/2016 UNPAID RENTS	0	-1000	-150	508	409	-100	-440	-904	283	-201	-462	604	-1453
2016/2017 UNPAID RENTS	-14	1235	0	-1082	423	-170	-4	101	-2136	2285	547	-658	527
2017/2018 UNPAID RENTS	-2154	2050	0	-153	89	-1100	1100	0	0	0	0	-378	-546
2018/2019 UNPAID RENTS	25	-3357	2195	1500	0	-1	1	-93	-101				169
<b>VARIANCE</b>	<b>2179</b>	<b>-5407</b>	<b>2195</b>	<b>1653</b>	<b>-89</b>	<b>1099</b>	<b>-1099</b>	<b>-93</b>	<b>-101</b>				<b>336</b>
	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2013/14 TOTAL OPER. EXP.	15113	14863	21210	14447	10025	8427	9688	7856	11091	9785	8703	19982	151189
2014/15 TOTAL OPER. EXP.	13873	5115	9339	11278	14947	19366	10569	9790	10369	13440	10318	7565	135968
2015/16 TOTAL OPER. EXP.	13529	7885	7892	8769	9140	23910	11093	8440	7089	10075	13493	18394	139709
2016/17 TOTAL OPER. EXP.	13821	9431	9079	12822	15960	18874	8695	8807	7492	14743	9537	9188	138449
2017/18 TOTAL OPER. EXP.	8518	8435	12995	34778	9702	7854	9656	8487	9275	9478	10419	8561	138157
2018/19 TOTAL OPER. EXP.	23913	9190	18864	9513	8508	11091	9837	7165	9203				107283
<b>VARIANCE</b>	<b>15395</b>	<b>754</b>	<b>5869</b>	<b>-25265</b>	<b>-1194</b>	<b>3236</b>	<b>181</b>	<b>-1322</b>	<b>-72</b>				<b>-2417</b>
	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2013/2014 TOTAL NOI	10648	7303	720	7184	12820	15470	15522	16778	12955	14924	15627	4938	134888
2014/2015 TOTAL NOI	9498	16511	12780	10931	8193	6521	14665	13844	11709	10770	13908	16765	146096
2015/2016 TOTAL NOI	11256	14843	16335	15967	15463	283	12595	15508	17594	12198	12185	5757	149985
2016/2017 TOTAL NOI	10194	16124	13210	9790	8866	6917	16706	15663	14804	13562	17413	18056	161305
2017/2018 TOTAL NOI	13987	18082	12252	-9649	19166	16881	17406	17415	16549	16395	15921	17501	171905
2018/2019 TOTAL NOI	2433	14561	11086	16992	17818	15242	16801	19848	17767				132547
<b>VARIANCE</b>	<b>-11555</b>	<b>-3521</b>	<b>-1167</b>	<b>26641</b>	<b>-1348</b>	<b>-1638</b>	<b>-605</b>	<b>2433</b>	<b>1218</b>				<b>10459</b>

# **LINCOLN APARTMENTS**

## **2018 / 2019 PERFORMANCE REVIEW**

LNA07-08pr

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
TOTAL INCOME 2013/14	9984	8941	8958	8848	8921	7950	7381	8331	10887	8617	10910	10575	110,304
TOTAL INCOME 2014/15	13248	8651	9633	9320	10482	10694	10223	10280	11197	9341	9899	10100	123,068
TOTAL INCOME 2015/16	10837	10462	8970	9553	10644	10104	10559	10374	10953	10092	10765	10529	233,372
TOTAL INCOME 2016/17	10302	11082	10773	11146	11141	11847	10578	11156	11174	11378	11420	11179	133,177
TOTAL INCOME 2017/18	10423	11837	11327	11169	10653	11027	12506	11296	10638	12351	11862	10876	135,967
TOTAL INCOME 2018/19	12798	10026	12618	11543	11664	12250	11212	11950	12116				106,176
<b>VARIANCE</b>	<b>2375</b>	<b>-1811</b>	<b>1290</b>	<b>374</b>	<b>1011</b>	<b>1223</b>	<b>-1294</b>	<b>654</b>	<b>1478</b>				<b>5,299</b>

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2013/14 VACANCY LOSS	-953	-1143	-1270	-1270	-1503	-3175	-1964	-935	-1689	-43	0	0	-13,945
2014/15 VACANCY LOSS	-275	-793	-496	-635	0	0	-550	-635	-635	-635	-541	0	-5,196
2015/16 VACANCY LOSS	-258	-575	-595	-1217	-867	-192	0	-360	-1231	-635	-191	-679	-6,799
2016/17 VACANCY LOSS	-700	-169	-510	0	0	43	0	0	0	0	0	-567	-1,904
2017/18 VACANCY LOSS	-645	-250	0	-405	-645	-122	8	-550	-750	0	0	75	-3,284
2018/19 VACANCY LOSS	-575	0	-950	0	750	0	0	0	0				-775
<b>VARIANCE</b>	<b>70</b>	<b>250</b>	<b>-950</b>	<b>405</b>	<b>1395</b>	<b>122</b>	<b>-8</b>	<b>550</b>	<b>750</b>				<b>2,584</b>

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2013/14 UNPAID RENTS	-130	-390	-635	-635	-402	0	0	-215	616	-98	98	0	-1,791
2014/15 UNPAID RENTS	0	-139	0	0	0	0	0	0	0	0	139	-210	-210
2015/16 UNPAID RENTS	-475	-437	-475	-247	-889	593	0	-11	500	0	-21	21	-1,442
2016/17 UNPAID RENTS	0	-5	5	0	0	0	0	0	0	0	0	0	0
2017/18 UNPAID RENTS	-400	375	0	36	-155	-453	-532	-100	100	100	90	-755	-1,694
2018/19 UNPAID RENTS	480	-1000	930	-425	-1103	101	-679	131	220				-1,345
<b>VARIANCE</b>	<b>880</b>	<b>-1375</b>	<b>930</b>	<b>-461</b>	<b>-948</b>	<b>554</b>	<b>-147</b>	<b>231</b>	<b>120</b>				<b>-216</b>

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2013/14 TOTAL OPER. EXP.	5141	7185	5516	4839	4861	7122	10793	3551	4965	3922	3041	3987	64,926
2014/15 TOTAL OPER. EXP.	3505	6870	9065	2413	4298	3164	2913	7161	2900	6531	3219	5215	57,253
2015/16 TOTAL OPER. EXP.	8125	6141	7193	7575	5193	8897	8761	5351	8204	6854	3664	4856	80,815
2016/17 TOTAL OPER. EXP.	5915	5497	5065	4829	4795	3994	4206	3846	3140	4493	4089	6684	56,552
2017/18 TOTAL OPER. EXP.	11576	8838	6363	4723	7257	3792	3742	4423	5217	7734	6941	3620	74,225
2018/19 TOTAL OPER. EXP.	7866	7526	6294	5598	4312	4721	4897	3485	2514				47,213
<b>VARIANCE</b>	<b>-3710</b>	<b>-1311</b>	<b>-69</b>	<b>876</b>	<b>-2945</b>	<b>929</b>	<b>1155</b>	<b>-938</b>	<b>-2703</b>				<b>-8,717</b>

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2013/14 TOTAL NOI	4843	1757	3442	4009	4060	827	-3412	4780	5922	4696	7869	6588	45,379
2014/15 TOTAL NOI	9743	1781	568	6907	6184	7529	7310	3119	8297	2810	6679	4886	65,814
2015/16 TOTAL NOI	2712	4321	1777	1979	5451	1206	1798	5023	2750	3238	7101	5673	43,029
2016/17 TOTAL NOI	4387	5586	5707	6318	6346	7853	6372	7310	8034	6885	7332	4495	76,624
2017/18 TOTAL NOI	-1153	2999	4965	6446	3396	7235	8764	6873	5422	4617	4922	7260	61,746
2018/19 TOTAL NOI	4932	2500	6324	5944	7352	7529	6315	8465	9602				58,963
<b>VARIANCE</b>	<b>6085</b>	<b>-500</b>	<b>1360</b>	<b>-502</b>	<b>3956</b>	<b>294</b>	<b>-2450</b>	<b>1592</b>	<b>4181</b>				<b>14,016</b>



**PARK PLACE APARTMENTS**

**2018 / 2019 PERFORMANCE REVIEW**

Ala08-09pr.xls

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
TOTAL INCOME 2015/16	*****	*****	*****	20,544	23,038	21,677	21,020	22,621	22,271	21,238	22,432	20,618	195,459
TOTAL INCOME 2016/17	23,921	20,291	21,859	22,018	21,458	23,651	22,828	21,592	22,789	22,619	23,066	23,176	269,268
TOTAL INCOME 2017/18	23,042	23,159	23,269	22,999	21,955	23,234	22,807	22,349	22,435	23,485	24,434	22,630	275,796
TOTAL INCOME 2018/19	24,470	21,326	24,689	21,843	22,452	23,104	22,731	20,688	24,307				205,611
VARIANCE	1,428	-1,833	1,420	-1,156	497	-130	-76	-1,661	1,873				364

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/16 VACANCY LOSS	*****	*****	*****	-575	-875	-249	0	0	-616	-1,093	0	0	-3,408
2016/17 VACANCY LOSS	76	-520	-961	0	0	0	0	-1,305	-563	0	86	-106	-3,293
2017/18 VACANCY LOSS	140	0	0	0	-581	0	-527	-585	-585	-125	-94	359	-1,998
2018/19 VACANCY LOSS	0	0	-206	0	-608	0	-981	-2,179	-5				-3,979
VARIANCE	-140	0	-206	0	-27	0	-455	-1,594	580				-1,842

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/16 UNPAID RENTS	*****	*****	*****	-1,013	116	479	-956	-768	449	1,358	-147	-531	-1,012
2016/17 UNPAID RENTS	416	-423	-323	-423	-473	492	364	-216	-130	-861	77	157	-1,343
2017/18 UNPAID RENTS	-188	-130	-140	-134	-140	239	-189	-194	-179	-127	165	34	-982
2018/19 UNPAID RENTS	169	234	26	-209	199	-721	-133	136	547				248
VARIANCE	358	364	166	-75	339	-960	55	330	726				1,302

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/16 TOTAL OPER EXP	*****	*****	*****	3,245	10,075	8,771	6,127	7,110	9,934	10,250	7,232	7,759	70,504
2016/17 TOTAL OPER EXP	5,101	8,153	6,927	4,963	4,965	21,212	7,021	4,877	10,850	9,359	5,400	7,969	96,797
2017/18 TOTAL OPER EXP	8,271	5,281	5,674	24,723	6,670	5,230	6,863	6,936	5,510	8,447	7,194	5,975	96,775
2018/19 TOTAL OPER EXP	27,386	7,112	11,551	7,134	8,000	10,012	6,636	11,067	6,164				95,062
VARIANCE	19,114	1,831	5,877	-17,589	1,331	4,783	-227	4,131	654				19,904

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/16 TOTAL NOI	*****	*****	*****	17,299	12,963	12,906	14,894	15,511	12,336	10,988	15,200	12,858	124,955
2016/17 TOTAL NOI	18,819	12,138	14,932	17,055	16,493	2,439	15,807	16,715	11,938	13,260	17,667	15,207	172,472
2017/18 TOTAL NOI	14,771	17,878	17,595	-1,724	15,285	18,004	15,945	15,413	16,924	15,037	17,240	16,654	179,021
2018/19 TOTAL NOI	-2,916	14,214	13,138	14,709	14,452	13,092	16,096	9,621	18,143				110,549
VARIANCE	-17,686	-3,664	-4,457	16,434	-833	-4,912	151	-5,792	1,219				-19,541

## MEMO

Date: July 12, 2019

To: HACB Board of Commissioners

From: Larry Guanzon, Deputy Executive Director

Subject: Status Report – LIHTC Properties & Cordillera Apartments

- Chico Commons Apartment, Chico (72 units, LIHTC, Family)
- Walker Commons Apartments, Chico (56 units, LIHTC, senior/disabled)
- 1200 Park Avenue Apartments, Chico (107 units, LIHTC, senior)
- Harvest Park Apartments, Chico (90 units, LIHTC, family)
- Gridley Springs I Apartments, Gridley (32 units, LIHTC, family)
- Cordillera Apartments, Chico (20 units, family)

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

**Chico Commons Apartments, Chico** (72 units, LIHTC, Family, MGP, Banyard Management, PM: AWI) – We currently have (3) vacancies as of July 1, 2019. The final phase of exterior siding replacements has commenced; the work is being completed by local contractor Experts in Your Home. Water-conserving landscape upgrades, and ADA-related site improvements are being planned, as well as parking lot repair, seal, and re-striping. Please find AWI's narrative property report.

**Walker Commons Apartments, Chico** (56 units, LIHTC, Senior & Disabled, MGP: BCAHDC, PM: AWI) – The property had zero (0) vacancy as of the first of the month. The second phase of roofing replacement is well underway; Steele's Roofing is performing the work. Please find the AWI monthly owners report following, as well as a brief property narrative by the AWI regional property manager.

**1200 Park Avenue Apartments, Chico** (107 units, LIHTC, Senior, MGP: BCAHDC, PM: AWI) – This property currently has two (2) vacancies. Roof repair is scheduled to address selected flat-roof areas, the replacements due to age and deterioration. The cost will be approximately \$18,500.00, paid thru property reserves. The complex is currently searching for a new maintenance person. The property has seen increased incidences of vandalism and

unauthorized persons – issues being addressed by management. Please find the AWI's monthly financials and property manager monthly narrative for your review.

**Harvest Park Apartments**, Chico (90 units, LIHTC, Family, MGP: BCAHDC, PM Winn Residential) – Harvest Park currently has one (1) vacancy. The property continues operations per budget. Please find WINN Residential Owner's Report following.

**Gridley Springs I Apartments**, Gridley (32 units, LIHTC, Family, MGP: BCAHDC, PM: Sackett Corporation) – There is one (1) vacancy at this time. The new on-site manager, "Devin", has moved in and the transition is going well. Please find Sackett Corporation's Owner's report, following. The Limited Partner, WNC, has initiated an amendment to the Limited Partnership Agreement, whereby the MGP, Dawson Holdings/Danny Fred, will have its employee, Tim Fluetsch, be the designated "Tax Matters Partner". Such designation is a new IRS requirement for Low Income Housing Tax Credit partnerships. The amendment has been approved and is circulating for signatures.

**Cordillera Apartments**, Chico (20 units, Family, Owner: BCAHDC, PM: RSC Assoc.) The property has zero (0) vacancy. We will continue to make capital improvements as cash flow allows: replacement of patios railings has been completed with exterior painting being the last item to complete. Exterior painting is scheduled for this summer. Please find RSC's monthly Owner's report, following.

## **Chico Commons**

**June 2019**

Variance report sent explaining budget differences and expenses.

### **Updates:**

Chico Commons has three vacancies with applications in process for approval. Two move-ins and one move out during the month of June.

No notices to vacate or evictions in process. Fingers crossed we don't receive any.

The flyer informing all residents of the section 8 waiting list opening up has been distributed to all as well as posted in laundry rooms.

The siding work has started and residents have been notified. Can't wait to see the results!

A new vendor has been hauling away bulky items abandoned at the dumpster and in units. The vendor is faster to respond and less expensive than using the service offered through the regular trash vendor.

The Maintenance Tech, Randy is nearing a clearing in his schedule that will allow him to begin painting the second floor hallways. All carpet has been removed and no slip paint is on hand to complete this much needed project.

Staff continues to pursue bids for seal / stripe of the parking lot, tree trimming, and replacement signs for the buildings.

We are planning to implement a minimal increase to the cost to use the washing and drying machines. The current cost is well below market and frequent repair costs are incurred. The small increase will help offset the repairs costs.

All else is business as usual at Chico Commons!



Chico Commons 549  
For the Month Ended June 30, 2019  
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
<b>Rental Income</b>						
Gross Rents	\$ 57,881.00	\$ 55,451.25	\$ 2,429.75	\$ 346,290.00	\$ 332,707.50	\$ 13,582.50
Vacancies	(3,084.00)	(2,772.59)	(311.41)	(9,938.75)	(16,635.50)	6,696.75
Rent Adjustments	(1,823.20)	(519.75)	(1,303.45)	(1,820.39)	(3,118.50)	1,298.11
Manager's Unit	(771.00)	(771.00)	0.00	(4,626.00)	(4,626.00)	0.00
<b>Total Tenant Rent</b>	<b>\$ 52,202.80</b>	<b>\$ 51,387.91</b>	<b>\$ 814.89</b>	<b>\$ 329,904.86</b>	<b>\$ 308,327.50</b>	<b>\$ 21,577.36</b>
<b>Other Project Income:</b>						
Laundry Income	\$ 759.27	\$ 677.84	\$ 81.43	\$ 8,569.04	\$ 4,067.00	\$ 4,502.04
Interest Income	9.26	0.00	9.26	12.22	0.00	12.22
Restricted Reserve Interest Incom	10.81	0.00	10.81	85.94	0.00	85.94
Late Charges	326.00	216.66	109.34	1,488.00	1,300.00	188.00
Other Tenant Income	\$ 10.00	\$ 532.50	\$ (522.50)	\$ 2,089.56	\$ 3,195.00	\$ (1,105.44)
Miscellaneous Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 37.50	\$ 0.00	\$ 37.50
<b>Other Project Income</b>	<b>\$ 1,115.34</b>	<b>\$ 1,427.00</b>	<b>\$ (311.66)</b>	<b>\$ 12,282.26</b>	<b>\$ 8,562.00</b>	<b>\$ 3,720.26</b>
<b>Total Project Income</b>	<b>\$ 53,318.14</b>	<b>\$ 52,814.91</b>	<b>\$ 503.23</b>	<b>\$ 342,187.12</b>	<b>\$ 316,889.50</b>	<b>\$ 25,297.62</b>
<b>Project Expenses:</b>						
Maint. & Oper. Exp. (Fr Page 2)	\$ 11,003.58	\$ 24,350.27	\$ (13,346.69)	\$ 57,921.77	\$ 146,101.50	\$ (88,179.73)
Utilities (From Pg 2)	6,586.48	6,685.68	(99.20)	36,810.79	40,114.00	(3,303.21)
Administrative (From Pg 2)	8,028.05	7,588.25	439.80	51,289.63	45,529.50	5,760.13
Taxes & Insurance (From Pg 2)	999.83	1,209.66	(209.83)	6,208.82	7,258.00	(1,049.18)
Other Taxes & Insurance (Fr Page	1,021.52	3,158.25	(2,136.73)	8,254.10	18,949.50	(10,695.40)
Other Project Expenses	827.83	870.09	(42.26)	5,447.13	5,220.50	226.63
<b>Total O&amp;M Expenses</b>	<b>\$ 28,467.29</b>	<b>\$ 43,862.20</b>	<b>\$ (15,394.91)</b>	<b>\$ 165,932.24</b>	<b>\$ 263,173.00</b>	<b>\$ (97,240.76)</b>
<b>Mortgage &amp; Owner's Expense</b>						
Mortgage Payment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Interest Expense - City of Chico	\$ 2,604.17	\$ 2,604.16	\$ .01	\$ 15,625.02	\$ 15,625.00	\$ .02
Reporting / Partner Management F	1,080.00	1,080.00	0.00	6,480.00	6,480.00	0.00
Transfer - Reserves	2,500.00	2,500.00	0.00	15,000.00	15,000.00	0.00
<b>Total Mortgage &amp; Owner's Exp.</b>	<b>\$ 6,184.17</b>	<b>\$ 6,184.16</b>	<b>\$ .01</b>	<b>\$ 37,105.02</b>	<b>\$ 37,105.00</b>	<b>\$ .02</b>
<b>Total Project Expenses</b>	<b>\$ 34,651.46</b>	<b>\$ 50,046.36</b>	<b>\$ (15,394.90)</b>	<b>\$ 203,037.26</b>	<b>\$ 300,278.00</b>	<b>\$ (97,240.74)</b>
<b>Net Profit (Loss)</b>	<b>\$ 18,666.68</b>	<b>\$ 2,768.55</b>	<b>\$ 15,898.13</b>	<b>\$ 139,149.86</b>	<b>\$ 16,611.50</b>	<b>\$ 122,538.36</b>

Other Cash Flow Items:

**Walker Commons  
June 2019**

Variance report sent explaining budget differences and expenditures.

**Updates:**

Walker Commons enjoyed a six month stretch of 100% occupancy. However currently there is one vacancy and another unit with notice to vacate. The unit turn and applicant is in process for completion.

The roof replacements continue.

The vendor that will be painting the fronts of the buildings has scheduled to begin the work in mid August. He will also be touching up the paint on the community room that was completed last year.

We are still working on comparable estimates for the tree trimming and a new property sign.

In June due to the hot weather a salad menu was chosen for the resident luncheon. Cool and fresh. Staff and resident volunteers go all out to ensure an enjoyable time for all, including fresh flyers and a raffle!



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Walker Commons 550  
For the Month Ended June 30, 2019  
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
<b>Rental Income</b>						
Gross Rents	\$ 36,861.00	\$ 32,622.00	\$ 4,239.00	\$ 221,054.00	\$ 195,732.00	\$ 25,322.00
Vacancies	0.00	(326.25)	326.25	(349.00)	(1,957.50)	1,608.50
Rent Adjustments	0.00	(39.59)	39.59	(644.46)	(237.50)	(406.96)
Manager's Unit	(637.00)	(637.00)	0.00	(3,813.00)	(3,822.00)	9.00
<b>Total Tenant Rent</b>	<b>\$ 36,224.00</b>	<b>\$ 31,619.16</b>	<b>\$ 4,604.84</b>	<b>\$ 216,247.54</b>	<b>\$ 189,715.00</b>	<b>\$ 26,532.54</b>
<b>Other Project Income:</b>						
Laundry Income	\$ 164.09	\$ 134.41	\$ 29.68	\$ 890.18	\$ 806.50	\$ 83.68
Interest Income	.80	0.00	.80	.80	0.00	.80
Restricted Reserve Interest Incom	31.25	0.00	31.25	136.04	0.00	136.04
Late Charges	16.00	12.50	3.50	16.00	75.00	(59.00)
Other Tenant Income	\$ 27.50	\$ 41.66	\$ (14.16)	\$ 402.50	\$ 250.00	\$ 152.50
<b>Other Project Income</b>	<b>\$ 239.64</b>	<b>\$ 188.57</b>	<b>\$ 51.07</b>	<b>\$ 1,445.52</b>	<b>\$ 1,131.50</b>	<b>\$ 314.02</b>
<b>Total Project Income</b>	<b>\$ 36,463.64</b>	<b>\$ 31,807.73</b>	<b>\$ 4,655.91</b>	<b>\$ 217,693.06</b>	<b>\$ 190,846.50</b>	<b>\$ 26,846.56</b>
<b>Project Expenses:</b>						
Maint. & Oper. Exp. (Fr Page 2)	\$ 9,540.13	\$ 11,986.84	\$ (2,446.71)	\$ 41,221.15	\$ 71,921.00	\$ (30,699.85)
Utilities (From Pg 2)	3,131.89	3,003.00	128.89	17,163.44	18,018.00	(854.56)
Administrative (From Pg 2)	5,642.11	6,135.84	(493.73)	35,450.19	36,815.00	(1,364.81)
Taxes & Insurance (From Pg 2)	765.25	798.66	(33.41)	4,614.42	4,792.00	(177.58)
Other Taxes & Insurance (Fr Page	1,336.85	2,815.32	(1,478.47)	9,751.96	16,892.00	(7,140.04)
Other Project Expenses	1,275.08	755.25	519.83	5,649.41	4,531.50	1,117.91
<b>Total O&amp;M Expenses</b>	<b>\$ 21,691.31</b>	<b>\$ 25,494.91</b>	<b>\$ (3,803.60)</b>	<b>\$ 113,850.57</b>	<b>\$ 152,969.50</b>	<b>\$ (39,118.93)</b>
<b>Mortgage &amp; Owner's Expense</b>						
Mortgage Payment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Interest Expense - City of Chico	\$ 1,250.00	\$ 1,250.00	\$ 0.00	\$ 7,500.00	\$ 7,500.00	\$ 0.00
Reporting / Partner Management F	625.00	625.00	0.00	3,750.00	3,750.00	0.00
Transfer - Reserves	933.34	933.34	0.00	5,600.04	5,600.00	.04
<b>Total Mortgage &amp; Owner's Exp.</b>	<b>\$ 2,808.34</b>	<b>\$ 2,808.34</b>	<b>\$ 0.00</b>	<b>\$ 16,850.04</b>	<b>\$ 16,850.00</b>	<b>\$ .04</b>
<b>Total Project Expenses</b>	<b>\$ 24,499.65</b>	<b>\$ 28,303.25</b>	<b>\$ (3,803.60)</b>	<b>\$ 130,700.61</b>	<b>\$ 169,819.50</b>	<b>\$ (39,118.89)</b>
<b>Net Profit (Loss)</b>	<b>\$ 11,963.99</b>	<b>\$ 3,504.48</b>	<b>\$ 8,459.51</b>	<b>\$ 86,992.45</b>	<b>\$ 21,027.00</b>	<b>\$ 65,965.45</b>

Other Cash Flow Items:



## 1200 Park Avenue June 2019

Variance report sent explaining budget differences and expenses.

### Updates:

1200 Park Avenue has three vacancies. Unit turns and applications in process.

Unit #201 is under eviction for nuisance activities. The Notice of Termination has expired and UD filed.

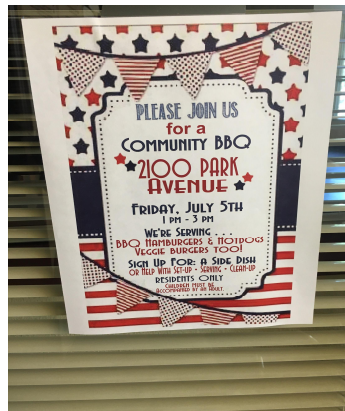
A veteran AWI Maintenance Technician is scheduled for transfer to 1200 Park Avenue to fill the vacant tech position. We are aiming for his arrival to the site during the first week in August.

Sierra Roofing has tentatively scheduled the approved roof replacement for the first week in August. We will follow up as the date gets closer to confirm.

Cleaning of all exterior windows is scheduled for July 23<sup>rd</sup> and 24<sup>th</sup>. This was one of the hot buttons during the June 11<sup>th</sup> resident meeting. Advance notification is being distributed to residents regarding the upcoming cleaning.

Students of Chico State have been volunteering twice per week to organize activities with residents. They are enjoying board games and even playing ball in the community room!

The July 5<sup>th</sup> barbeque was also a successful resident event. Residents pitched in to serve food, clean up and make side dishes. Walker Commons and Shasta Garden staff pitched in as well to ensure there were plenty of hands on deck.



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Park Avenue 569  
For the Month Ended June 30, 2019  
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
<b>Rental Income</b>						
Gross Rents	\$ 68,406.00	\$ 66,372.00	\$ 2,034.00	\$ 402,387.00	\$ 398,232.00	\$ 4,155.00
Vacancies	(1,233.00)	(1,327.41)	94.41	(3,706.66)	(7,964.50)	4,257.84
Rent Adjustments	295.24	0.00	295.24	8.88	0.00	8.88
Manager's Unit	(781.00)	(780.00)	(1.00)	(4,686.00)	(4,680.00)	(6.00)
<b>Total Tenant Rent</b>	<b>\$ 66,687.24</b>	<b>\$ 64,264.59</b>	<b>\$ 2,422.65</b>	<b>\$ 394,003.22</b>	<b>\$ 385,587.50</b>	<b>\$ 8,415.72</b>
<b>Other Project Income:</b>						
Laundry Income	\$ 2,500.00	\$ 1,000.00	\$ 1,500.00	\$ 5,000.00	\$ 6,000.00	\$ (1,000.00)
Interest Income	1.51	0.00	1.51	41.10	0.00	41.10
Restricted Reserve Interest Incom	23.68	7.25	16.43	77.90	43.50	34.40
Late Charges	108.00	41.66	66.34	789.44	250.00	539.44
Other Tenant Income	\$ 655.00	\$ 365.43	\$ 289.57	\$ 2,572.50	\$ 2,192.50	\$ 380.00
Miscellaneous Income	\$ 50.00	\$ 12.50	\$ 37.50	\$ 1,943.97	\$ 75.00	\$ 1,868.97
<b>Other Project Income</b>	<b>\$ 3,338.19</b>	<b>\$ 1,426.84</b>	<b>\$ 1,911.35</b>	<b>\$ 10,424.91</b>	<b>\$ 8,561.00</b>	<b>\$ 1,863.91</b>
<b>Total Project Income</b>	<b>\$ 70,025.43</b>	<b>\$ 65,691.43</b>	<b>\$ 4,334.00</b>	<b>\$ 404,428.13</b>	<b>\$ 394,148.50</b>	<b>\$ 10,279.63</b>
<b>Project Expenses:</b>						
Maint. & Oper. Exp. (Fr Page 2)	\$ 12,343.40	\$ 10,225.61	\$ 2,117.79	\$ 84,810.34	\$ 61,353.50	\$ 23,456.84
Utilities (From Pg 2)	9,403.87	8,736.86	667.01	50,288.31	52,421.00	(2,132.69)
Administrative (From Pg 2)	7,962.90	8,437.25	(474.35)	46,539.88	50,623.50	(4,083.62)
Taxes & Insurance (From Pg 2)	1,814.92	1,891.00	(76.08)	10,889.52	11,346.00	(456.48)
Other Taxes & Insurance (Fr Page	1,493.15	4,107.75	(2,614.60)	12,895.50	24,646.50	(11,751.00)
Other Project Expenses	2,275.87	1,680.57	595.30	11,920.48	10,083.50	1,836.98
<b>Total O&amp;M Expenses</b>	<b>\$ 35,294.11</b>	<b>\$ 35,079.04</b>	<b>\$ 215.07</b>	<b>\$ 217,344.03</b>	<b>\$ 210,474.00</b>	<b>\$ 6,870.03</b>
<b>Mortgage &amp; Owner's Expense</b>						
Mortgage Payment	\$ 25,956.27	\$ 26,010.82	\$ (54.55)	\$ 155,737.62	\$ 156,065.00	\$ (327.38)
Managing General Partner Fees	\$ 1,047.08	\$ 1,047.09	\$ (.01)	\$ 6,282.48	\$ 6,282.50	\$ (.02)
Transfer - Reserves	2,675.00	2,675.00	0.00	16,050.00	16,050.00	0.00
<b>Total Mortgage &amp; Owner's Exp.</b>	<b>\$ 29,678.35</b>	<b>\$ 29,732.91</b>	<b>\$ (54.56)</b>	<b>\$ 178,070.10</b>	<b>\$ 178,397.50</b>	<b>\$ (327.40)</b>
<b>Total Project Expenses</b>	<b>\$ 64,972.46</b>	<b>\$ 64,811.95</b>	<b>\$ 160.51</b>	<b>\$ 395,414.13</b>	<b>\$ 388,871.50</b>	<b>\$ 6,542.63</b>
<b>Net Profit (Loss)</b>	<b>\$ 5,052.97</b>	<b>\$ 879.48</b>	<b>\$ 4,173.49</b>	<b>\$ 9,014.00</b>	<b>\$ 5,277.00</b>	<b>\$ 3,737.00</b>

Other Cash Flow Items:

## Monthly Property Summary Report

75 Harvest Park Court

June 2019



HARVEST  
P A R K

CHICO, CA.

90 UNITS

TAX CREDIT

**INCOME AND EXPENSE SUMMARY**

Total Operating Income Actual/Month:	\$70,399.00
Total Operating Income Budget/Month:	\$68,960.63
Total Operating Income Actual/YTD:	\$421,165.11
Total Operating Income Budget/YTD:	\$411,808.92
Total Operating Expenses Actual/Month:	\$36,753.64
Total Operating Expenses Budget/Month:	\$29,565.26
Total Operating Expenses Actual/YTD:	\$191,889.24
Total Operating Expenses Budget/YTD:	\$207,545.83
Total Net Operating Income Actual/Month:	\$33,663.36
Total Net Operating Income Budget/Month:	\$39,395.37
Total Net Operating Income Actual/YTD:	\$229,275.87
Total Net Operating Income Budget/YTD:	\$204,263.09

**BUDGET VARIANCE REPORT**

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

6450-0000 Electricity variance due to invoice from previous period hitting this period, YTD we are on target.

6522-0000 Grounds Contract Variance due to tree trimming inv hitting this line item, will be re-classed to 1415-0002 landscape improvements, work was budgeted for 2019.

6548-0000 Repairs Contract Plumbing variance due to repairs associated with water damage caused by rodents chewing through the water lines in the roof.

6563-0000 Variance due to carpet install being booked to this line item, will be re-classed to 1440-0002 Capital Improvements.

6360-0000 Telephone Variance due to invoice from previous period hitting this period.

**SUMMARY OF CAPITAL EXPENSES AND IMPROVEMENTS**

YTD Budgeted Capital Improvements / Cash Flow: \$23,068

YTD Actual Capital Improvements / Cash Flow: \$ \$4,616.92

YTD Budgeted Capital Improvements / RR: \* See Below

YTD Actual Capital Improvements / RR: \* See Below

NOTE: CAPITAL EXPENSE GL CODE IS BEING CHANGED. 1499.0002 IS NO LONGER BEING USED.

Description of Capital Improvements YTD:

Carpet Replacement: Unit 239

Washer replaced in unit 109 and 218

Fridge replaced in unit

Dishwasher Replaced in unit 224

### **GENERAL PROPERTY ISSUES and HIGHLIGHTS**

We experienced some turnovers in June and some reasonable accommodation transfers, staff was diligent on minimizing turnover but we will have some OT for staff due to the turnovers this month.

The first 6 months of the year have been good for Harvest Park, starting in July we will be raising the Tax Credit rents to max and notices were served as of 6/1/19, in August we will be reviewing the maximum payment standards for the units with vouchers to make sure we are maximizing on the income for the site.

Budget Comparison

Period = Jun 2019

Book = Accrual ; Tree = is ahdc

		PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
	INCOME									
	RENTAL INCOME									
5120-0000	Rental Income	51,337.00	70,679.00	-19,342.00	-27.37	326,577.71	424,074.00	-97,496.29	-22.99	848,148.00
5150-0000	Rental Assistance	13,862.00	0.00	13,862.00	N/A	74,910.29	0.00	74,910.29	N/A	0.00
5221-0000	Gain/(Loss) to Lease	5,656.00	0.00	5,656.00	N/A	24,445.00	0.00	24,445.00	N/A	0.00
	TOTAL RENTAL INCOME	70,855.00	70,679.00	176.00	0.25	425,933.00	424,074.00	1,859.00	0.44	848,148.00
	MISC. INCOME									
5330-0000	Tenant Services	-50.00	0.00	-50.00	N/A	0.00	0.00	0.00	N/A	0.00
5332-0000	Application Fees	0.00	105.00	-105.00	-100.00	140.00	630.00	-490.00	-77.78	1,260.00
5385-0000	Late/Term Fees	-150.00	200.00	-350.00	-175.00	700.00	1,200.00	-500.00	-41.67	2,400.00
5390-0000	Miscellaneous Income	50.00	0.00	50.00	N/A	0.00	0.00	0.00	N/A	0.00
5390-0002	Damages	175.00	450.00	-275.00	-61.11	1,085.00	2,700.00	-1,615.00	-59.81	5,400.00
	Cable Revenue	-241.16	0.00	-241.16	N/A	1,431.01	1,345.14	85.87	6.38	2,690.28
	TOTAL MISC. INCOME	-216.16	755.00	-971.16	-128.63	3,356.01	5,875.14	-2,519.13	-42.88	11,750.28
	OTHER INCOME									
5493-0000	Int on Replacement Reserve	0.00	2.05	-2.05	-100.00	10.14	12.30	-2.16	-17.56	24.60
	TOTAL OTHER INCOME	0.00	2.05	-2.05	-100.00	10.14	12.30	-2.16	-17.56	24.60
	VACANCY LOSS/RENTAL LOSS/BAD DEBT									
5218-0000	Free Rent-Marketing Concession	-250.00	-50.00	-200.00	-400.00	-1,000.00	-300.00	-700.00	-233.33	-600.00
5220-0000	Vacancies - Apartment	-529.00	-1,525.42	996.42	65.32	-2,967.71	-9,152.52	6,184.81	67.57	-18,305.04
6539-0002	Maintenance Staff Rent Free Unit	-907.00	-900.00	-7.00	-0.78	-5,442.00	-5,400.00	-42.00	-0.78	-10,800.00
6370-0000	Bad Debt Expense	0.00	0.00	0.00	N/A	0.00	-1,800.00	1,800.00	100.00	-3,600.00
6370-0004	Bad Debt-Miscellaneous	0.00	0.00	0.00	N/A	0.00	-1,500.00	1,500.00	100.00	-3,000.00
6371-0000	Bad Debt Recovery - Resident Rent	1,446.16	0.00	1,446.16	N/A	1,275.67	0.00	1,275.67	N/A	0.00
	TOTAL VACANCY	-239.84	-2,475.42	2,235.58	90.31	-8,134.04	-18,152.52	10,018.48	55.19	-36,305.04
	TOTAL INCOME	70,399.00	68,960.63	1,438.37	2.09	421,165.11	411,808.92	9,356.19	2.27	823,617.84
	EXPENSES									
	MANAGEMENT FEES									
6320-0000	Management Fee	3,825.33	3,425.53	-399.80	-11.67	20,622.91	20,388.18	-234.73	-1.15	40,776.36
	TOTAL MANAGEMENT FEES	3,825.33	3,425.53	-399.80	-11.67	20,622.91	20,388.18	-234.73	-1.15	40,776.36
	REAL ESTATE TAXES									
6710-0000	Taxes - Real Estate	13.39	13.00	-0.39	-3.00	80.44	78.00	-2.44	-3.13	162.00
6712-0000	Taxes - Other	0.00	0.00	0.00	N/A	112.00	0.00	-112.00	N/A	365.00
	TOTAL REAL ESTATE TAXES	13.39	13.00	-0.39	-3.00	192.44	78.00	-114.44	-146.72	527.00

Budget Comparison

Period = Jun 2019

Book = Accrual ; Tree = is ahdc

		PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
	INSURANCE									
6720-0000	Insurance - Property	2,122.17	2,770.00	647.83	23.39	14,281.56	16,224.00	1,942.44	11.97	32,844.00
6720-0002	Franchise Tax - Calif Pnps	0.00	0.00	0.00	N/A	800.00	800.00	0.00	0.00	800.00
	TOTAL INSURANCE	2,122.17	2,770.00	647.83	23.39	15,081.56	17,024.00	1,942.44	11.41	33,644.00
	UTILITIES EXPENSE									
6430-0000	Electricity Vacant	0.00	38.00	38.00	100.00	0.00	228.00	228.00	100.00	456.00
6430-0001	Employee Unit Utility	70.16	77.00	6.84	8.88	456.04	462.00	5.96	1.29	924.00
6440-0000	Gas/Oil Heat Vacant	0.00	10.00	10.00	100.00	0.00	60.00	60.00	100.00	120.00
6450-0000	Electricity	2,452.83	1,500.00	-952.83	-63.52	8,022.80	8,400.00	377.20	4.49	17,050.00
6451-0000	Water & Sewer	4,405.32	4,500.00	94.68	2.10	23,026.53	24,300.00	1,273.47	5.24	49,400.00
6452-0000	Natural Gas Heat	44.63	25.00	-19.63	-78.52	1,215.01	730.00	-485.01	-66.44	1,500.00
6454-0000	Utility Processing	32.64	55.00	22.36	40.65	242.76	930.00	687.24	73.90	1,260.00
6470-0000	Rubbish Removal	1,474.66	915.00	-559.66	-61.16	6,207.97	5,715.00	-492.97	-8.63	11,430.00
	TOTAL UTILITY EXPENSE	8,480.24	7,120.00	-1,360.24	-19.10	39,171.11	40,825.00	1,653.89	4.05	82,140.00
	PAYROLL									
6310-0000	Office Payroll	299.04	0.00	-299.04	N/A	1,390.78	0.00	-1,390.78	N/A	0.00
6317-0000	Temporary Services	0.00	0.00	0.00	N/A	98.32	0.00	-98.32	N/A	0.00
6330-0000	Manager's Payroll	2,867.67	3,112.00	244.33	7.85	13,794.09	22,430.80	8,636.71	38.50	45,787.36
6539-0000	Maintenance Payroll - General	3,015.44	2,581.68	-433.76	-16.80	16,980.10	16,756.92	-223.18	-1.33	34,218.72
6714-0001	Taxes-Payroll Administrative	205.70	238.07	32.37	13.60	1,536.73	2,248.96	712.23	31.67	4,035.73
6714-0002	Taxes-Payroll Maintenance	216.92	197.50	-19.42	-9.83	1,618.48	1,814.89	196.41	10.82	3,150.71
6724-0001	Workers Compensation-Payroll Admin	311.71	192.01	-119.70	-62.34	1,870.26	1,383.98	-486.28	-35.14	2,825.07
6724-0002	Workers Compensation-Payroll Maintenance	241.95	159.29	-82.66	-51.89	1,451.70	1,033.90	-417.80	-40.41	2,111.28
6726-0001	Health Ins & Other Benefits-Payroll Admin	490.01	957.80	467.79	48.84	1,760.95	5,917.59	4,156.64	70.24	11,885.90
6726-0002	Health Ins & Other Benefits-Payroll Maint.	670.45	937.64	267.19	28.50	3,841.71	5,719.77	1,878.06	32.83	11,482.46
	TOTAL PAYROLL	8,318.89	8,375.99	57.10	0.68	44,343.12	57,306.81	12,963.69	22.62	115,497.23
	OPERATING & MAINTENANCE EXPENSE									
6461-0000	Exterminating Supplies	0.00	0.00	0.00	N/A	160.00	0.00	-160.00	N/A	0.00
6462-0000	Exterminating Contract	550.00	360.00	-190.00	-52.78	3,070.00	3,160.00	90.00	2.85	6,320.00
6511-0000	Security Contract & Repairs	0.00	0.00	0.00	N/A	1,224.24	1,158.00	-66.24	-5.72	4,816.00
6521-0000	Grounds Supplies	0.00	75.00	75.00	100.00	1,995.00	5,090.00	3,095.00	60.81	5,890.00
6522-0000	Grounds Contract	5,400.00	1,650.00	-3,750.00	-227.27	13,650.00	9,900.00	-3,750.00	-37.88	19,800.00
6541-0000	Maintenance Supplies	-736.49	450.00	1,186.49	263.66	5,245.75	2,700.00	-2,545.75	-94.29	5,400.00
6545-0000	Repairs - Contract - General	0.00	500.00	500.00	100.00	476.06	3,000.00	2,523.94	84.13	6,000.00
6546-0000	Repairs - Contract - Electric	240.00	0.00	-240.00	N/A	1,259.88	500.00	-759.88	-151.98	1,000.00
6547-0000	Repairs - Contract - HVAC	0.00	500.00	500.00	100.00	1,430.00	1,000.00	-430.00	-43.00	2,000.00

Budget Comparison

Period = Jun 2019

Book = Accrual ; Tree = is ahdc

		PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
6548-0000	Repairs - Contract - Plumbing	4,115.33	241.67	-3,873.66	-1,602.87	4,395.33	1,730.02	-2,665.31	-154.06	3,180.04
6552-0000	Uniforms	0.00	67.00	67.00	100.00	0.00	402.00	402.00	100.00	804.00
6563-0000	Carpet/Flooring Expense	1,323.95	0.00	-1,323.95	N/A	1,693.45	0.00	-1,693.45	N/A	0.00
6580-0000	Maintenance Equipment Expense	1,158.99	0.00	-1,158.99	N/A	1,158.99	600.00	-558.99	-93.16	600.00
6581-0000	Appliance Repair	-447.28	333.33	780.61	234.19	1,220.43	1,999.98	779.55	38.98	3,999.96
6582-0000	Lock & Key Expense	0.00	0.00	0.00	N/A	0.00	150.00	150.00	100.00	300.00
6583-0000	Window Expense	412.44	0.00	-412.44	N/A	412.44	0.00	-412.44	N/A	0.00
6586-0000	Fire & Safety Systems	0.00	0.00	0.00	N/A	579.00	0.00	-579.00	N/A	0.00
6590-0000	Miscellaneous Maintenance	0.00	0.00	0.00	N/A	0.00	500.00	500.00	100.00	1,000.00
6991-0000	Pool Supplies	0.00	155.00	155.00	100.00	22.13	570.00	547.87	96.12	1,140.00
6992-0000	Pool Contract	404.89	236.25	-168.64	-71.38	1,493.64	1,417.50	-76.14	-5.37	2,835.00
	TOTAL OPERATING & MAINT. EXPS.	12,421.83	4,568.25	-7,853.58	-171.92	39,486.34	33,877.50	-5,608.84	-16.56	65,085.00
	TURNOVER COSTS									
6531-0000	Cleaning Supplies	0.00	0.00	0.00	N/A	0.00	200.00	200.00	100.00	400.00
6532-0000	Cleaning Contract	308.00	0.00	-308.00	N/A	1,652.81	1,500.00	-152.81	-10.19	3,000.00
6532-0001	Carpet Cleaning	0.00	0.00	0.00	N/A	360.00	0.00	-360.00	N/A	0.00
6544-0000	Turnover- Maintenance/Repairs	0.00	0.00	0.00	N/A	151.76	0.00	-151.76	N/A	0.00
6561-0000	Decorator Supplies	0.00	0.00	0.00	N/A	-172.08	500.00	672.08	134.42	1,000.00
6562-0000	Decorator Contract Services	0.00	0.00	0.00	N/A	0.00	300.00	300.00	100.00	600.00
	TOTAL TURNOVER COSTS	308.00	0.00	-308.00	N/A	1,992.49	2,500.00	507.51	20.30	5,000.00
	MARKETING									
6210-0000	Rental Advertising	0.00	400.00	400.00	100.00	0.00	400.00	400.00	100.00	400.00
6212-0000	Collateral Materials/Brand Identity	111.81	103.00	-8.81	-8.55	1,778.31	1,950.00	171.69	8.80	2,768.00
6216-0000	Promotions & Promotional Items	0.00	0.00	0.00	N/A	0.00	156.00	156.00	100.00	312.00
6290-0000	Miscellaneous Renting Expense	0.00	116.00	116.00	100.00	382.75	766.00	383.25	50.03	1,532.00
6981-0000	Resident Supplies	0.00	75.00	75.00	100.00	0.00	450.00	450.00	100.00	1,408.00
	TOTAL MARKETING	111.81	694.00	582.19	83.89	2,161.06	3,722.00	1,560.94	41.94	6,420.00
	ADMINISTRATIVE EXPENSES									
6280-0000	Credit Reports & Fees	0.00	10.60	10.60	100.00	0.00	63.60	63.60	100.00	127.20
6311-0000	Office Expenses	161.62	257.00	95.38	37.11	5,633.33	4,651.00	-982.33	-21.12	9,002.10
6312-0000	Copy Machine	-2,409.77	131.50	2,541.27	1,932.52	1,002.47	789.00	-213.47	-27.06	1,578.00
6313-0000	Postage	3.50	33.33	29.83	89.50	108.21	199.98	91.77	45.89	399.96
6316-0000	Travel/Mileage	0.00	50.00	50.00	100.00	929.09	550.00	-379.09	-68.93	975.00
6316-0003	Training	855.22	62.50	-792.72	-1,268.35	1,736.44	1,851.40	114.96	6.21	2,468.80
6316-0004	Training - New Employee Orientation	0.00	0.00	0.00	N/A	175.00	0.00	-175.00	N/A	0.00
6340-0000	Legal Expense	0.00	900.00	900.00	100.00	-1,047.50	1,800.00	2,847.50	158.19	1,800.00
6350-0000	Auditing	0.00	0.00	0.00	N/A	11,750.00	11,750.00	0.00	0.00	11,750.00

Budget Comparison

Period = Jun 2019

Book = Accrual ; Tree = is ahdc

		PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
6355-0001	Administrative Fees	0.00	0.00	0.00	N/A	0.00	2,250.00	2,250.00	100.00	2,250.00
6360-0000	Telephone	2,251.28	1,110.00	-1,141.28	-102.82	7,913.08	6,660.00	-1,253.08	-18.82	13,320.00
6385-0000	Dues and Memberships	0.00	0.00	0.00	N/A	180.00	180.00	0.00	0.00	450.00
6390-0000	Miscellaneous	0.00	0.00	0.00	N/A	-0.86	540.00	540.86	100.16	740.00
6391-0000	Licenses	0.00	0.00	0.00	N/A	0.00	278.00	278.00	100.00	278.00
6392-0000	Bank Charges	272.13	43.56	-228.57	-524.72	458.95	261.36	-197.59	-75.60	522.72
	TOTAL ADMINISTRATIVE EXPENSES	1,133.98	2,598.49	1,464.51	56.36	28,838.21	31,824.34	2,986.13	9.38	45,661.78
	TOTAL EXPENSES	36,735.64	29,565.26	-7,170.38	-24.25	191,889.24	207,545.83	15,656.59	7.54	394,751.37
	NET OPERATING INCOME	33,663.36	39,395.37	-5,732.01	-14.55	229,275.87	204,263.09	25,012.78	12.25	428,866.47
	REPLACEMENT RESERVE/OTHER ESCROWS									
1316-0000	Escrow - Replacement Reserve	2,332.50	2,333.00	0.50	0.02	14,005.14	13,998.00	-7.14	-0.05	27,996.00
	TOTAL REPLACEMENT RESERVE/OTHER ESCROWS	2,332.50	2,333.00	0.50	0.02	14,005.14	13,998.00	-7.14	-0.05	27,996.00
	DEBT SERVICE									
2320-0000	Mortgage Payable -1st Mortgage	5,000.00	5,000.00	0.00	0.00	30,000.00	30,000.00	0.00	0.00	60,000.00
6820-0000	Interest on Mortgage	11,145.00	11,145.00	0.00	0.00	66,929.38	66,929.38	0.00	0.00	133,502.48
6824-0000	Interest on Mortgage - 4th	1,297.17	1,357.80	60.63	4.47	7,783.02	7,882.59	99.57	1.26	15,941.79
6828-0000	Service Fee	6,169.67	6,168.33	-1.34	-0.02	37,102.50	37,009.98	-92.52	-0.25	74,019.96
	TOTAL DEBT SERVICE	23,611.84	23,671.13	59.29	0.25	141,814.90	141,821.95	7.05	0.00	283,464.23
	INSURANCE CLAIMS PROCEEDS & COSTS									
6597-0000	All Costs Recoverable from Ins.CLaim#1	-4,115.33	0.00	4,115.33	N/A	0.00	0.00	0.00	N/A	0.00
	TOTAL INSURANCE CLAIMS PROCEEDS & COSTS	-4,115.33	0.00	4,115.33	N/A	0.00	0.00	0.00	N/A	0.00
	MISCELLANEOUS									
6890-0000	Miscellaneous Financial Exp	416.67	416.67	0.00	0.00	2,500.02	2,500.02	0.00	0.00	5,000.04
6892-0000	Trustee Fees	283.33	325.00	41.67	12.82	1,699.98	1,950.00	250.02	12.82	3,900.00
	TOTAL MISCELLANEOUS	700.00	741.67	41.67	5.62	4,200.00	4,450.02	250.02	5.62	8,900.04
	CAPITAL EXPENDITURES									
1415-0002	Landscape & Land Improvements	0.00	0.00	0.00	N/A	0.00	4,800.00	4,800.00	100.00	12,140.00
1440-0002	Carpet/Flooring	0.00	1,800.00	1,800.00	100.00	1,098.67	15,168.00	14,069.33	92.76	24,168.00
1486-0000	Appliances	447.28	0.00	-447.28	N/A	2,999.94	3,100.00	100.06	3.23	5,900.00



Budget Comparison

Period = Jun 2019

Book = Accrual ; Tree = is ahdc

		PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
6568-0000	Supplies/Appliances	518.31	0.00	-518.31	N/A	518.31	0.00	-518.31	N/A	0.00
	TOTAL CAPITAL EXPENDITURES	965.59	1,800.00	834.41	46.36	4,616.92	23,068.00	18,451.08	79.99	42,208.00
	MORTGAGOR EXPENSES									
7115-0000	Non Profit Fee	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A	20,000.00
7135-0000	Asset Management Fee Paid from Surplus	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A	11,255.00
7153-0000	Administration Fee Expense	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A	8,955.00
	TOTAL MORTGAGOR EXPENSES	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A	40,210.00
	PROFIT / LOSS	10,168.76	10,849.57	-680.81	-6.28	64,638.91	20,925.12	43,713.79	208.91	26,088.20
	ADDITIONAL ADJUSTMENTS TO CASH FLOW									
	Cash - Other	-553.66	0.00	-553.66	N/A	-4,265.33	0.00	-4,265.33	N/A	0.00
	Accounts Payable	10,091.85	0.00	10,091.85	N/A	2,315.08	0.00	2,315.08	N/A	0.00
	Net A/R	-2,360.00	0.00	-2,360.00	N/A	-9,193.21	0.00	-9,193.21	N/A	0.00
	Net Prepays	-116.00	0.00	-116.00	N/A	1,495.91	0.00	1,495.91	N/A	0.00
	Net Accruals	1,925.59	-1,357.80	3,283.39	241.82	3,605.77	-7,882.59	11,488.36	145.74	-15,941.79
	Net Real Estate Tax	-1,006.90	-13.00	-993.90	-7,645.38	-6,887.93	-78.00	-6,809.93	-8,730.68	-162.00
	Net Insurance	-780.02	-2,770.00	1,989.98	71.84	-4,407.84	-16,224.00	11,816.16	72.83	-32,844.00
	Net Deposits	200.00	0.00	200.00	N/A	0.00	0.00	0.00	N/A	0.00
	Loan/Note Payable	-331.34	0.00	-331.34	N/A	-331.34	0.00	-331.34	N/A	0.00
	Escrows - Other	0.00	-2.05	2.05	100.00	0.00	-12.30	12.30	100.00	-24.60
	TOTAL CASH FLOW ADJUSTMENTS	7,069.52	-4,142.85	11,212.37	270.64	-17,668.89	-24,196.89	6,528.00	26.98	-48,972.39
	NET ADJUSTED CASH FLOW	17,238.28	6,706.72	10,531.56	157.03	46,970.02	-3,271.77	50,241.79	1,535.62	-22,884.19
	Net Change in Cash from TB	17,238.28	0.00	-17,238.28	N/A	46,970.02	0.00	-46,970.02	N/A	0.00



## GRIDLEY SPRINGS

July 2019

### Property Status:

1. Occupancy: GSI has (1) vacant #9 which was the eviction. GSII is 100% #11 vacated 6/3 and new residents moved in 6/27: GSI #12 has now been sent to the attorney for eviction we are awaiting the court date. That unit will have an internal transfer for a resident who is currently over housed.
2. The landscaping sprinkler issues have now been almost complexly repaired for both GSI and GSII. Final sections should be completed in the next 10 days so it will be 100% operational.
3. GSII had a CTCAC-Extended Use Inspection on Friday 6/6/19. We have not yet received the final report, but auditor said there were no major findings.

Thank you!  
Mac Upshaw



**DHI GRIDLEY SPRINGS I**  
As of  
**June 30, 2019**

**CASH SUMMARY - Operating Account**

	JUNE		6 months YTD	
	2019	%%	2019	%%
Total Rent Revenue	19,932.10	100.00%	132,664.48	100.00%
Vacancies	(134.00)	-0.67%	(872.00)	-0.66%
Net Rental Revenue	19,798.10	99.33%	131,792.48	99.34%
Other Income	2.21	0.01%	1,071.82	0.81%
<b>Total Revenue</b>	<b>19,800.31</b>	<b>99.34%</b>	<b>132,864.30</b>	<b>100.15%</b>
<b>Expenses:</b>				
Administrative Expenses	8,838.50	44.34%	69,529.64	52.41%
Utilities	2,781.58	13.96%	17,082.28	12.88%
Operating & Maintenance	1,708.35	8.57%	21,578.91	16.27%
Depreciation and Amortization Expense	0.00	0.00%	0.00	0.00%
Taxes & Insurance	7,781.06	39.04%	11,934.82	9.00%
<b>Total Expenses</b>	<b>21,109.49</b>	<b>66.87%</b>	<b>120,125.65</b>	<b>18.45%</b>
<b>Net Operating Income</b>	<b>(1,309.18)</b>	<b>22.53%</b>	<b>12,738.65</b>	<b>29.14%</b>
Interest and Finance Expense	1,322.67	6.64%	11,203.60	8.45%
Replacement Costs	0.00	0.00%	3,933.90	2.97%
<b>Net Cash Flow from Operations</b>	<b>(2,631.85)</b>		<b>(2,398.85)</b>	
<b>Plus (Minus)</b>				
Interest Income	(2.21)		(36.36)	
Unpaid Rent Collected (Owed)	3,791.90		724.00	
Unpaid Subsidy Rent Collected (Owed)	10,341.02		12,143.58	
Impound/Escrow Funds	4,728.00		(5,164.67)	
Prepaid Rent Received (Absorbed)	(953.00)		(2,564.10)	
Security Deposits Received (Refunded)	(678.00)		1,250.22	
Mortgage Principle payment	(304.71)		(29,103.69)	
<b>Net Cash Increase (Decrease)</b>	<b>14,291.15</b>		<b>(25,149.87)</b>	
<b>Beginning of Period Cash Balance</b>	<b>35,708.24</b>		<b>85,347.56</b>	
Transfer from (to) Savings	(1,698.17)		(10,189.02)	
Transfer From (To) Impound Account	0.00		0.00	
Transfer from (to) Security account	(129.50)		(1,836.95)	
<b>Ending Cash Balance - Operating Account</b>	<b>\$48,171.72</b>		<b>\$48,171.72</b>	
<b>- Money Market Savings</b>			<b>\$14,905.57</b>	
<b>- Tax and Insurance Impounds</b>			<b>\$85,000.00</b>	
<b>- Security Deposit Accounts</b>			<b>\$13,325.00</b>	

	Current Month	<b>UNIT STATUS</b>	Current Month
<b>TENANT RECEIVABLES</b>			
<b>Rent and Rent Related Receivables</b>			
Balance at Beginning of Month	4,058.90	Total Units	32
Uncollected (Collected) During Month	(3,791.90)	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	\$267.00	Less move ins and deposits to hold	0
		Vacant units at end of month	1
<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>	<b>\$0.00</b>		

Income Statement  
DHI GRIDLEY SPRINGS I  
As of  
June 30, 2019

	***** Current Month *****			***** Year-to-Date *****		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>*** REVENUES ***</b>						
Rent Revenue - Gross Potential						
Apartment Rents	7,998.10	24,214.00	(16,215.90)	61,789.48	145,284.00	(83,494.52)
Tenant Assistance Payments	11,934.00	0.00	11,934.00	70,875.00	0.00	70,875.00
<b>Total Revenue</b>	<b>19,932.10</b>	<b>24,214.00</b>	<b>(4,281.90)</b>	<b>132,664.48</b>	<b>145,284.00</b>	<b>(12,619.52)</b>
Apartment Vacancies	(134.00)	(484.00)	350.00	(872.00)	(2,905.50)	2,033.50
<b>Total Vacancies</b>	<b>(134.00)</b>	<b>(484.00)</b>	<b>350.00</b>	<b>(872.00)</b>	<b>(2,905.50)</b>	<b>2,033.50</b>
<b>NET RENTAL REVENUE</b>	<b>19,798.10</b>	<b>23,730.00</b>	<b>(3,931.90)</b>	<b>131,792.48</b>	<b>142,378.50</b>	<b>(10,586.02)</b>
Interest Income-Other Cash	1.97	8.00	(6.03)	35.06	48.00	(12.94)
Interest Income-Sec Deposits	0.24	4.00	(3.76)	1.30	25.00	(23.70)
<b>Total Financial Revenue</b>	<b>2.21</b>	<b>12.00</b>	<b>(9.79)</b>	<b>36.36</b>	<b>73.00</b>	<b>(36.64)</b>
Misc Tenant Charges/Damages & Cleaning	0.00	0.00	0.00	0.00	0.00	0.00
NSF and Late Fee Income	0.00	5.00	(5.00)	0.00	27.50	(27.50)
Legal Collections	0.00	0.00	0.00	32.50	0.00	32.50
Laundry Revenue	0.00	161.00	(161.00)	1,002.96	964.00	38.96
<b>Total Other Revenue</b>	<b>0.00</b>	<b>166.00</b>	<b>(166.00)</b>	<b>1,035.46</b>	<b>991.50</b>	<b>43.96</b>
<b>TOTAL REVENUE</b>	<b>19,800.31</b>	<b>23,908.00</b>	<b>(4,107.69)</b>	<b>132,864.30</b>	<b>143,443.00</b>	<b>(10,578.70)</b>
<b>*** EXPENSES ***</b>						
<b>Administrative Expenses</b>						
Advertising and Promotions	0.00	25.00	(25.00)	0.00	150.00	(150.00)
Credit Reports	0.00	0.00	0.00	299.59	0.00	299.59
Rent Concessions	0.00	0.00	0.00	264.00	0.00	264.00
IT Support Services	171.00	0.00	171.00	3,226.00	0.00	3,226.00
Telephone & Answering Service	0.00	108.00	(108.00)	304.82	650.00	(345.18)
Consulting/Purchased Services (USDA Fee)	3,734.98	0.00	3,734.98	32,657.13	0.00	32,657.13
Postage and Mailing	0.00	0.00	0.00	43.65	0.00	43.65
Taxes and Licenses	0.00	0.00	0.00	800.00	0.00	800.00
Office Supplies/Expenses	193.82	150.00	43.82	508.34	900.00	(391.66)
Dues and Subscriptions	0.00	0.00	0.00	85.71	0.00	85.71
Management Fee	2,080.00	2,015.00	65.00	12,415.00	12,090.00	325.00
Manager Salaries	1,609.06	1,775.00	(165.94)	9,288.66	10,650.00	(1,361.34)
Education/Registration Fees	0.00	83.00	(83.00)	1,427.10	400.00	1,027.10
Legal Expense	1,049.64	67.00	982.64	1,049.64	500.00	549.64
Auditing Fees	0.00	0.00	0.00	7,160.00	7,400.00	(240.00)
Other Administrative Costs	0.00	250.00	(250.00)	0.00	1,500.00	(1,500.00)
<b>Total Administrative Expenses</b>	<b>8,838.50</b>	<b>4,473.00</b>	<b>4,365.50</b>	<b>69,529.64</b>	<b>34,240.00</b>	<b>35,289.64</b>
<b>Utility Expenses</b>						
Electricity	218.94	586.00	(367.06)	712.11	3,513.50	(2,801.39)
Water	429.26	525.00	(95.74)	6,919.67	3,150.00	3,769.67
Gas	0.00	63.00	(63.00)	853.47	375.00	478.47
Sewer	2,133.38	496.00	1,637.38	5,537.71	2,974.00	2,563.71
Garbage and Trash Removal	0.00	533.00	(533.00)	3,059.32	3,200.00	(140.68)
<b>Total Utility Expenses</b>	<b>2,781.58</b>	<b>2,203.00</b>	<b>578.58</b>	<b>17,082.28</b>	<b>13,212.50</b>	<b>3,869.78</b>
<b>Operating &amp; Maintenance Expense</b>						
Rec Room Cleaning & Supplies	0.00	233.00	(233.00)	0.00	1,400.00	(1,400.00)
Clean and Repair Apartment	0.00	0.00	0.00	200.00	0.00	200.00
Exterminating Contract	0.00	0.00	0.00	800.00	0.00	800.00
Tree Service	0.00	0.00	0.00	800.00	0.00	800.00
Grounds Contract	0.00	1,167.00	(1,167.00)	4,000.00	7,000.00	(3,000.00)
Grounds Maintenance and Supplies	34.88	208.00	(173.12)	1,987.88	1,250.00	737.88
Maintenance Personnel	1,225.65	1,775.00	(549.35)	6,766.82	10,650.00	(3,883.18)
Repair Materials	0.00	225.00	(225.00)	3,248.07	1,350.00	1,898.07
Repair Contract/Vendor Labor	0.00	150.00	(150.00)	0.00	900.00	(900.00)
Electrical Repair/Supplies	0.00	0.00	0.00	75.00	0.00	75.00
HVAC Repair and Maintenance	0.00	0.00	0.00	596.71	0.00	596.71
Appliance Repair and Maintenance	0.00	0.00	0.00	64.03	0.00	64.03
Plumbing Repair and Supplies	275.00	0.00	275.00	1,329.78	0.00	1,329.78
Interior Painting and Supplies	0.00	83.00	(83.00)	926.45	500.00	426.45
Gas, Oil and Mileage	172.82	0.00	172.82	438.99	0.00	438.99
Fire Protection Equipment	0.00	0.00	0.00	345.18	0.00	345.18
<b>Total Operating &amp; Maint Expenses</b>	<b>1,708.35</b>	<b>3,841.00</b>	<b>(2,132.65)</b>	<b>21,578.91</b>	<b>23,050.00</b>	<b>(1,471.09)</b>

Income Statement  
DHI GRIDLEY SPRINGS I  
As of  
June 30, 2019

	***** 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	721.28	2,153.00	(1,431.72)
Payroll Taxes	255.60	292.00	(36.40)	2,108.65	1,750.00	358.65
Misc Taxes & Licenses	0.00	761.00	(761.00)	0.00	4,565.00	(4,565.00)
Property & Liability Insurance	7,154.00	0.00	7,154.00	7,154.00	0.00	7,154.00
Worker's Compensation	192.82	258.00	(65.18)	1,096.87	1,550.00	(453.13)
Health/Dental Insurance	178.64	467.00	(288.36)	854.02	2,800.00	(1,945.98)
Other Insurance	0.00	149.00	(149.00)	0.00	892.00	(892.00)
<b>Total Taxes &amp; Insurance Expenses</b>	<b>7,781.06</b>	<b>1,927.00</b>	<b>5,854.06</b>	<b>11,934.82</b>	<b>13,710.00</b>	<b>(1,775.18)</b>
<b>TOTAL EXPENSES</b>	<b>21,109.49</b>	<b>12,444.00</b>	<b>8,665.49</b>	<b>120,125.65</b>	<b>84,212.50</b>	<b>35,913.15</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>(1,309.18)</b>	<b>11,464.00</b>	<b>(12,773.18)</b>	<b>12,738.65</b>	<b>59,230.50</b>	<b>(46,491.85)</b>
<b>Interest &amp; Finance Expense</b>						
Mortgage Interest	1,302.67	0.00	1,302.67	7,833.60	0.00	7,833.60
General Partner Fee	0.00	0.00	0.00	3,200.00	0.00	3,200.00
Bank Fees	20.00	0.00	20.00	170.00	0.00	170.00
<b>Total Interest &amp; Finance Expense</b>	<b>1,322.67</b>	<b>0.00</b>	<b>1,322.67</b>	<b>11,203.60</b>	<b>0.00</b>	<b>11,203.60</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>(2,631.85)</b>	<b>11,464.00</b>	<b>(14,095.85)</b>	<b>1,535.05</b>	<b>59,230.50</b>	<b>(57,695.45)</b>
<b>Replacements</b>						
Roofing/Paving/Exterior	0.00	643.00	(643.00)	0.00	3,858.00	(3,858.00)
Appliance Replacement	0.00	199.00	(199.00)	427.93	1,195.00	(767.07)
Drapery and Blind Replacement	0.00	52.00	(52.00)	0.00	312.00	(312.00)
Carpet/ Flooring Replacement	0.00	668.00	(668.00)	2,759.00	4,006.00	(1,247.00)
HVAC Replacement	0.00	458.00	(458.00)	0.00	2,750.00	(2,750.00)
Plumbing Replacement	0.00	167.00	(167.00)	509.00	1,000.00	(491.00)
Glass Replacement	0.00	375.00	(375.00)	0.00	2,250.00	(2,250.00)
Furniture and Equipment Replacement	0.00	50.00	(50.00)	237.97	300.00	(62.03)
Door & Screen Repair/ Replacement	0.00	8.00	(8.00)	0.00	45.00	(45.00)
<b>Total Cost of Replacements</b>	<b>0.00</b>	<b>2,620.00</b>	<b>(2,620.00)</b>	<b>3,933.90</b>	<b>15,716.00</b>	<b>(11,782.10)</b>
<b>NET CASH FLOW FROM OPERATIONS</b>	<b>(2,631.85)</b>	<b>8,844.00</b>	<b>(11,475.85)</b>	<b>(2,398.85)</b>	<b>43,514.50</b>	<b>(45,913.35)</b>

**12 Month Spreadsheet  
DHI Gridley Springs I**

As of  
June 30, 2019

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>REVENUE</b>													
4010 Apartment Rents	10,750.38	10,800.00	10,672.00	10,196.00	11,373.00	7,998.10	0.00	0.00	0.00	0.00	0.00	0.00	61,789.48
4015 Tenant Assistance Payments	0.00	25,112.00	9,020.00	12,439.00	12,370.00	11,934.00	0.00	0.00	0.00	0.00	0.00	0.00	70,875.00
<b>TOTAL RENT POTENTIAL</b>	<b>10,750.38</b>	<b>35,912.00</b>	<b>19,692.00</b>	<b>22,635.00</b>	<b>23,743.00</b>	<b>19,932.10</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>132,664.48</b>
<b>VACANCIES</b>													
4210 Apartment Vacancies	0.00	(54.00)	(684.00)	0.00	0.00	(134.00)	0.00	0.00	0.00	0.00	0.00	0.00	(872.00)
	0.00	(54.00)	(684.00)	0.00	0.00	(134.00)	0.00	0.00	0.00	0.00	0.00	0.00	(872.00)
<b>NET RENTAL REVENUE</b>	<b>10,750.38</b>	<b>35,858.00</b>	<b>19,008.00</b>	<b>22,635.00</b>	<b>23,743.00</b>	<b>19,798.10</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>131,792.48</b>
4320 Interest Income - Other Cash	6.13	5.41	6.03	12.22	3.30	1.97	0.00	0.00	0.00	0.00	0.00	0.00	35.06
4340 Interest Income - Sec Deposits	0.22	0.20	0.19	0.22	0.23	0.24	0.00	0.00	0.00	0.00	0.00	0.00	1.30
<b>TOTAL FINANCIAL REVENUE</b>	<b>6.35</b>	<b>5.61</b>	<b>6.22</b>	<b>12.44</b>	<b>3.53</b>	<b>2.21</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>36.36</b>
<b>OTHER INCOME</b>													
4045 Damages and Cleaning Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4055 NSF & Late Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4065 Legal Collections	0.00	0.00	32.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32.50
4410 Laundry Revenue	0.00	231.81	280.93	239.43	250.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,002.96
<b>TOTAL OTHER INCOME</b>	<b>0.00</b>	<b>231.81</b>	<b>313.43</b>	<b>239.43</b>	<b>250.79</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>1,035.46</b>
<b>TOTAL REVENUE</b>	<b>10,756.73</b>	<b>36,095.42</b>	<b>19,327.65</b>	<b>22,886.87</b>	<b>23,997.32</b>	<b>19,800.31</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>132,864.30</b>
<b>ADMINISTRATIVE EXPENSES</b>													
6205 Advertising and Promotions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6215 Rent Concessions	88.00	88.00	88.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	264.00
6220 Credit Reports	0.00	0.00	0.00	299.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	299.59
6235 IT Support Services	0.00	2,542.00	171.00	171.00	171.00	171.00	0.00	0.00	0.00	0.00	0.00	0.00	3,226.00
6240 Telephone and Answering Service	97.69	50.36	0.00	106.42	50.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	304.82
6250 Consulting/Purchased Services (USDA Fee)	0.00	5,113.96	7,686.85	13,769.36	2,351.98	3,734.98	0.00	0.00	0.00	0.00	0.00	0.00	32,657.13
6255 Postage and Mailing	(29.71)	0.00	0.00	0.00	73.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	43.65
6280 Taxes and Licenses	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	800.00
6310 Administrative Personnel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6311 Office Supplies	(41.97)	182.07	111.83	8.79	53.80	193.82	0.00	0.00	0.00	0.00	0.00	0.00	508.34
6315 Dues and Subscriptions	0.00	0.00	85.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	85.71
6320 Management Fee	2,080.00	2,080.00	2,015.00	2,080.00	2,080.00	2,080.00	0.00	0.00	0.00	0.00	0.00	0.00	12,415.00
6330 Manager Salaries	1,389.64	1,682.20	1,462.78	1,535.92	1,609.06	1,609.06	0.00	0.00	0.00	0.00	0.00	0.00	9,288.66
6331 Manager's Unit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6335 Education/Registration Fees	371.41	54.28	351.41	650.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,427.10
6340 Legal Expense	0.00	0.00	0.00	0.00	0.00	1,049.64	0.00	0.00	0.00	0.00	0.00	0.00	1,049.64
6350 Auditing Fees	0.00	7,160.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,160.00
6395 Television/Cable Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ADMINISTRATIVE EXP</b>	<b>3,955.06</b>	<b>18,952.87</b>	<b>12,772.58</b>	<b>18,621.08</b>	<b>8,389.55</b>	<b>8,836.50</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>69,529.64</b>
<b>UTILITIES EXPENSE</b>													
6450 Electricity	152.32	0.00	0.00	121.91	218.94	218.94	0.00	0.00	0.00	0.00	0.00	0.00	712.11
6451 Water	1,818.82	627.98	2,847.75	766.60	429.26	429.26	0.00	0.00	0.00	0.00	0.00	0.00	6,919.67
6452 Gas	0.00	437.93	269.04	0.00	146.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	853.47
6453 Sewer	0.00	0.00	0.00	1,285.95	2,118.38	2,133.38	0.00	0.00	0.00	0.00	0.00	0.00	5,537.71
6465 Garbage and Trash Removal	490.18	508.74	508.74	1,030.20	521.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,059.32
<b>TOTAL UTILITIES EXPENSE</b>	<b>2,461.32</b>	<b>1,574.65</b>	<b>3,625.53</b>	<b>3,204.66</b>	<b>3,434.54</b>	<b>2,781.58</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>17,082.28</b>

**12 Month Spreadsheet  
DHI Gridley Springs I**

As of  
June 30, 2019

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>OPERATING and MAINT EXPENSES</b>													
6515 Clean and Repair Apartment	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00
6530 Exterminating Contract	100.00	100.00	100.00	300.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	800.00
6549 Tree Service	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	800.00
6550 Grounds Maintenance and Supplies	0.00	1,000.00	243.00	35.00	675.00	34.88	0.00	0.00	0.00	0.00	0.00	0.00	1,987.88
6555 Grounds Contract	0.00	0.00	2,000.00	1,000.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,000.00
6560 Maintenance Personnel	1,122.81	1,165.66	1,011.38	1,045.66	1,195.66	1,225.65	0.00	0.00	0.00	0.00	0.00	0.00	6,766.82
6565 Repair Materials	1,046.42	962.38	300.70	225.77	712.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,248.07
6570 Repair Contact & Vendor Labor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6580 Electrical Repair & Supplies	0.00	0.00	0.00	0.00	75.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75.00
6590 HVAC Repair and Maintenance	0.00	0.00	0.00	596.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	596.71
6600 Appliance Repair and Maintenance	64.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	64.03
6605 Plumbing Repair and Supplies	0.00	357.78	554.00	143.00	0.00	275.00	0.00	0.00	0.00	0.00	0.00	0.00	1,329.78
6610 Exterior Painting and Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6615 Interior Painting and Supplies	159.99	0.00	767.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	926.45
6620 Gas, Oil & Mileage	49.04	23.06	113.61	10.86	69.60	172.82	0.00	0.00	0.00	0.00	0.00	0.00	438.99
6630 Fire Protection Maintenance	0.00	0.00	0.00	0.00	345.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	345.18
<b>TOTAL OPERATING and MAINT EXP</b>	<b>2,541.29</b>	<b>4,408.88</b>	<b>5,290.15</b>	<b>3,357.00</b>	<b>4,273.24</b>	<b>1,708.35</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>21,578.91</b>
<b>TAXES AND INSURANCE</b>													
6710 Property Taxes	0.00	0.00	0.00	721.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	721.28
6711 Payroll Taxes	456.94	505.81	306.58	303.11	280.61	255.60	0.00	0.00	0.00	0.00	0.00	0.00	2,108.65
6790 Mics Taxes & Licenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6720 Property and Liability Insurance	0.00	0.00	0.00	0.00	0.00	7,154.00	0.00	0.00	0.00	0.00	0.00	0.00	7,154.00
6722 Workers Compensation	172.50	193.65	170.10	176.87	190.93	192.82	0.00	0.00	0.00	0.00	0.00	0.00	1,096.87
6730 Health/ Dental Insurance	0.00	(27.79)	344.86	179.68	178.63	178.64	0.00	0.00	0.00	0.00	0.00	0.00	854.02
6735 Other Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL TAXES AND INSURANCE</b>	<b>629.44</b>	<b>671.67</b>	<b>821.54</b>	<b>1,380.94</b>	<b>650.17</b>	<b>7,781.06</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>11,934.82</b>
<b>TOTAL EXPENSES</b>	<b>9,587.11</b>	<b>25,608.07</b>	<b>22,509.80</b>	<b>26,563.68</b>	<b>14,747.50</b>	<b>21,109.49</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>120,125.65</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>1,169.62</b>	<b>10,487.35</b>	<b>(3,182.15)</b>	<b>(3,676.81)</b>	<b>9,249.82</b>	<b>(1,309.18)</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>12,738.65</b>
<b>INTEREST and FINANCE EXPENSE</b>													
6820 Mortgage Interest	1,308.51	1,307.36	1,306.19	1,305.02	1,303.85	1,302.67	0.00	0.00	0.00	0.00	0.00	0.00	7,833.60
6859 General Partner Fee	0.00	0.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,200.00
6855 Bank Fees	20.00	20.00	20.00	20.00	70.00	20.00	0.00	0.00	0.00	0.00	0.00	0.00	170.00
<b>TOTAL INTEREST and FINANCE EXP</b>	<b>1,328.51</b>	<b>1,327.36</b>	<b>1,326.19</b>	<b>1,325.02</b>	<b>4,573.85</b>	<b>1,322.67</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>11,203.60</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>(158.89)</b>	<b>9,159.99</b>	<b>(4,508.34)</b>	<b>(5,001.83)</b>	<b>4,675.97</b>	<b>(2,631.85)</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>1,535.05</b>
<b>Replacements</b>													
6910 Appliance Replacement	427.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	427.93
6920 Carpet/ Flooring Replacement	0.00	0.00	2,759.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,759.00
6927 Plumbing Replacement	0.00	509.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	509.00
6935 Furniture and Equipment Replacement	0.00	0.00	237.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	237.97
6930 Glass Replacement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL COST OF REPLACEMENTS</b>	<b>427.93</b>	<b>509.00</b>	<b>2,996.97</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>0.00</b>	<b>3,933.90</b>
<b>NET CASH FLOW FROM OPERATIONS</b>	<b>(586.82)</b>	<b>8,650.99</b>	<b>(7,505.31)</b>	<b>(5,001.83)</b>	<b>4,675.97</b>	<b>(2,631.85)</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>(2,398.85)</b>



July 9, 2019

Mr. Ed Mayer, Executive Director  
Housing Authority of the County of Butte  
2039 Forest Avenue, Suite 10  
Chico, CA 95928

**RE: CORDILLERA APARTMENTS**

Dear Ed:

Please find enclosed for your review the following financial information for the month that ended June 30, 2019. This statement is accompanied by the following financial reports for the Cordillera Apartments.

1. Project Cash Flow and Bank Account Summary, Budget Comparison, General Ledger, Trial Balance and Tenant Rent Roll.
2. 12 Month Income Statement.
3. 2018/2019 Performance Review.
4. Capital Improvement Summary.

Cordillera Apartments ended the month of June with no vacant units, as there were no new move ins or move outs.

The total rental income for the month of June came to \$13,370.42 which was over budget by \$595.42. This variance was due to the unpaid rents collected. Total service income for the month came to \$387.46 and was under budget by \$63.54 due to no cleaning reimbursements. This brought the total June income to \$13,757.88 and \$531.88 higher than what was budgeted for the reasons stated above.

Moving on to the monthly expenses, you will see that the renting expenses came to \$278.49, which was higher than budget by \$51.49, due to more office supplies being purchased, but no advertising or resident activities being expensed. Total administrative expenses for the month were \$2,231.69, over budget by \$417.69, due to higher resident manager expense. Total utility expenses came to \$1,987.02, which was under budget by \$788.98. There was \$295.00 in apartment turnover expenses in June, under budget by \$845.00, due to less repairs and maintenance costs. There were also no cleaning expenses.



Mr. Ed Mayer, Executive Director  
Chico, CA

July 9, 2019  
Page 2

The total maintenance expenses of \$2,368.62 were higher than budget by \$658.62 due to higher material and labor costs and service to the building. This brought the net operating income to \$6,597.06, which was \$1,038.06 higher than what was budgeted.

There were \$8,562.11 in capital improvement costs for the month of June, and over budget by \$7,562.11. This included countertops, interior paint, a range, dishwasher, and refrigerator.

As you review the Cash Balance Summary on the Cash Flow Statement for June, you will see that the property ended the month with total cash on hand of \$10,319.87. Of that amount, \$3,000.00 is in the general checking account, \$7,209.56 in the general savings account \$10.31 in the replacement reserve account and \$100.00 in petty cash.

Please give me a call if you have any questions regarding the Cordillera Apartments.

Sincerely yours,

CORDILLERA APARTMENTS



Richard Gillaspie  
Property Manager

RG:ph  
Enclosures

**CORDILLERA APARTMENTS**  
**2018 - 2019 PERFORMANCE REVIEW**

CA08pr

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
TOTAL INCOME 2013/14	12142	11712	11065	11430	14576	11920	11848	11872	12906	12019	11183	11554	144,226
TOTAL INCOME 2014/15	13264	11964	11308	10500	9853	9942	10261	11854	13959	13236	12927	11227	140,293
TOTAL INCOME 2015/16	10964	11839	12711	13063	13605	13294	11700	11879	13338	12835	13897	12887	152,013
TOTAL INCOME 2016/17	12897	13454	13984	13050	14438	13207	12429	13965	13308	12985	13292	13451	160,459
TOTAL INCOME 2017/18	12573	11906	12640	13899	12945	12516	11735	13266	13415	12226	13295	11688	152,105
TOTAL INCOME 2018/19	13197	12635	11399	12360	13598	15670	13303	13970	13758				119,891
VARIANCE	624	728	-1241	-1538	653	3153	1568	704	343				4,994

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2013/14 VACANCY LOSS	-685	-1085	-685	-228	-128	-93	-1357	-731	-55	-685	-685	-685	-7,102
2014/15 VACANCY LOSS	-732	-376	0	-2,509	-3677	-2737	-2550	-1370	-611	0	0	1225	-13,337
2015/16 VACANCY LOSS	0	-695	-400	23	0	0	-348	-118	-701	-303	0	-45	-2,584
2016/17 VACANCY LOSS	0	0	0	0	0	0	0	0	0	0	0	0	0
2017/18 VACANCY LOSS	0	-1377	28	0	0	0	-660	-732	55	0	0	0	-2,687
2018/19 VACANCY LOSS	0	0	0	0	-1600	0	0	-745	-587				-2,931
VARIANCE	0	1377	-28	0	-1600	0	660	-13	-642				-244

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2013/14 UNPAID RENTS	-1762	-188	-179	-1539	1407	-637	598	0	-250	0	0	-420	-2,971
2014/15 UNPAID RENTS	493	-1190	-2278	588	1301	1	-11	-554	85	475	432	-2162	-2,822
2015/16 UNPAID RENTS	-1094	-302	205	-16	823	-1640	-142	-1307	1698	-66	-430	135	-2,137
2016/17 UNPAID RENTS	-275	-550	-95	512	1220	-18	-755	605	-83	-305	-522	55	-211
2017/18 UNPAID RENTS	-911	-840	-2043	1030	-665	-910	-860	-433	-406	-956	-1112	-2161	-10,267
2018/19 UNPAID RENTS	-1260	-1267	-2794	-1815	5969	971	-745	-828	642				-1,127
VARIANCE	-349	-426	-751	-2845	6634	1881	115	-395	1047				4,912

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2013/14 TOTAL OPER. EXP.	10653	11934	13419	6836	6025	5393	8312	8774	12084	5946	11078	5747	106,201
2014/15 TOTAL OPER. EXP.	9777	7662	8765	7841	8345	13740	6859	6171	14768	7212	6035	10136	107,310
2015/16 TOTAL OPER. EXP.	7689	6815	13468	10215	5574	8094	11930	9206	11314	8233	7254	8134	107,925
2016/17 TOTAL OPER. EXP.	6951	6078	7857	6823	6924	6880	11809	5761	4565	6685	7877	5482	83,693
2017/18 TOTAL OPER. EXP.	4727	8499	10532	8417	6199	4874	12195	9040	6518	6729	7753	6972	92,454
2018/19 TOTAL OPER. EXP.	8341	6123	7404	7912	8015	14053	23297	7543	7161				89,849
VARIANCE	3614	-2375	-3128	-505	1816	9180	11102	-1497	643				18,849

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2013/14 TOTAL NOI	1489	-222	-2354	4595	8551	6527	3535	3098	822	6073	104	5766	37,985
2014/15 TOTAL NOI	3487	4302	2543	2659	1508	-3798	3402	5682	-810	6024	6893	1090	32,983
2015/16 TOTAL NOI	3275	5025	-757	2848	8031	5201	-230	2673	2023	4601	6643	4753	44,087
2016/17 TOTAL NOI	5946	7376	6127	6227	7514	6328	619	8204	8743	6300	5414	7969	76,767
2017/18 TOTAL NOI	7846	3408	2108	5482	6746	7643	-460	4226	6897	5497	5542	4716	59,650
2018/19 TOTAL NOI	4857	6512	3995	4448	5583	1616	-9994	6428	6597				30,042
VARIANCE	-2990	3104	1887	-1033	-1163	-6027	-9534	2202	-300				-13,854

## MEMO

Date: July 12, 2019

To: HACB Board of Commissioners

From: Larry Guanzon, Deputy Executive Director

Subject: Status Report – “Other Properties”

- Locust Apartments, Chico (10 units, family)
- #29 Evanswood Estates, Oroville (1 unit, family)
- Gridley Springs II, Gridley (24 units, family)
- 2131 Fogg Ave, (1 single family house) Demo

*For Locust Apartments and #29 Evanswood Estates, please find the monthly reports provided by the property manager, RSC Associates Inc., following this memo. Please also find Sackett Corporation's financials for Gridley Springs II.*

**Locust Apartments**, Chico (12 units, Family, Owner: HACB, PM: RSC Assoc.) The property has one (1) vacancy. Please find the RSC monthly owners report.

**#29 Evanswood Estates**, Oroville (1 unit, Family, Owner: HACB, PM: RSC Assoc.) This unit continues to be occupied.

**Gridley Springs II**, Gridley (24 units, Family, Owner: HACB, PM: Sackett Corporation) The property currently has zero (0) vacancies. HACB is pleased with Sackett Corporation's performance to date, standing in stark contrast to the services provided by the two previous property management firms. Please find the Sackett Corporation's Owner's report following. The Gridley Springs II budget will be presented to the Board for adoption at this month's meeting.

**2131 Fogg Ave**, Oroville – (1 unit, Family, Owner: HACB, PM: HACB) This single family “Demo” house is occupied. Tree trimming and removals are scheduled for the second quarter of 2019. The septic system was emptied by Roto Rooter and there were no negative findings. The site is being analyzed for its development potential in response to area affordable housing demand.

July 9, 2019

Mr. Ed Mayer, Executive Director  
Housing Authority of the County of Butte  
2039 Forest Avenue, Suite 10  
Chico, CA 95928

**RE: 1519 LOCUST STREET APARTMENTS**

Dear Ed:

Please find enclosed for your review the following financial information for the month that ended June 30, 2019. This statement is accompanied by the following financial reports for the 1519 Locust Street Apartments.

1. Project Cash Flow and Bank Account Summary, Budget Comparison, General Ledger, Trial Balance and Tenant Rent Roll.
2. 12 Month Income Statement.
3. 2018/2019 Performance Review.
4. Capital Improvement Summary.

1519 Locust Street Apartments ended the month of June with one vacant unit, Unit #1.

The total rental income for the month of June came to \$5,376.64, which was lower than the budgeted figure of \$6,522.00 by \$1,145.36 due to the vacancy loss and unpaid rents. Service income collected totaled \$841.86, which was higher than the budget by \$764.86, due to reimbursements of repairs and maintenance being collected. This brought the June total income to \$6,218.50 and \$380.50 lower than what was budgeted, for the reasons previously mentioned.

Moving on to the monthly expenses, you will see that the renting expenses came to \$27.00 which was under budget by \$178.00, as the property had no resident activity or referral fees expenses. Total administrative expenses were \$534.20, less than budget by \$109.80, due to no resident manager expenses. The utility expenses for the month came to \$263.78, which was \$344.22 under budget due to no water or sewer costs.

Mr. Ed Mayer, Executive Director  
Chico, California

July 9, 2019  
Page 2

The apartment turnover expenses for June came to \$769.06, under budget by \$70.94, due to less turnover repairs. Total maintenance expenses for the month came to \$1,867.44, which was \$296.56 under budget due to lower labor and repair costs. After the monthly insurance cost of \$75.00, the net operating income came to \$2,682.02, which was \$619.02 higher than the budgeted figure. Capital improvements came in at \$2,714.66, over budget by \$1,814.66, due to carpet, tile, and interior paint expenses for Unit #1. This brought your net project cash flow to a negative balance of \$32.64, which was under budget by \$1,195.64 due to the capital improvements.

As you review the Cash Balance Summary on the Cash Flow, you will see that the property ended the month with total cash on hand of \$22,898.61. Of that amount, \$3,000.00 is in the general checking account with \$16,766.61 in the general savings and \$3,132.00 in the financial reserve account.

Please give me a call if you have any questions regarding the 1519 Locust Street Apartments.

Sincerely yours,

1519 LOCUST STREET APARTMENTS



Richard Gillaspie  
Property Manager

RG:ph  
Enclosures

## 1519 LOCUST STREET APARTMENTS

## 2018 / 2019 PERFORMANCE REVIEW

Ala08-09pr.xls

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
TOTAL INCOME 2015/16	*****	*****	*****	6,215	6,181	6,498	6,031	5,352	6,473	5,776	6,011	5,205	53,742
TOTAL INCOME 2016/17	6,708	6,552	6,060	6,007	6,085	6,166	6,468	6,166	6,169	6,183	6,182	6,230	74,976
TOTAL INCOME 2017/18	6,139	6,177	6,145	6,069	6,161	5,936	6,206	6,650	6,294	6,267	6,293	5,888	74,226
TOTAL INCOME 2018/19	6,321	5,992	6,325	7,771	6,311	4,765	7,124	6,342	6,219				
VARIANCE	182	-186	180	1,702	150	-1,171	918	-308	-76				1,392

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/16 VACANCY LOSS	*****	*****	*****	0	0	0	-523	0	0	0	0	-600	-1,123
2016/17 VACANCY LOSS	-195	0	0	0	0	0	0	0	0	0	0	0	-195
2017/18 VACANCY LOSS	0	0	0	0	0	-73	0	0	0	0	0	0	-73
2018/19 VACANCY LOSS	0	0	0	0	0	-690	0	-161	-859				
VARIANCE	0	0	0	0	0	-617	0	-161	-859				-1,636

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/16 UNPAID RENTS	*****	*****	*****	311	136	-23	238	-43	43	-455	-35	-321	-149
2016/17 UNPAID RENTS	504	301	6	0	0	0	0	0	0	0	0	0	811
2017/18 UNPAID RENTS	0	-60	-20	5	5	-93	32	20	0	0	-148	-44	-303
2018/19 UNPAID RENTS	-345	0	0	345	0	0	80	-56	-621				-597
VARIANCE	-345	60	20	340	-5	93	48	-76	-621				-485

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/16 TOTAL OPER EXP	*****	*****	*****	552	1,444	2,164	4,819	4,493	3,884	1,941	2,557	4,255	26,108
2016/17 TOTAL OPER EXP	6,072	2,818	2,359	2,261	2,052	2,026	2,099	1,980	1,832	2,748	2,594	1,958	30,800
2017/18 TOTAL OPER EXP	2,251	2,172	1,985	2,643	2,801	3,822	3,739	2,498	2,428	2,161	3,326	1,757	31,581
2018/19 TOTAL OPER EXP	2,381	2,216	3,041	2,264	2,458	2,459	3,951	1,949	3,536				24,255
													0
													0
VARIANCE	129	44	1,056	-379	-342	-1,363	212	-549	1,109				-83

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/16 TOTAL NOI	*****	*****	*****	5,663	4,737	4,334	1,212	859	2,589	3,835	3,454	950	27,634
2016/17 TOTAL NOI	636	3,734	3,701	3,746	4,034	4,140	4,369	4,186	4,336	3,435	3,588	4,272	44,176
2017/18 TOTAL NOI	3,888	4,005	4,160	3,427	3,360	2,114	2,467	4,152	3,867	4,106	2,967	4,132	42,645
2018/19 TOTAL NOI	3,940	3,776	3,284	5,508	3,853	2,306	3,173	4,393	2,682				32,915
													0
													0
VARIANCE	53	-230	-876	2,081	492	192	707	241	-1,185				1,475

Mr. Ed Mayer, Executive Director  
Housing Authority of the County of Butte  
2039 Forest Avenue, Suite 10  
Chico, CA 95928

**RE: 29 EVANSWOOD CIRCLE, OROVILLE**

Dear Ed:

Please find enclosed for your review the following financial information for the month ending June 30, 2019, for 29 Evanswood Circle.

1. Project Cash Flow and Bank Account Summary, Budget Comparison, General Ledger, Trial Balance and Tenant Rent Roll.
2. 12 Month Income Statement.
3. Capital Improvement Summary.

29 Evanswood Circle remained fully occupied for the month of June with no move-outs, move-ins, or tenant notices. The total income for the month was \$950.82 with no unpaid rent.

Moving on to the expenses, the total renting expenses came to \$4.30 for the month which was under budget by \$.70. The total administrative expenses were \$240.08, meeting budget. Administrative expenses included \$95.08 for the management fee and \$145.00 in homeowner association dues. Utility expenses for the month were \$68.48, over the budget by \$7.48, due to higher garbage costs. The property had no maintenance expenses in June. This brought the net operating income to \$637.96, over budget by \$221.96. There were no capital improvements this month.

As you review the Cash Balance Summary on the bottom of Page 1 of the Cash Flow Statement for June, you will note that the property ended the month with total cash on hand of \$33,326.41. Of that amount, \$32,426.41 is in the general checking account and \$900.00 in the deposit checking account.

Mr. Ed Mayer, Executive Director  
Chico, California

July 9, 2019  
Page 2

Please give me a call if you have any questions regarding the information enclosed or the unit.

Sincerely yours,

29 EVANSWOOD CIRCLE

Richard Gillaspie  
Property Manager

RG:ph  
Enclosures





## GRIDLEY SPRINGS

July 2019

### Property Status:

1. Occupancy: GSI has (1) vacant #9 which was the eviction. GSII is 100% #11 vacated 6/3 and new residents moved in 6/27: GSI #12 has now been sent to the attorney for eviction we are awaiting the court date. That unit will have an internal transfer for a resident who is currently over housed.
2. The landscaping sprinkler issues have now been almost complexly repaired for both GSI and GSII. Final sections should be completed in the next 10 days so it will be 100% operational.
3. GSII had a CTCAC-Extended Use Inspection on Friday 6/6/19. We have not yet received the final report, but auditor said there were no major findings.

Thank you!  
Mac Upshaw



**HACB GRIDLEY SPRINGS II**  
As of  
**June 30, 2019**

<b>CASH SUMMARY - Operating Account</b>	<b>JUNE</b>		<b>9 months YTD</b>	
	<b>2019</b>	<b>%%</b>	<b>2019</b>	<b>%%</b>
Total Rent Revenue	13,034.00	100.00%	133,101.20	100.00%
Vacancies	(464.00)	-3.56%	(2,420.00)	-1.82%
Net Rental Revenue	12,570.00	96.44%	130,681.20	98.18%
Other Income	4.95	0.04%	673.63	0.51%
<b>Total Revenue</b>	<b>12,574.95</b>	<b>96.48%</b>	<b>131,354.83</b>	<b>98.69%</b>
<b>Expenses:</b>				
Administrative Expenses	2,505.65	19.22%	27,026.96	20.31%
Utilities	1,295.75	9.94%	15,212.96	11.43%
Operating & Maintenance	1,628.10	12.49%	27,262.01	20.48%
Depreciation and Amortization Expense	0.00	0.00%	0.00	0.00%
Taxes & Insurance	470.34	3.61%	5,650.11	4.24%
<b>Total Expenses</b>	<b>5,899.84</b>	<b>41.66%</b>	<b>75,152.04</b>	<b>47.78%</b>
<b>Net Operating Income</b>	<b>6,675.11</b>	<b>22.43%</b>	<b>56,202.79</b>	<b>31.91%</b>
Interest and Finance Expense	565.08	4.34%	5,100.72	3.83%
Replacement Costs	0.00	0.00%	3,397.30	2.55%
<b>Net Cash Flow from Operations</b>	<b>6,110.03</b>		<b>47,704.77</b>	
<b>Plus (Minus)</b>				
Interest Income	(4.95)		(23.04)	
Unpaid Rent Collected (Owed)	2,017.00		477.86	
Prepaid Rent Received (Absorbed)	1,413.00		7,838.00	
Security Deposits Received (Refunded)	(600.00)		685.00	
Accrued Interest (Payment)	545.08		(7,128.49)	
<b>Net Cash Increase (Decrease)</b>	<b>9,480.16</b>		<b>49,554.10</b>	
<b>Beginning of Period Cash Balance</b>	<b>48,458.40</b>		<b>0.00</b>	
Contributions (Distributions) to Owner	0.00		43,703.10	
Transfer from (to) Impound Account	(399.58)		(4,140.22)	
Transfer From (to) Replacement Reserves	(450.00)		(32,028.00)	
Transfer from (to) Security account	0.00		0.00	
<b>Ending Cash Balance - Operating Account</b>	<b>\$57,088.98</b>		<b>\$57,088.98</b>	
<b>- Replacement Reserve</b>			<b>\$104,651.82</b>	
<b>- Tax and Insurance Impounds</b>			<b>\$36,343.88</b>	
<b>- Security Deposit Accounts</b>			<b>\$14,407.28</b>	

<b>TENANT RECEIVABLES</b>	<b>Current Month</b>	<b>UNIT STATUS</b>	<b>Current Month</b>
Rent and Rent Related Receivables		Total Units	24
Balance at Beginning of Month	2,655.00	Vacant units at beginning of month	0
Uncollected (Collected) During Month	(2,017.00)	Plus Units vacated during month	1
Written off to Bad Debts	0.00	Less move ins and deposits to hold	1
Balance at End of Month	<u>\$638.00</u>	Vacant units at end of month	<u>0</u>

Income Statement  
HACB GRIDLEY SPRINGS II  
As of  
June 30, 2019

	***** Current Month *****			***** Year-to-Date *****		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>*** REVENUES ***</b>						
Rent Revenue - Gross Potential						
Apartment Rents	10,532.00	15,806.00	(5,274.00)	117,578.20	142,254.00	(24,675.80)
Tenant Assistance Payments	2,502.00	0.00	2,502.00	15,523.00	0.00	15,523.00
<b>Total Revenue</b>	<b>13,034.00</b>	<b>15,806.00</b>	<b>(2,772.00)</b>	<b>133,101.20</b>	<b>142,254.00</b>	<b>(9,152.80)</b>
Apartment Vacancies	(464.00)	(316.00)	(148.00)	(2,420.00)	(2,845.08)	425.08
<b>Total Vacancies</b>	<b>(464.00)</b>	<b>(316.00)</b>	<b>(148.00)</b>	<b>(2,420.00)</b>	<b>(2,845.08)</b>	<b>425.08</b>
<b>NET RENTAL REVENUE</b>	<b>12,570.00</b>	<b>15,490.00</b>	<b>(2,920.00)</b>	<b>130,681.20</b>	<b>139,408.92</b>	<b>(8,727.72)</b>
Interest Income-Other Cash	4.72	0.00	4.72	22.20	0.00	22.20
Interest Income-Sec Deposits	0.23	0.00	0.23	2.03	0.00	2.03
<b>Total Financial Revenue</b>	<b>4.95</b>	<b>0.00</b>	<b>4.95</b>	<b>24.23</b>	<b>0.00</b>	<b>24.23</b>
Misc Tenant Charges/Damages & Cleaning	0.00	125.00	(125.00)	0.00	1,125.00	(1,125.00)
NSF and Late Fee Income	0.00	0.00	0.00	0.00	0.00	0.00
Other Income/Application Fee	0.00	42.00	(42.00)	0.00	375.00	(375.00)
Laundry Revenue	0.00	17.00	(17.00)	649.40	150.00	499.40
<b>Total Other Revenue</b>	<b>0.00</b>	<b>184.00</b>	<b>(184.00)</b>	<b>649.40</b>	<b>1,650.00</b>	<b>(1,000.60)</b>
<b>TOTAL REVENUE</b>	<b>12,574.95</b>	<b>15,674.00</b>	<b>(3,099.05)</b>	<b>131,354.83</b>	<b>141,058.92</b>	<b>(9,704.09)</b>
<b>*** EXPENSES ***</b>						
<b>Administrative Expenses</b>						
Advertising and Promotions	0.00	21.00	(21.00)	6.43	187.50	(181.07)
Credit Reports	0.00	0.00	0.00	23.05	0.00	23.05
IT Support Services	128.00	0.00	128.00	2,968.00	0.00	2,968.00
Telephone/Answering Service	0.00	0.00	0.00	483.74	0.00	483.74
Consulting/Purchased Services	0.00	0.00	0.00	116.83	0.00	116.83
Postage and Mailing	0.00	0.00	0.00	29.71	0.00	29.71
Administrative Expense/Office Personnel	0.00	0.00	0.00	32.15	0.00	32.15
Office Supplies/Expenses	90.71	292.00	(201.29)	730.17	2,625.00	(1,894.83)
Dues and Subscriptions	0.00	0.00	0.00	64.29	0.00	64.29
Management Fee	1,080.00	960.00	120.00	8,505.00	8,640.00	(135.00)
Manager Salaries	1,206.94	1,342.00	(135.06)	9,984.69	12,075.00	(2,090.31)
Education/Registration fees	0.00	0.00	0.00	582.90	0.00	582.90
Legal Expense	0.00	42.00	(42.00)	0.00	375.00	(375.00)
Auditing Fees	0.00	0.00	0.00	3,500.00	3,500.00	0.00
Other Administrative Costs	0.00	67.00	(67.00)	0.00	600.00	(600.00)
<b>Total Administrative Expenses</b>	<b>2,505.65</b>	<b>2,724.00</b>	<b>(218.35)</b>	<b>27,026.96</b>	<b>28,002.50</b>	<b>(975.54)</b>
<b>Utility Expenses</b>						
Electricity	109.12	250.00	(140.88)	786.02	2,250.00	(1,463.98)
Water	379.53	375.00	4.53	5,127.82	3,375.00	1,752.82
Gas	0.00	83.00	(83.00)	394.76	750.00	(355.24)
Sewer	807.10	808.00	(0.90)	5,031.68	7,275.00	(2,243.32)
Garbage and Trash Removal	0.00	458.00	(458.00)	3,872.68	4,125.00	(252.32)
<b>Total Utility Expenses</b>	<b>1,295.75</b>	<b>1,974.00</b>	<b>(678.25)</b>	<b>15,212.96</b>	<b>17,775.00</b>	<b>(2,562.04)</b>
<b>Operating &amp; Maintenance Expense</b>						
Clean and Repair Apartment	0.00	0.00	0.00	590.00	0.00	590.00
Exterminating Contract	0.00	0.00	0.00	900.00	0.00	900.00
Tree Service	0.00	0.00	0.00	500.00	0.00	500.00
Grounds Contract	0.00	0.00	0.00	7,600.00	0.00	7,600.00
Grounds Maintenance and Supplies	0.00	0.00	0.00	569.69	0.00	569.69
Maintenance Personnel	919.35	1,358.00	(438.65)	6,933.78	12,225.00	(5,291.22)
Repair Materials	280.56	2,450.00	(2,169.44)	3,437.83	22,050.00	(18,612.17)
Repair Contract/Vendor Labor	0.00	2,517.00	(2,517.00)	2,830.00	22,650.00	(19,820.00)
Electrical Repair and Supplies	0.00	0.00	0.00	71.47	0.00	71.47
HVAC Repair/Maintenance	0.00	458.00	(458.00)	426.60	4,125.00	(3,698.40)
Appliance Repair and Maintenance	0.00	0.00	0.00	416.82	0.00	416.82
Plumbing Repair and Supplies	400.00	0.00	400.00	944.49	0.00	944.49
Interior Painting and Supplies	0.00	0.00	0.00	1,338.12	0.00	1,338.12
Gas, Oil and Mileage	28.19	0.00	28.19	575.69	0.00	575.69
Fire Protection Equipment	0.00	0.00	0.00	127.52	0.00	127.52
Misc Operation & Maintenance	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Operating &amp; Maint Expenses</b>	<b>1,628.10</b>	<b>6,783.00</b>	<b>(5,154.90)</b>	<b>27,262.01</b>	<b>61,050.00</b>	<b>(33,787.99)</b>

Income Statement  
HACB GRIDLEY SPRINGS II  
As of  
June 30, 2019

	***** 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	0.00	0.00
Payroll Taxes	191.73	318.00	(126.27)	2,287.84	2,864.00	(576.16)
Property & Liability Insurance	0.00	150.00	(150.00)	1,540.51	1,350.00	190.51
Worker's Compensation	144.63	384.00	(239.37)	1,181.21	3,453.00	(2,271.79)
Health/Dental Insurance	133.98	686.00	(552.02)	640.55	6,174.00	(5,533.45)
Other Insurance	0.00	8.00	(8.00)	0.00	75.00	(75.00)
<b>Total Taxes &amp; Insurance Expenses</b>	<b>470.34</b>	<b>1,546.00</b>	<b>(1,075.66)</b>	<b>5,650.11</b>	<b>13,916.00</b>	<b>(8,265.89)</b>
<b>TOTAL EXPENSES</b>	<b>5,899.84</b>	<b>13,027.00</b>	<b>(7,127.16)</b>	<b>75,152.04</b>	<b>120,743.50</b>	<b>(45,591.46)</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>6,675.11</b>	<b>2,647.00</b>	<b>4,028.11</b>	<b>56,202.79</b>	<b>20,315.42</b>	<b>35,887.37</b>
<b>Interest &amp; Finance Expense</b>						
Mortgage Interest	545.08	0.00	545.08	4,905.72	0.00	4,905.72
Bank Fees	20.00	0.00	20.00	195.00	0.00	195.00
<b>Total Interest &amp; Finance Expense</b>	<b>565.08</b>	<b>0.00</b>	<b>565.08</b>	<b>5,100.72</b>	<b>0.00</b>	<b>5,100.72</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>6,110.03</b>	<b>2,647.00</b>	<b>3,463.03</b>	<b>51,102.07</b>	<b>20,315.42</b>	<b>30,786.65</b>
<b>Replacements</b>						
Roofing/Paving/Exterior Repair	0.00	0.00	0.00	0.00	0.00	0.00
Appliance Replacement	0.00	0.00	0.00	596.15	0.00	596.15
Carpet/Flooring Replacement	0.00	0.00	0.00	2,801.15	0.00	2,801.15
<b>Total Cost of Replacements</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,397.30</b>	<b>0.00</b>	<b>3,397.30</b>
<b>NET CASH FLOW FROM OPERATIONS</b>	<b>6,110.03</b>	<b>2,647.00</b>	<b>3,463.03</b>	<b>47,704.77</b>	<b>20,315.42</b>	<b>27,389.35</b>

12 Month Spreadsheet  
HACB Gridley Springs II  
As of  
June 30, 2019

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	YTD
<b>REVENUE</b>													
4010 Apartment Rents	16,500.86	15,194.00	12,485.14	7,959.20	13,842.00	12,831.00	14,020.00	14,214.00	10,532.00	0.00	0.00	0.00	117,578.20
4015 Tenant Assistance Payments	1,129.00	1,189.00	0.00	4,696.00	1,189.00	2,378.00	1,189.00	1,251.00	2,502.00	0.00	0.00	0.00	15,523.00
<b>TOTAL RENT POTENTIAL</b>	<b>17,629.86</b>	<b>16,383.00</b>	<b>12,485.14</b>	<b>12,655.20</b>	<b>15,031.00</b>	<b>15,209.00</b>	<b>15,209.00</b>	<b>15,465.00</b>	<b>13,034.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>133,101.20</b>
<b>VACANCIES</b>													
4210 Apartment Vacancies	(1,956.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(464.00)	0.00	0.00	0.00	(2,420.00)
	(1,956.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(464.00)	0.00	0.00	0.00	(2,420.00)
<b>NET RENTAL REVENUE</b>	<b>15,673.86</b>	<b>16,383.00</b>	<b>12,485.14</b>	<b>12,655.20</b>	<b>15,031.00</b>	<b>15,209.00</b>	<b>15,209.00</b>	<b>15,465.00</b>	<b>12,570.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>130,681.20</b>
4320 Interest Income - Other Cash	0.40	1.79	1.75	1.97	1.74	3.03	2.53	3.76	4.72	0.00	0.00	0.00	21.69
4340 Interest Income - Sec Deposits	0.63	0.24	0.24	0.26	0.23	0.22	0.24	0.25	0.23	0.00	0.00	0.00	2.54
<b>TOTAL FINANCIAL REVENUE</b>	<b>1.03</b>	<b>2.03</b>	<b>1.99</b>	<b>2.23</b>	<b>1.97</b>	<b>3.25</b>	<b>2.77</b>	<b>4.01</b>	<b>4.95</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>24.23</b>
<b>OTHER INCOME</b>													
4045 Damages and Cleaning Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4410 Laundry Revenue	127.13	72.13	112.25	57.13	91.25	64.63	60.00	64.88	0.00	0.00	0.00	0.00	649.40
<b>TOTAL OTHER INCOME</b>	<b>127.13</b>	<b>72.13</b>	<b>112.25</b>	<b>57.13</b>	<b>91.25</b>	<b>64.63</b>	<b>60.00</b>	<b>64.88</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>649.40</b>
<b>TOTAL REVENUE</b>	<b>15,802.02</b>	<b>16,457.16</b>	<b>12,599.38</b>	<b>12,714.56</b>	<b>15,124.22</b>	<b>15,276.88</b>	<b>15,271.77</b>	<b>15,533.89</b>	<b>12,574.95</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>131,354.83</b>
<b>ADMINISTRATIVE EXPENSES</b>													
6205 Advertising and Promotions	0.00	0.00	6.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.43
6220 Credit Reports	0.00	23.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.05
6235 IT Support Services	0.00	0.00	0.00	0.00	2,456.00	128.00	128.00	128.00	128.00	0.00	0.00	0.00	2,968.00
6240 Telephone and Answering Service	0.00	44.06	293.85	(9.56)	37.77	0.00	79.84	37.78	0.00	0.00	0.00	0.00	483.74
6250 Consulting/Purchased Services	0.00	0.00	0.00	0.00	0.00	116.83	0.00	0.00	0.00	0.00	0.00	0.00	116.83
6255 Postage and Mailing	0.00	0.00	0.00	29.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29.71
6310 Administrative Personnel	0.00	0.00	32.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32.15
6311 Office Supplies	108.83	285.13	34.42	41.97	58.50	83.88	0.00	26.73	90.71	0.00	0.00	0.00	730.17
6315 Dues and Subscriptions	0.00	0.00	0.00	0.00	0.00	64.29	0.00	0.00	0.00	0.00	0.00	0.00	64.29
6320 Management Fee	0.00	945.00	1,080.00	1,080.00	1,080.00	1,080.00	1,080.00	1,080.00	1,080.00	0.00	0.00	0.00	8,505.00
6330 Manager Salaries	603.47	1,261.80	1,152.08	1,042.36	1,261.80	1,097.22	1,152.08	1,206.94	1,206.94	0.00	0.00	0.00	9,984.69
6335 Education/Registration Fees	0.00	0.00	0.00	278.59	40.72	263.59	0.00	0.00	0.00	0.00	0.00	0.00	582.90
6350 Auditing Fees	0.00	0.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,500.00
<b>TOTAL ADMINISTRATIVE EXP</b>	<b>712.30</b>	<b>2,559.04</b>	<b>2,598.93</b>	<b>2,463.07</b>	<b>8,434.79</b>	<b>2,833.81</b>	<b>2,439.92</b>	<b>2,479.45</b>	<b>2,505.65</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>27,026.96</b>
<b>UTILITIES EXPENSE</b>													
6450 Electricity	292.22	0.00	135.74	0.00	0.00	0.00	30.00	218.94	109.12	0.00	0.00	0.00	786.02
6451 Water	455.19	0.00	207.84	1,260.87	0.00	2,320.18	74.95	429.26	379.53	0.00	0.00	0.00	5,127.82
6452 Gas	0.00	26.25	144.39	42.42	96.61	39.73	10.62	34.74	0.00	0.00	0.00	0.00	394.76
6453 Sewer	806.99	0.00	807.58	0.00	0.00	0.00	999.72	1,610.29	807.10	0.00	0.00	0.00	5,031.68
6465 Garbage and Trash Removal	490.18	508.74	450.18	563.74	429.30	450.18	530.18	450.18	0.00	0.00	0.00	0.00	3,872.68
<b>TOTAL UTILITIES EXPENSE</b>	<b>2,044.58</b>	<b>534.99</b>	<b>1,745.73</b>	<b>1,867.03</b>	<b>525.91</b>	<b>2,810.09</b>	<b>1,645.47</b>	<b>2,743.41</b>	<b>1,295.75</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>15,212.96</b>

12 Month Spreadsheet  
HACB Gridley Springs II  
As of  
June 30, 2019

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	YTD
<b>OPERATING and MAINT EXPENSES</b>													
6515 Clean and Repair Apartment	590.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	590.00
6530 Exterminating Contract	0.00	0.00	700.00	100.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	900.00
6549 Tree Service	0.00	0.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00
6555 Grounds Contract	950.00	950.00	950.00	0.00	950.00	1,900.00	950.00	950.00	0.00	0.00	0.00	0.00	7,600.00
6550 Grounds Maintenance and Supplies	60.00	80.00	0.00	11.69	0.00	218.00	20.00	180.00	0.00	0.00	0.00	0.00	569.69
6560 Maintenance Personnel	839.76	632.51	829.34	398.68	874.34	758.62	784.34	896.84	919.35	0.00	0.00	0.00	6,933.78
6565 Repair Materials	0.00	323.70	18.17	1,000.43	824.01	473.61	220.33	297.02	280.56	0.00	0.00	0.00	3,437.83
6570 Repair Contact & Vendor Labor	0.00	2,830.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,830.00
6580 Electrical Repair & Supplies	0.00	71.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	71.47
6590 HVAC Repair/Maintenance	0.00	0.00	0.00	0.00	426.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	426.60
6600 Appliance Repair and Maintenance	0.00	0.00	0.00	124.05	52.53	240.24	0.00	0.00	0.00	0.00	0.00	0.00	416.82
6605 Plumbing Repair and Supplies	0.00	0.00	7.49	0.00	0.00	0.00	350.00	187.00	400.00	0.00	0.00	0.00	944.49
6615 Interior Painting and Supplies	0.00	1,292.43	0.00	45.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,338.12
6620 Gas, Oil & Mileage	182.03	118.64	27.73	47.89	77.84	85.21	8.16	0.00	28.19	0.00	0.00	0.00	575.69
6630 Fire Protection Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	127.52	0.00	0.00	0.00	0.00	127.52
<b>TOTAL OPERATING and MAINT EXP</b>	<b>2,621.79</b>	<b>6,298.75</b>	<b>2,532.73</b>	<b>1,728.43</b>	<b>3,705.32</b>	<b>3,775.68</b>	<b>2,332.83</b>	<b>2,638.38</b>	<b>1,628.10</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>27,262.01</b>
<b>TAXES AND INSURANCE</b>													
6710 Property Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6711 Payroll Taxes	116.91	299.42	289.35	342.74	379.41	229.96	227.84	210.48	191.73	0.00	0.00	0.00	2,287.84
6720 Property and Liability Insurance	0.00	0.00	0.00	1,540.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,540.51
6722 Workers Compensation	52.91	136.44	166.27	132.23	145.25	127.60	132.67	143.21	144.63	0.00	0.00	0.00	1,161.21
6730 Health/ Dental Insurance	0.00	0.00	0.00	0.00	(20.84)	258.66	134.76	133.99	133.98	0.00	0.00	0.00	640.55
<b>TOTAL TAXES AND INSURANCE</b>	<b>169.82</b>	<b>435.86</b>	<b>455.62</b>	<b>2,015.48</b>	<b>503.82</b>	<b>616.22</b>	<b>495.27</b>	<b>487.68</b>	<b>470.34</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,650.11</b>
<b>TOTAL EXPENSES</b>	<b>5,548.49</b>	<b>9,828.64</b>	<b>7,333.01</b>	<b>8,074.01</b>	<b>13,169.84</b>	<b>10,035.80</b>	<b>6,913.49</b>	<b>8,348.92</b>	<b>5,899.84</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>75,152.04</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>10,253.53</b>	<b>6,628.52</b>	<b>5,266.37</b>	<b>4,640.55</b>	<b>1,954.38</b>	<b>5,241.08</b>	<b>8,358.28</b>	<b>7,184.97</b>	<b>6,675.11</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>56,202.79</b>
<b>INTEREST and FINANCE EXPENSE</b>													
6820 Mortgage Interest	0.00	937.70	468.00	774.62	1,090.16	545.08	0.00	545.08	545.08	0.00	0.00	0.00	4,905.72
6855 Bank Fees	35.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	0.00	0.00	0.00	195.00
<b>TOTAL INTEREST and FINANCE EXP</b>	<b>35.00</b>	<b>957.70</b>	<b>488.00</b>	<b>794.62</b>	<b>1,110.16</b>	<b>565.08</b>	<b>20.00</b>	<b>565.08</b>	<b>565.08</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,100.72</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>10,218.53</b>	<b>5,670.82</b>	<b>4,778.37</b>	<b>3,845.93</b>	<b>844.22</b>	<b>4,676.00</b>	<b>8,338.28</b>	<b>6,619.89</b>	<b>6,110.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>51,102.07</b>
<b>Replacements</b>													
6905 Roofing/ Paving/Exterior Repair	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6910 Appliance Replacement	0.00	0.00	0.00	0.00	0.00	596.15	0.00	0.00	0.00	0.00	0.00	0.00	596.15
6920 Carpet/ Flooring Replacement	0.00	1,628.15	0.00	0.00	1,173.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,801.15
<b>TOTAL COST OF REPLACEMENTS</b>	<b>0.00</b>	<b>1,628.15</b>	<b>0.00</b>	<b>0.00</b>	<b>1,173.00</b>	<b>596.15</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>3,397.30</b>
<b>NET CASH FLOW FROM OPERATIONS</b>	<b>10,218.53</b>	<b>4,042.67</b>	<b>4,778.37</b>	<b>3,845.93</b>	<b>(328.78)</b>	<b>4,079.85</b>	<b>8,338.28</b>	<b>6,619.89</b>	<b>6,110.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>47,704.77</b>

Date: 7/1/2019

MEMO

To: Board of Commissions

From: Bow Lee, Special Programs Coordinator

Subject: Family Self-Sufficiency (FSS) Program update for June 2019

<b>Program Statistics for Period Ending</b>	<b>6/1/2019</b>	<b>6/1/2018</b>
Number of participants as of last day of the month	35	39
Number of Orientation Briefings	2	1
Number of signed contracts	0	0
Number of Port-In's	0	0
Number of Port-Out's	0	0
Number of Graduates	1	1
Contract Expired	1	0
Number of Terminations	0	0
Number of Voluntary Exits	0	0
Number of Families on FSS Waiting List	0	0
Number of participants with annual income increases (YTD)	6	23
Number of participants with new employment (YTD)	3	13
Number of participants with escrow accounts	26	29
Number of participants currently escrowing	22	31
Amount disbursed from escrow account	\$2,873.45	\$8,134.51
Balance of Escrow Account	\$107,580.63	\$102,724.37

**FSS FY 2018 HUD Grant Program Tracking Data**

<b>Program Management Questions:</b>	<b>YTD (2019)</b>
PHA mandatory program size (Initial 50)	N/A
PHA voluntary program size (50)	35
Number of FSS participants identified as a person with disabilities	7
Number of FSS participants employed	26
Number of FSS participants enrolled in higher/adult education	3
Number of FSS participants enrolled in school and employed	3
Number of FSS families receiving cash assistance	5
Number of FSS families experiencing a reduction in cash assistance	0
Number of FSS families who have ceased receiving cash assistance	0
How many new FSS escrow accounts were established	0
Number of FSS families moved to non-subsidized housing	0
Number of FSS families moved to home-ownership	1

## HACB CoC Programs: A Report to the Board of Commissioners for the Month of July 2019

Grant	Funding Period	Amount Funded	Grantee	Sponsor	Units	Eligibility Criteria	Service Area	7/19 Enrollment	7/19 HAP Assistance	Grant Balance
S+C SEARCH South	10/1/18 - 9/30/19	\$39,360.00	HACB	BCBH	5	Unaccompanied adults, chronically homeless with SMI	Oroville, Chico	3	\$1,910.00	\$37,450.00
SEARCH Samaritan Bonus	7/1/19 - 6/30/20	\$37,680.00	BCBH	BCBH	4	Unaccompanied adults, chronically homeless with SMI	Chico	2	\$1,002.00	\$36,678.00
SEARCH III- SHP	7/1/19 - 6/30/20	\$28,260.00	BCBH	BCBH	3	Unaccompanied adults, homeless with SMI	South County	2	\$582.00	\$27,677.00
LINK PHB	7/1/19 - 6/30/20	\$28,260.00	BCBH	BCBH	3	Unaccompanied youth, ages 18-24, chronically homeless with SMI	Chico	2	\$855.00	\$27,405.00
SEARCH II - PHB	7/1/19 - 6/30/20	\$28,260.00	BCBH	BCBH	3	Unaccompanied adults, chronically homeless with SMI	Chico	1	\$431.00	\$27,829.00
City of Chico - LGP	7/1/19 - 6/30/20	\$9,000.00	City of Chico	SSA	8	Low-income, referred by supportive service agency	Chico	1	\$1,500.00	\$7,500.00
City of Chico - TBRA	7/1/19 - 6/30/20	\$100,000.00	City of Chico	SSA	30	Low-income, under case management with self-sufficiency plan	Chico	7	\$3,678.00	\$96,321.00
BHHAP/Security Deposit	7/1/19 - 6/30/20	\$2,225.00	City of Chico	SSA	5	Individuals with a mental illness with homelessness eligibility	Butte County	0	\$0.00	\$2,225.00
BHHAP/ASOC	7/1/19 - 6/30/20	\$11,170.00	BCBH	BCBH	10	Individuals with a mental illness with homelessness eligibility	Butte County	1	\$520.00	\$10,650.00
<b>Totals</b>		<b>\$284,215.00</b>			<b>71</b>			<b>19</b>	<b>\$10,478.00</b>	<b>\$273,735.00</b>

### Acronym Legend

\*BCBH: Butte County Department of Behavioral Health | \*BHHAP: Behavioral Health Housing Assistance Program | \*SHP: Supportive Housing Program | \*PHB: Permanent Housing Bonus Program  
 \*TBRA: Tenant Based Rental Assistance | \*LGP: Lease Guarantee Program | \*SSA: Supportive Service Agency | \*SMI: Serious Mental Health Disability

**Last update:** 7-1-2019

**Path:** Z:\Boutique Programs\Special Programs Budget and Reports



July 12, 2019

**MEMO**

To: HACB Board of Commissioners

From: Sue Kemp, Finance Director  
Larry Guanzon, Deputy Executive Director

Subject: HACB Resolution No. 4743 – Adoption of FY 2020 Bond Budgets

Please find the proposed FY 2020 Operating Budgets for the five (5) 2000A Bond Properties. The proposed budgets have been reviewed by the Budget Committee, which included an analysis of prior and current year budgets, as well as current and prior year actuals.

The budgets were prepared by RSC in coordination with HACB management.

Kathy Court is presented with minimal expenses and a larger debt payout. The Debt Service and Interest paid by the other properties has been estimated with the anticipated reduction in principal paid by insurance proceeds. The Trustee will be re-amortize the Bond balance and the actual Debt Service and Interest will change for 2020. These figures should be known by the time the Consolidated Budget is completed.

The Bond budgets are presented in advance of the HACB Consolidated Operating Budget in order to meet Bond Indenture requirements.

(The FY 2020 HACB Consolidated Operating Budget will be presented to the Board not later than the September Board meeting.)

*Recommendation: motion to approve Resolution No. 4743*

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

RESOLUTION NO. 4743

APPROVAL OF FISCAL YEAR 2020 BUDGET  
FOR THE  
HOUSING AUTHORITY SERIES 2000A BOND PROGRAM

---

WHEREAS, the Housing Authority of the County of Butte (HACB) owns and operates five (5) multi-family apartment properties, including 115 units of affordable housing, acquired and financed using tax-exempt mortgage revenue bonds, including the Alamont Apartments, Chico; Lincoln Apartments, Chico; Evanswood Apartments, Oroville; Park Place Apartments, Oroville; and Kathy Court Apartments, Paradise; and

WHEREAS, the HACB annually establishes and approves an Operating Budget for operation of its bond-financed properties; and

WHEREAS, the Operating Budget addresses and budgets anticipated expenses and revenues of the HACB in the operation and administration of its multi-family bond-financed property program for the fiscal year extending from October 1, 2019 through September 30, 2020; and

WHEREAS, the HACB has drafted a proposed Operating Budget for its multi-family bond-financed properties for the 2020 Fiscal Year; and

WHEREAS, the draft Operating Budget has been determined to be in the best interest of the HACB, its multi-family bond-finance properties, and the tenants served;

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the County of Butte (HACB) to hereby accept and authorize the Fiscal Year 2020 Operating Budget, attached to and made a part of this resolution, for its for its multi-family, bond-financed properties including Alamont Apartments, Chico; Lincoln Apartments, Chico; Evanswood Apartments, Oroville; Park Place Apartments, Oroville; and Kathy Court Apartments, Paradise.

Dated: July 18, 2019.

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Laura Moravec, Chair

ATTEST:

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Edward S. Mayer, Secretary

**HOUSING AUTHORITY of the COUNTY of BUTTE**  
**FY 2019 PROPOSED OPERATING BUDGET**

July 10, 2019		BOND TOTALS	2000A BOND PROPERTIES - DETAIL				
			502	503	504	505	506
			Park Place	Lincoln Apts	Kathy Ct	Alamont	Evanswood
REVENUE		115	40	18	0	30	27
	POTENTIAL DWELLING RENT	1,103,260	294,130	155,005	0	303,435	350,690
	MANAGER'S UNIT	0	0	0	0	0	0
	REBATES	-1,800	-200	-600	0	-600	-400
	VACANCY LOSS*	-23,210	-5,400	-4,760	0	-6,400	-6,650
703.0	NET DWELLING RENT	1,078,250	288,530	149,645	0	296,435	343,640
704.0	TENANT CHARGES	9,350	2,400	1,700	0	2,700	2,550
704.0	LAUNDRY REVENUE	9,780	2,520	2,760	0	4,500	0
706.0	HUD GRANT REVENUE	0	0	0	0	0	0
708.0	OTHER GRANT REVENUE	0	0	0	0	0	0
712.0	MORTGAGE INTEREST INCOME	0	0	0	0	0	0
714.0	FRAUD RECOVERY	0	0	0	0	0	0
715.0	OTHER INCOME	0	0	0	0	0	0
711.0	INVESTMENT INCOME-unrestricted	552	192	72	0	168	120
720.0	INVESTMENT INCOME-restricted	14,000	5,500	2,200	0	3,300	3,000
TOTAL REVENUE		1,111,932	299,142	156,377	0	307,103	349,310
EXPENSES							
911.0	ADMIN. SALARIES	0	0	0	0	0	0
912.0	AUDIT FEE	975	350	150	0	250	225
914.0	ADVERTISING & MKTG	1,540	240	300	0	600	400
915.0	PR TAXES & BENEFITS-ADMIN	0	0	0	0	0	0
916.0	OFFICE EXPENSES	13,806	2,865	3,132	0	3,588	4,221
917.0	LEGAL EXPENSES	3,500	1,200	300	0	800	1,200
918.0	TRAVEL	0	0	0	0	0	0
918.1	ALLOCATED OVERHEAD	15,240	4,800	2,160	1,440	3,600	3,240
919.0	OTHER ADMIN. EXPENSE	123,798	27,760	20,228	4,000	31,884	39,926
TOTAL OPERATING ADMIN.		158,859	37,215	26,270	5,440	40,722	49,212
921.0	TENANT SERVICES-SALARIES	0	0	0	0	0	0
922.0	RELOCATION COSTS	0	0	0	0	0	0
923.0	EMP. BENEFITS-TENANT SVCS	0	0	0	0	0	0
924.0	TENANT SERVICES-MISC.	1,320	1,320	0	0	0	0
TOTAL TENANT SERVICES		1,320	1,320	0	0	0	0
931.0	WATER	37,745	11,300	4,875	0	7,370	14,200
932.0	ELECTRICITY	19,630	5,396	3,900	0	9,920	414
933.0	GAS	1,800	960	540	0	0	300
936.0	SEWER	43,479	17,336	5,893	0	8,549	11,701
TOTAL UTILITIES-PROJECT		102,654	34,992	15,208	0	25,839	26,615
941.0	MAINTENANCE SALARIES	0	0	0	0	0	0
942.0	MAINTENANCE MATERIALS	0	0	0	0	0	0
943.0	MAINT. CONTRACT COSTS	298,679	72,781	43,846	0	73,298	108,754
945.0	PR TAXES & BENEFITS-MAINT	0	0	0	0	0	0
TOTAL MAINTENANCE		298,679	72,781	43,846	0	73,298	108,754
952.0	PROTECTIVE SERVICES	0	0	0	0	0	0
961.1	INSURANCE-ALL	11,508	3,881	1,849	500	2,666	2,612
962.0	OTHER GENERAL EXP.	0	0	0	0	0	0
963.0	PILOT	0	0	0	0	0	0
964.0	BAD DEBTS-TENANT	4,600	1,500	900	0	1,200	1,000
966.0	BAD DEBTS-OTHER	0	0	0	0	0	0
967.0	INTEREST EXPENSE	95,500	32,211	4,582	0	24,022	34,685
TOTAL OTHER OP. EXPENSES		111,608	37,592	7,331	500	27,888	38,297
TOTAL OPERATING EXPENSES		673,120	183,900	92,655	5,940	167,747	222,878
971.0	EXTRAORDINARY MAINT.	0	0	0	0	0	0
972.0	CASUALTY LOSSES	0	0	0	0	0	0
973.0	HOUSING ASSIST. PAYMENTS	0	0	0	0	0	0
973.5	HAP - PORT IN	0	0	0	0	0	0
975.0	FRAUD LOSSES	0	0	0	0	0	0
TOTAL OTHER COSTS		0	0	0	0	0	0
TOTAL EXPENSES		673,120	183,900	92,655	5,940	167,747	222,878
RETAINED EARNINGS		438,812	115,242	63,722	-5,940	139,356	126,432
+ PRINCIPAL/REPL. RESERVE		0	0	0	0	0	0
+/- TRANSFERS		0	0	0	0	0	0
- DEBT SERVICE PMTS		-160,000	-23,954	-3,407	-88,981	-17,864	-25,794
- CAPITALIZED ASSETS		-12,400	0	0	0	-12,400	0
- RESERVES/ACCRUED INT. REC.		-31,625	-11,000	-4,950	0	-8,250	-7,425
NET CASH FLOW		234,787	80,288	55,365	-94,921	100,842	93,213

July 12, 2019

Memo

To: Board of Commissioners

From: Larry, Guanzon, Deputy Executive Director  
Sue Kemp, Finance Director

Subject: HACB Resolution No. 4744  
Adoption of Fiscal Year 2020 Gridley Springs II Proposed Operating Budget

The FY 2020 Gridley Springs II Proposed Operating Budget is provided for your review and approval. The budget was prepared by Sackett Corporation, the current management agent, in coordination with HACB management, and has been reviewed by the Budget Committee.

Capitalized improvements planned include asphalt resurfacing of the parking lot. The Committee discussed the need to review and possibly modify the Utilities and Legal budgets for accuracy. This will be done with the management company.

The budget will be submitted to CA Dept. of Housing and Community Development (HCD) for review and approval, the final version may vary slightly. The budget will be presented again with the Consolidated Budget.

If you have any questions, we will gladly answer them at the Board Meeting.

*Recommend: motion to approve Resolution No. 4744*

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

RESOLUTION NO. 4744

APPROVAL OF THE F/Y 2020 OPERATING BUDGET FOR  
GRIDLEY SPRINGS II APARTMENTS, 200 FORD AVENUE, GRIDLEY

---

WHEREAS, the Housing Authority of the County of Butte (HACB) approves its Operating Budget on an annual basis; and

WHEREAS, HACB owns and operates Gridley Springs II Apartments, Gridley, California, a twenty-four (24) unit multi-family affordable housing apartment complex; and

WHEREAS, HACB prepares the budget for Gridley Springs II Apartments in conjunction with costs projected by Gridley Springs II Apartments property manager, Sackett Corporation; and

WHEREAS, the Operating Budget addresses and budgets anticipated expenses and revenues of the HACB in the operation and administration of its multi-family property for the fiscal year extending from October 1, 2019 through September 30, 2020; and

WHEREAS, the Board of Commissioners of HACB has reviewed the budget as proposed and found the budget to be in the best interest of Gridley Springs II Apartments property, its tenants served, and HACB;

THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the County of Butte, owner of the Gridley Springs II Apartments, Gridley, CA, to hereby approve and adopt the Operating Budget for fiscal year 2020 for Gridley Springs II Apartments, 200 Ford Avenue, Gridley, California, such Operating Budget attached to and made a part of this Resolution No. 4744.

Dated: July 18, 2019.

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Laura Moravec, Vice Chair

ATTEST:

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Edward S. Mayer, Secretary

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**FY 2020 PROPOSED OPERATING BUDGET**  
**HCD - GRIDLEY SPRINGS II**  
**October 1, 2019 to September 30, 2020**

	<b>2020 Proposed Budget</b>	<b>2019 HCD Budget</b>	
<b>REVENUE</b>			
POTENTIAL DWELLING RENT	189,960	189,672	
REBATES	0	0	
VACANCY LOSS*	-3,799	-3,793	2%
703.0 NET DWELLING RENT	186,161	185,879	
704.0 TENANT CHARGES	1,500	1,500	
704.0 LAUNDRY REVENUE	1,000	500	
715.0 OTHER INCOME	0	0	
711.0 INVESTMENT INCOME-unrestricted	50	0	
720.0 INVESTMENT INCOME-restricted	0	200	
<b>TOTAL REVENUE</b>	<b>188,711</b>	<b>188,079</b>	
<b>EXPENSES</b>			
911.0 ADMIN. SALARIES	0	0	
912.0 AUDIT FEES	3,500	3,500	
914.0 ADVERTISING & MKTG	250	250	
915.0 PR TAXES & BENEFITS-ADMIN	0	0	
916.0 OFFICE EXPENSES	6,800	4,300	
917.0 LEGAL EXPENSES	2,700	500	
918.0 TRAVEL	750	0	
918.1 ALLOCATED OVERHEAD	0	0	
919.0 OTHER ADMIN. EXPENSE	37,838	44,374	
<b>TOTAL OPERATING ADMIN.</b>	<b>51,838</b>	<b>52,924</b>	
921.0 TENANT SERVICES-SALARIES	0	0	
922.0 RELOCATION COSTS	0	0	
923.0 PR TAXES & BENEFITS-TS	0	0	
924.0 TENANT SERVICES-MISC.	0	0	
<b>TOTAL TENANT SERVICES</b>	<b>0</b>	<b>0</b>	
931.0 WATER	8,000	4,500	
932.0 ELECTRICITY	3,500	3,000	
933.0 GAS	1,000	1,000	
936.0 SEWER	10,900	9,700	
<b>TOTAL UTILITIES-PROJECT</b>	<b>23,400</b>	<b>18,200</b>	
941.0 MAINTENANCE SALARIES	0	0	
942.0 MAINTENANCE MATERIALS	0	0	
943.0 MAINT. CONTRACT COSTS	76,000	109,400	
945.0 PR TAXES & BENEFITS-MAINT	0	0	
<b>TOTAL MAINTENANCE</b>	<b>76,000</b>	<b>109,400</b>	
952.0 PROTECTIVE SERVICES	0	0	
961.xx INSURANCE-ALL	1,800	1,800	
962.0 OTHER GENERAL EXP.	0	0	
963.0 PILOT	0	0	
964.0 BAD DEBTS-TENANT	0	0	
966.0 BAD DEBTS-OTHER	0	0	
967.0 INTEREST EXPENSE	6,541	6,541	
<b>TOTAL OTHER OP. EXPENSES</b>	<b>8,341</b>	<b>8,341</b>	
<b>TOTAL OPERATING EXPENSES</b>	<b>159,579</b>	<b>188,865</b>	
<b>TOTAL EXPENSES</b>	<b>149,030</b>	<b>149,030</b>	
<b>RETAINED EARNINGS</b>	<b>29,132</b>	<b>-786</b>	
+ PRINCIPAL/REPL. RESERVE	30,000	22,500	
+ ACCRUED INTEREST PAYABLE	6,541	6,541	
- CAPITALIZED ASSETS	-30,000	0	
- RESERVES/ACCRUED INT. REC.	-10,195	-10,195	
<b>NET CASH FLOW</b>	<b>25,478</b>	<b>18,060</b>	

July 12, 2019

**MEMO**

To: HACB Board of Commissioners

From: Sue Kemp, Finance Director

Subject: FY 2018 Government-Wide Audit Report

Following, you will find the HACB government-wide Audited Financial Statements for the year ended September 30, 2018. This report includes the component units of Butte County Affordable Housing Development Corporation (BCAHDC) and Banyard Management.

To gain a better understanding of the financials, please review the Management's Discussion and Analysis (MD&A) portion of the audit report on pages 5-14, as well as the Notes to Financial Statements (Notes) on pages 20-42. The MD&A contains a narrative overview of the HACB's programs; financial highlights for the year; comparisons and explanations of changes from 2017 to 2018; and a discussion regarding future economic challenges. The Notes provide detail and explanations for many of the figures on the balance sheet, as well as providing information about the HACB and its operations.

The scope of the Audit covers the accuracy of the financial statements; compliance with funding agency rules and regulations; and compliance with HACB's internal policies and procedures. We are happy to report that, after another detailed and complex audit, there were no findings and no questioned costs (see page 63).

If you have any questions I will gladly answer them at the Board Meeting.

*Recommendation: Motion to accept the FY 2018 Audit Report as presented.*

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**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**CHICO, CALIFORNIA**  
**AUDITED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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***HARSHWAL & COMPANY LLP***  
***Certified Public Accountants***  
***7677 Oakport Street, Suite 460***  
***Oakland, California 94621***  
***(510) 452-5051***



# HOUSING AUTHORITY OF THE COUNTY OF BUTTE

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# HOUSING AUTHORITY OF THE COUNTY OF BUTTE

## OFFICIAL ROSTER

SEPTEMBER 30, 2018

### BOARD OF COMMISSIONERS

<u>Member</u>	<u>Position</u>	<u>Term Expires</u>
Kate Anderson	Chair	January 9, 2021
Roger Hart	Vice Chair	January 7, 2019
Larry Hamman	Commissioner	January 9, 2021
Laura Moravec	Commissioner	January 7, 2019
David Pittman	Commissioner	January 9, 2021
Patricia Besser	Tenant Commissioner	April 11, 2020
Anne Jones	Tenant Commissioner	April 11, 2020

### ADMINISTRATION

Edward S. Mayer	Executive Director
Larry Guanzon	Deputy Executive Director
Marysol P.	Executive Assistant
Sue Kemp	Finance Officer
Tamra C. Young	Admin Operation Director
Tim Fox	Systems Administrator

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
Housing Authority of The County of Butte  
Chico, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Housing Authority of The County of Butte, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Housing Authority of The County of Butte's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the aggregate discretely presented component units of Housing Authority of The County of Butte as of September 30, 2018, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Changes in Net OPEB Liability, Schedule of plan contribution (OPEB), schedule of proportionate share of the net pension liability and schedule of pension contributions on pages 5 through 14 and 44 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Housing Authority of The County of Butte's basic financial statements. The combining and individual financial statements of the component units, Reconciliation of Comprehensive Grant and Capital Funds Advances with Costs Owned Housing SF-171, Debt Service Coverage Ratio, Financial Data Schedule as required by U.S. Department of Housing and Urban Development and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost principles and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual financial statements of the component units, Reconciliation of Comprehensive Grant and Capital Funds Advances with Costs Owned Housing SF-171, Debt Service Coverage Ratio, Financial Data Schedule and and schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual financial statements of the component units, Reconciliation of Comprehensive Grant and Capital Funds Advances with Costs Owned Housing SF-17, Debt Service Coverage Ratio, Financial Data Schedule and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2019, on our consideration of Housing Authority of The County of Butte's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's 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 Housing Authority of The County of Butte's internal control over financial reporting and compliance.

**Harshwal & Company LLP**  
**Certified Public Accountants**

*Harshwal & Company LLP*

**Oakland, California**  
**June 21, 2019**

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED**  
**SEPTEMBER 30, 2018**

The Housing Authority of the County of Butte (the Authority) was established by the County of Butte, California, in 1946 under the California Health and Safety Code as a non profit public corporation. The mission of the Authority is to assist low and moderate income residents of Butte County secure and maintain quality affordable housing. The Authority owns and/or manages various properties and programs subject to the laws and regulations of numerous funding and monitoring agencies. These agencies include: U.S. Department of Housing and Urban Development (HUD); U.S. Department of Agriculture Rural Development (USDA RD); the California Department of Housing and Community Development (HCD); the California Tax Credit Allocation Committee (CTCAC); the California Debt Limit Allocation Committee (CDLAC) and local communities. In addition to properties and programs, the Authority has two affiliated non profit Component units under its umbrella. Below are further descriptions of the specific programs and properties that are within the financial scope of this audit.

**HUD Low Income Public Housing (LIPH):** The Authority owns three hundred forty five (345) LIPH units scattered throughout Butte County in the cities of Chico, Oroville, Biggs, and Gridley. Under the LIPH program, the Authority rents units that it owns to low income households. The program is operated under an annual contributions contract with HUD. HUD provides operating subsidy to enable the Authority to provide housing at a rent that is based on 30% of household income. The LIPH program also includes funding for the Capital Fund Program, which is the primary funding source for capital improvements to the Authority's LIPH properties.

**HUD Section 8 Housing Choice Voucher Program (S8 HCV):** The Authority operates the S8 HCV program under an annual contributions contract with HUD, administering two thousand two hundred and six (2,206) vouchers, as of September 30, 2018. Under the S8 HCV program, the Authority administers contracts with landlords who own rental property. The Authority subsidizes the participating family's rent through a housing assistance payment (HAP) made to the landlord. HUD provides an annual funding to enable the Authority to structure a lease that sets the participant's share of rent not to exceed 30% of household income at the time of initial eligibility. HUD also provides a monthly Administrative Fee, based upon the number of units leased in the S8 HCV program. The Veteran's Assisted Supportive Housing (HUD VASH) voucher program is a subcomponent of the overall S8 HCV program and provides housing assistance and supportive services to homeless veterans. Supportive services are provided by the local office of the US Department of Veterans Affairs.

**HUD Resident Opportunity and Self Sufficiency (ROSS) Grant:** ROSS Grants are available to eligible grantees to fund Family Self Sufficiency (FSS) Coordinator positions. The FSS Coordinator currently works with participants in the Authority's S8 HCV program to assist them in achieving life goals for self sufficiency. Upon graduation from the program, participants can cash out on an escrow account that has been growing over time as their income increases. The Authority maintains a voluntary program of fifty (50) participating S8 HCV households.

**HUD Continuum of Care (CoC) Grant Program:** This program is administered under annual grant agreements with HUD. Under this program, the Authority administers HAP contracts with landlords to provide rent payments on behalf of homeless households. Butte County Department of Behavioral Health and Youth for Change provide in kind matching supportive services to the participants for the two grants received in FY 2018.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED**  
**SEPTEMBER 30, 2018**

**USDA-RD Farm Labor Housing Loans and Grants:** The Authority owns one hundred twenty one (121) units of Farm Labor Housing in Gridley, California (FLH). Under this program, the Authority rents units that it owns to low income, farm labor households. The program is operated under loan agreements, as well as a rental assistance agreement, with USDA RD. Household rent is not to exceed 30% of household income and is subsidized by means of USDA Rental Assistance.

**HCD Joe Serna Jr. Farmworker Housing Grant Program:** HCD awarded grant funds in 2012 that were expended toward rehabilitation work at Gridley FLH. The Authority executed a Regulatory Agreement with HCD that remains in effect through a fifty five (55) year compliance term, ending September 1, 2067.

**Business Activities:** Under the Business Activities category, the Authority owns one hundred seventy one (171) rental units including: one hundred twenty seven (127) Bond financed units; twenty four (24) Low Income Housing Tax Credit (LIHTC) and HCD regulated units (Gridley Springs II); and twenty (20) other unrestricted units. Several commercial rental spaces are rented that provide locations for supportive services at Gridley FLH. The City of Chico and the County of Butte contract with the Authority to process HAP to landlords and to perform inspections on behalf of their local housing assistance programs. The Authority contracts with both of its components units for Corporate Services; Managing General Partner Services; and Construction Management Services. Lastly, the Authority currently receives interest income from its loans to two (2) LIHTC partnerships, with a third loan being paid in full in August 2018.

**Component Units:** The Authority's financial statements include two Component Units: Butte County Affordable Housing Development Corporation (BCAHDC), and Banyard Management. Both are 501(c)(3) non profit entities formed to participate in various LIHTC projects as the managing general partner. These instrumentalities are further discussed in the Notes and in the Supplementary Information to the Audit Report.

**FINANCIAL HIGHLIGHTS**

- The LIPH Operating Subsidy funding proration level for CY 2018 was 94.7%, a 1.6% increase over the CY 2017 funding level of 93.1%. The Authority maintained High Performer status under HUD's Public Housing Assessment System through FY 2017.
- The Authority expended a total of \$508,258 of HUD LIPH Capital Fund Program dollars: \$302,317 from the 2016 grant, \$195,560 from the 2017 grant, and \$10,381 from the 2018 grant. A total of \$446,929 in capital improvements were transferred to the LIPH balance sheet. The 2018 Capital Fund Program award was \$817,783, \$260,140 greater than the previous year, which is significant.
- The S8 HCV program experienced a 2.63% increase in Administrative Fee proration level for CY 2018 at 80.62%. CY 2018 HAP funding was renewed at a 104.134% inflated proration level. Leasing was reduced to 92.5% of available vouchers and 94% of available funding. Initial HUD guidance required the Authority to plan for a 94% to 97% funding proration level. The Authority did hit the initial target; however, when the funding level was finally known, the leasing rate could not be quickly increased. The Authority continued to operate at a Section Eight Management Assessment Program's High Performer level.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED**  
**SEPTEMBER 30, 2018**

- The Authority was awarded an additional thirty (30) HUD VASH vouchers, under the S8 HCV program, bringing the total HUD VASH voucher program size up to one hundred sixty four (164) vouchers at fiscal year end.
- FY 2018 was year three of the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" implementation. Adjusting transactions for FY 2018, using the CalPERS June 30, 2018 measurement date Accounting Valuation data, resulted in the following impacts to the Primary Government Balance Sheet: Deferred Outflows decreased \$483,497 to a balance of ; Deferred Inflows increased by \$176,073 to a balance of \$307,130; and the Unfunded Pension Liability (UPL) decreased by \$127,833 to a balance of \$3,240,459. Please see Note 5 for GASB 68 disclosures.
- In order to address the CalPERS Unfunded Pension Liability and the required annual unfunded pension liability (UPL) payments, the Board of Commissioners initiated a Pension Stabilization Study. The study illustrated various pension rate stabilization scenarios that could be used to stabilize the annual UPL expense from budgeted cash flow. After review of the results and pay down scenarios, the Board approved investment in a Section 115 Trust managed by Public Agency Retirement Services (PARS), with Union Bank as the Trustee. Prior to the fiscal year end, a \$1 million deposit was made into the PARS trust account, with an additional \$1 million scheduled to be deposited in FY 2019 as seed deposits.
- FY 2018 was the implementation year of the GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The Authority administers an Other Post-Retirement Benefit (OPEB) plan to include five years of health, dental, and vision premium contributions for qualifying retirees hired prior to October 1, 2013. The Authority maintains a Section 115 Trust account with California Employees Retirement Benefit Trust and makes required annual contributions to the trust, less direct benefits to retirees. At fiscal year-end, the Net Liability was \$226,053, Deferred Outflows were \$5,988, and Deferred Inflows were \$0. The implementation of GASB 75 required a negative \$375,241 adjustment and restatement of prior year Net Position.
- At fiscal year end, the Assets and Deferred Outflows of the Authority's Primary Government exceeded its Liabilities and Deferred Inflows resulting in a total Net Position of \$26,097,236, a \$1.23 million decrease from FY 2017 which includes the \$375,241 restatement of Net Position, disposition of two vehicles, and annual depreciation.



**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED**  
**SEPTEMBER 30, 2018**

**FINANCIAL POSITION AND ANALYSIS**

The following table compares the Fiscal Year 2018 and Fiscal Year 2017 Government Wide Financial Statements.

**Statement of Net Position**

**September 30, 2018**

	<b>Primary Government</b>		<b>Component Units</b>		<b>Total</b>		
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>Change</b>
Current and Other Assets	\$ 9,740,184	\$ 9,879,935	\$ 1,215,163	\$ 1,127,567	\$ 10,955,347	\$ 11,007,502	(0.5)%
Non-Current Assets	27,835,564	28,761,935	786,269	821,236	28,621,833	29,583,171	(3.2)%
Deferred Outflows	671,279	1,148,788	-	-	671,279	1,148,788	(41.6)%
Total Assets & Def. Outflows	<u>38,247,027</u>	<u>39,790,658</u>	<u>2,001,432</u>	<u>1,948,803</u>	<u>40,248,459</u>	<u>41,739,461</u>	<u>(3.6)%</u>
Current and Other Liabilities	1,553,722	1,829,486	50,778	46,694	1,604,500	1,876,180	(14.5)%
Non-current Liabilities	10,288,939	10,499,850	21,574	23,855	10,310,513	10,523,705	(2.0)%
Deferred Inflows	307,130	131,057	-	-	307,130	131,057	134.3 %
Total Liabilities & Def. Inflows	<u>12,149,791</u>	<u>12,460,393</u>	<u>72,352</u>	<u>70,549</u>	<u>12,222,143</u>	<u>12,530,942</u>	<u>(2.5)%</u>
Invested in Capital Assets							
Net of Related Debt	15,674,895	16,294,231	352,399	335,932	16,027,294	16,630,163	(3.6)%
Restricted Net Position	2,626,686	1,712,442	-	-	2,626,686	1,712,442	53.4 %
Unrestricted Net Position	<u>7,795,655</u>	<u>9,323,592</u>	<u>1,576,681</u>	<u>1,542,322</u>	<u>9,372,336</u>	<u>10,865,914</u>	<u>(13.7)%</u>
Total Net Position	<u>\$26,097,236</u>	<u>\$27,330,265</u>	<u>\$ 1,929,080</u>	<u>\$ 1,878,254</u>	<u>\$ 28,026,316</u>	<u>\$ 29,208,519</u>	<u>(4.0)%</u>

- Total Assets and Deferred Outflows decreased by 3.60%.
  - o Current and Other Assets decreased by 0.50% which is a minor change.
  - o Non-Current Assets decreased by 3.20% due to annual depreciation expenses.
  - o Deferred Outflows decreased by 41.60% As required by GASB 68 and GASB 75, the significant decrease was in the Authority's proportionate share of the Deferred Outflows as reported in the CalPERS Miscellaneous Risk Pool Cost Sharing Multiple Employer Defined Benefit Pension Plan as of June 30, 2018.
- Total Liabilities and Deferred Inflows decreased by 2.50%.
  - o Current and Other Liabilities decreased by 14.50% with receipt of funds used to pay back nearly \$294,000 due to the General Fund at the end of the prior year.
  - o Non-Current Liabilities decreased by 2.0%, with the normal debt services payments on USDA-RD loans the 2000A Bonds. The recognition of the \$226,053 OPEB Net Liability of \$226,053 negated the \$127,833 reduction in CalPERS Unfunded Pension Liability for the year.
  - o Deferred Inflows, as required by GASB 68 and GASB 75, increased 134.3% with the Authority's proportionate share of the CalPERS Miscellaneous Risk Pool Cost Sharing Multiple Employer Defined Benefit Pension Plan, as of June 30, 2018 also increasing.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED**  
**SEPTEMBER 30, 2018**

- Total Net Position reflected an overall decrease of 4.00% which is mostly a reflection of depreciating assets.

The following is a comparison of the detailed changes in Fund Net Position.

**Statement of Revenues, Expenses and Changes in Fund Net Position- Detailed**

**September 30, 2018**

	<b>Primary Government</b>		<b>Component Units</b>		<b>Total</b>		
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>Change</b>
Net Operating Income/(Loss)							
Low Income Public housing	\$ (921,584)	\$ (739,042)	\$ -	\$ -	\$ (921,584)	\$ (739,042)	\$ (182,542)
Business Activities	433,746	1,179,087	-	-	433,746	1,179,087	(745,341)
Housing choice Vouchers	(199,825)	552,996	-	-	(199,825)	552,996	(752,821)
Farm Labor Housing	(479,874)	(384,309)	-	-	(479,874)	(384,309)	(95,565)
ROSS Grants	-	-	-	-	-	-	-
Continuum of Care Grants	-	-	-	-	-	-	-
BCAHDC	-	-	59,404	19,636	59,404	19,636	39,768
Banyard Management	-	-	(9,239)	(8,195)	(9,239)	(8,195)	(1,044)
Total Net Operating (expense)/ revenue	<u>(1,167,537)</u>	<u>608,732</u>	<u>50,165</u>	<u>11,441</u>	<u>(1,117,372)</u>	<u>620,173</u>	<u>(1,737,545)</u>
Non-Operating Revenue/(Expense)							
Interest Expenses	(265,800)	(276,957)	(261)	(283)	(266,061)	(277,240)	11,179
Capital Contributions	446,929	3,057,967	-	-	446,929	3,057,967	(2,611,038)
Other Revenues	-	-	-	-	-	-	-
Interest Income	<u>128,621</u>	<u>111,615</u>	<u>922</u>	<u>14,606</u>	<u>129,543</u>	<u>126,221</u>	<u>3,322</u>
Changes in Net Assets	<u>(857,787)</u>	<u>3,501,357</u>	<u>50,826</u>	<u>25,764</u>	<u>(806,961)</u>	<u>3,527,121</u>	<u>(4,334,082)</u>
Prior year Adjustments	(375,242)	-	-	-	(375,242)	-	(375,242)
Net Position Beginning	<u>27,330,265</u>	<u>23,828,908</u>	<u>1,878,254</u>	<u>1,852,490</u>	<u>29,208,519</u>	<u>25,681,398</u>	<u>3,527,121</u>
Net Position Ending	<u>\$ 26,097,236</u>	<u>\$ 27,330,265</u>	<u>\$ 1,929,080</u>	<u>\$ 1,878,254</u>	<u>\$ 28,026,316</u>	<u>\$ 29,208,519</u>	<u>\$ (1,182,203)</u>

- Low Income Public Housing reflected a \$182,542 decrease in Net Revenues due to increased GASB 68 Pension Expense adjustment and high tenant bad debt write off.
- Business Activities shows a \$745,341 decrease in Net Revenue due the anomaly of a one-time Public Housing Operating Subsidy Offset Litigation payment of \$807,300 in 2017, plus minor changes in various expense categories.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED**  
**SEPTEMBER 30, 2018**

- The Housing Choice Voucher program shows a \$752,821 decrease in Net Revenue because reduced HAP Revenues and higher GASB 68 Pension expense.
- Farm Labor Housing had a \$95,565 decrease in Net Revenue as a result of higher depreciation on \$2.9 million in capital improvements completed in FY 2017.
- BCAHDC experienced higher Net Revenue as a result of higher LIHTC partnership fee revenue than the prior year, due to higher cash flow distributions.
- Banyard Management had slightly lower Net Revenues as lower Corporate Service costs were paid to the Authority.
- Other Revenues classified as \$0 in the 2018 Audit report.
- The \$375,241 Prior Year Adjustment in FY 2018 was the result of the first year implementation adjustment for GASB 75, in recognizing the Net OPEB Liability on the balance sheet.

The Authority's funds are all Proprietary Funds; therefore, no discussion of Government Funds is included in the supplementary information.

**BUDGETARY ANALYSIS OF THE GENERAL FUND**

The General Fund is included as a Business Activities fund. It is budgeted for revenue and expenditures that cannot be classified into any other category. Most Revenues are discretionary public funds, used for purposes other than the more restrictive federally funded programs. In 2018, Revenue was derived from Office Space rental, Mortgage Interest, Management Fees for non federal activities, and Profits from LIHTC partnerships. Other programs include several rental assistance programs funded by the City of Chico and the County of Butte.

**General Fund Budget Analysis**

**September 30, 2018**

	<u><b>Original Budget</b></u>	<u><b>Final Budget</b></u>	<u><b>Actual</b></u>	<u><b>Variance</b></u>
Revenues				
Investment Income	\$ 2,500	\$ 2,500	\$ 2,898	\$ 398
Mortgage Interest Income	74,650	74,650	81,127	6,477
Other Income	<u>459,020</u>	<u>459,020</u>	<u>590,193</u>	<u>131,173</u>
Total Revenues	<u>536,170</u>	<u>536,170</u>	<u>674,218</u>	<u>138,048</u>
Expenditures				
Total Expenditures	<u>594,143</u>	<u>594,143</u>	<u>604,286</u>	<u>(10,143)</u>
Retained Earnings	<u><u>\$ (57,973)</u></u>	<u><u>\$ (57,973)</u></u>	<u><u>\$ 69,932</u></u>	<u><u>\$ 127,905</u></u>

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED**  
**SEPTEMBER 30, 2018**

- Investment income was slightly higher than budget.
- Mortgage interest income was higher than budget, which was estimated too low based upon known parameters.
- Other Income is much higher than budget due to large profits recognized from the limited partnership interests in Chico Commons, L.P. and Walker Commons, L.P. for CY 2018. These larger than usual profits were not considered in the budget development.
- Total Expenditures are lower than budgeted as a result of various lines items to include: funds that were budgeted for Consulting contracts that were not obligated in FY 2018 and lower than projected HAP expenses for special programs.

**CAPITAL ASSETS AND LONG-TERM DEBT**

As of September 30, 2018 the Authority's Primary Government had \$15.7 million invested in capital assets net of related debt and long-term debt of \$7.0 million. The components of the long-term debt are \$0.22 due to CA HCD; \$3.7 million due to USDA; and \$3.1 million payable for the 2000A bond issuance used to purchase four (4) apartment complexes and twenty-seven (27) condominium rental units. Investment in Capital Assets decreased by \$0.6 million, which is net of capital improvements and replacements, equipment dispositions, and depreciation. The 2000A bond series exceeded the minimum required 1.1:1 Debt Service Coverage Ratio with a ratio of 1.53:1.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Camp Fire Disaster, which destroyed 14,000 housing units in Butte County on November 8, 2018, the most destructive wild fire in California's history, significantly changed the operational landscape for the Authority. Fifteen percent of Butte County's housing stock was lost in a day. 35,000 persons were permanently displaced, many of whom were low-income, elderly, and/or disabled. Significant numbers of these displaced households are not living in places meant for permanent habitation. While the local housing market was "impacted" pre-Disaster, with a vacancy rate hovering around 1.5%, the market is now "hyper-impacted", with an estimated 24,000 unhoused persons seeking local housing opportunity. Additionally, the Authority lost a 12-unit multi-family property to the Disaster, the Kathy Court Apartments, Paradise.

Post-Disaster recovery of the HUD S8 HCV, aka Section 8, Program is first priority for the Authority, as the Section 8 program HAP funding streams are based on prior year performance. Fifteen percent of the Authority's Section 8 participants (318) were displaced by the Disaster. The Authority will make Section 8 program Waiver requests to HUD, to facilitate recovery of the program. 2019 will see the rebuilding of the Authority's Section 8 program; the work will be challenged by the lack of housing opportunity in the area, much less the region and state. The Authority is also focused on property development work to generate housing opportunity in the area. Finally, the Authority is working with the community to develop and empower homeless service agencies and coordination, to address the increasing needs of the homeless and displaced.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED**  
**SEPTEMBER 30, 2018**

The State of California, under the new leadership of Governor Gavin Newsom and a supportive legislature, is ramping up to spend significant sums on homeless and housing issues. The new funding sources provide promise in the funding of new housing development. While the State is seeing more resources devoted to housing, little is being done to address the regulatory system that resulted in the State's systemic inability to provide housing to its citizenry, housing that is sufficient in quantity and affordable.

Congressional appropriations have been supportive and relatively consistent over the past three years, including a large increase to the Public Housing Capital Fund program. 2018's federal funding streams to the Authority are consistent with 2017's flows, having taken a turn in moving away from years of funding swings and uncertainty to a near-term funding environment characterized by relative stability. Congress appears to be increasingly sensitized to the housing needs of the country. However, prospects for funding past FY 2019 are unknown – neither the Administration nor Congress articulate a long term guiding vision, strategy, or policy for social housing programs.

Late delivery of federal budgets remains an ongoing issue, with 2018's budget delivered in June, six months into the operating year. This is an issue of particular concern for the Section 8 HCV program. The timing leaves the Authority conservatively budgeting for the worst, operating blindly in the first half of the year, and then scrambling to perform to actual in the second half of the year. As Section 8 HCV funding is based on performance, late delivery of budget authority aggravates the agency's ability and capacity to optimize program administration in service to its clients.

The 2018 year saw the Authority earn HUD "High Performer" status in the administration of each of its LIPI and S8 HCV programs. Performance was further affirmed by HUD award of another thirty (30) HUD VASH vouchers during the year, bringing the number of homeless veterans served by the program to one hundred and sixty-four (164) households.

HUD has furthered implementation of its data systems introduced in 2017, used for administration of its programs, including the EPIC program for LIPI Capital Fund administration, the PIC-NG system applicable to the Section 8 HCV and LIPI programs, and the UPCS-V inspection system applicable to the Section 8 HCV program. HUD's periodic data systems changes require acute attention and training of staff to ensure program compliance and administrative efficiency.

The Authority completed its work establishing third party property management services at its Low Income Housing Tax Credit (LIHTC) regulated properties. Smaller, area-centric property management firms were retained to replace larger, nationally-based companies. Specifically, the HACB is utilizing the services of Sackett Corp., Sacramento, CA, at Gridley Springs I and II Apartments, Gridley, and AWI, Inc., from Auburn, CA, at 1200 Park Avenue Apartments, Walker Commons Apartments, and Chico Commons Apartments.

The Authority now works with four (4) third party property management companies, serving its LIHTC, bond financed, and select "other" properties. The Authority now self manages only its Public Housing portfolio (18 properties/345 units) and its USDA subsidized Gridley FLH property; their regulatory structures are so specialized that competitive property management capacity is not reasonably available for consideration.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED**  
**SEPTEMBER 30, 2018**

The Gridley Farm Labor Housing property, subject to a USDA-RD Workout Plan and ongoing renovation because of age and deferred capital needs, operated at break even. Operations were challenged by significant mandated flood insurance and flood improvement district premiums, and resident recruitment hampered by household member legal status and associated cross border considerations. 2019 will see construction of Phases II and III of the Workout Plan, including renovation of eighteen (18) buildings.

The Butte County market area is hyper impacted, with residential vacancy rates unmeasurable in the wake of the Camp Fire Disaster. Consistent with California as a whole, the lack of housing opportunity is attributable to systemic issues with housing production, wherein long-term regulatory structures reflective of cultural attitudes have resulted in an inability to provide sufficient housing to citizenry. The shortage of housing has resulted in increasing numbers of homeless, rental market price increases, and landlord disinclination to rent to Section 8 Voucher holders. This has affected leasing performance in the Authority's Section 8 HCV and Homeless Programs, rental assistance recipients struggle to find housing opportunity unless they are already living in a unit eligible for subsidy. The Authority now sees development of new housing as the principal means to achieve real housing opportunity; and finds itself marketing its rental-assistance programs ever more pro-actively to area landlords. Further, the Authority now recognizes that its Section 8 HCV Payment Standards, reviewed and reset annually, now functions to establish the "base" of the area rental market; any increases in Payment Standards results in an immediate increase of base rent levels throughout the jurisdiction.

Given the lack of housing opportunity in Butte County, the Authority worked in partnership with other entities to bring forward affordable housing product. Specifically, the Authority worked with Pacific West Communities to bring forward a 37-unit apartment property serving very- and extremely-low income seniors in Gridley; worked with the UHC/Veterans Resource Center partnership to create a 50-unit apartment property serving homeless veterans in Chico; and finally, worked with the Chico-based northern California non-profit, CHIP, to advance a 100 unit property serving very low- and extremely-low income seniors in Chico, such development to be constructed on City-donated land. 2018 saw these projects in feasibility, organizational, and planning modes.

The Authority completed a Strategic Plan in 2016. One of the objectives of the Strategic Plan is the creation of a Strategic Asset Plan. The Strategic Asset Plan will analyze the Authority's non-HUD; non-USDA properties for mission sensitivity, location, physical needs, and financing opportunities, seeking to leverage assets into additional affordable housing and to bring coherence to the Authorities portfolio of variously financed and acquired properties.

In anticipation of financing needs addressing property portfolio and development work, the Authority had a Credit Analysis performed by the S&P Global Ratings rating agency in 2016. The Authority followed through in 2017 with a full Credit Rating analysis. Authorizing the rating to be made public, the Authority secured a credit rating of "A+". 2018's Credit Rating analysis resulted in an "A+" rating, with a "Credit Watch", a function of area Disaster recovery. The Authority took steps to address two operational costs that have seen significant instability over recent years: that of its health insurance and pension plan offerings provided to employees. As part of its union negotiation process, to address fast rising health insurance costs, the Authority moved its health insurance plan from a conventional Blue Cross plan to a Sacramento-area joint powers authority health plan provider, offering year-to-year plan cost increases that are capped.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED**  
**SEPTEMBER 30, 2018**

In 2018, in response to GASB 68 accounting requirements, the Board of Commissioners turned attention towards the Authority's Unfunded Pension Liability, estimated at approximately \$3.2 million. The Authority initiated an actuarial assessment of its CalPERS Pension plan, its assets, liabilities, and trends, with the aim to stabilize pension funding over time, and to assure delivery of the pension promises made to Authority employees. The work culminated with a Retirement Plan Investment Policy, contribution of \$2,000,000 to an IRS Section 115 Retirement Trust.

Consistent with recent Audit MD&A's, it is long term federal funding uncertainty and associated lack of guiding vision that most challenges stable operations. The nation's appropriations policies and challenged budget capacities are of particular long-term concern. Appreciating operational costs demand close attention. By default, the Authority remains focused on: achieving efficiencies in its own operations; re-evaluating and re-structuring its own assets; seeking partnerships in development of new programs and properties; and seeking opportunities for property acquisition to further diversify the agency's operations and properties.

**REQUEST FOR INFORMATION**

The audit report is designed to provide a general overview of the Authority's accountability for all those interested. If you should have additional questions regarding the financial information, you may contact our office in writing at the following address:

Housing Authority of the County of Butte  
Attention: Edward S. Mayer, Executive Director  
2039 Forest Avenue, Chico, California 95928

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2018**

	Primary Government	Component Unit	Total
<b>ASSETS</b>			
Current Assets:			
Cash - unrestricted	\$ 3,380,655	\$ 917,512	\$ 4,298,167
Cash - tenant security	288,080	10,000	298,080
Cash - restricted for payment of current liabilities	293,528	-	293,528
Cash - restricted - modernization and development	331,874	-	331,874
Cash - other restricted	694,418	-	694,418
Total cash (Note 2)	<u>4,988,555</u>	<u>927,512</u>	<u>5,916,067</u>
Receivables			
Accounts receivable - NPLH Butte Co.	6,111	-	6,111
Accounts receivable - HUD other projects	26,016	-	26,016
Accounts receivable - other government	71,741	-	71,741
Accounts receivable - miscellaneous	178,135	28,534	206,669
Accounts receivable - tenant dwelling rents	51,673	5,634	57,307
Allowances for doubtful accounts - dwelling rents	(18,162)	-	(18,162)
Fraud recovery	173	-	173
Notes receivable - current	-	-	-
Accrued interest receivable	40,671	-	40,671
Total receivable	<u>356,358</u>	<u>34,168</u>	<u>390,526</u>
Investments - unrestricted (Note 2)	2,415,863	250,000	2,665,863
Investments - restricted (Note 2)	1,680,354	-	1,680,354
Prepaid expenses and other assets	252,018	3,483	255,501
Inventories	19,987	-	19,987
Interprogram - due from	27,096	-	27,096
Allowance for obsolete inventory	(47)	-	(47)
Total current assets	<u>9,740,184</u>	<u>1,215,163</u>	<u>10,955,347</u>
Noncurrent assets:			
Capital assets			
Land and land rights	1,651,568	188,299	1,839,867
Construction in progress	21,252	-	21,252
Infrastructure	2,889,796	-	2,889,796
Buildings and improvements	46,764,267	613,026	47,377,293
Furniture and equipment	1,938,890	10,722	1,949,612
Vehicles	267,850	-	267,850
Accumulated depreciation	(30,833,462)	(435,793)	(31,269,255)
Total capital assets, net (Note 3)	<u>22,700,161</u>	<u>376,254</u>	<u>23,076,415</u>
Notes receivable - non current	1,826,030	-	1,826,030
Other assets	10	-	10
Investments in Joint Ventures (Note 2)	3,309,363	410,015	3,719,378
Total non - current assets	<u>27,835,564</u>	<u>786,269</u>	<u>28,621,833</u>
Total assets	<u>37,575,748</u>	<u>2,001,432</u>	<u>39,577,180</u>

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



**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2018**

	Primary Government	Component Unit	Total
Deferred outflows related to pension	665,291	-	\$ 665,291
Deferred outflows related to OPEB	<u>5,988</u>	<u>-</u>	<u>\$ 5,988</u>
Total assets and deferred outflow of resources	<u>38,247,027</u>	<u>2,001,432</u>	<u>40,248,459</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	127,182	7,707	134,889
Accrued wage/payroll taxes payable	15,441	-	15,441
Accrued compensated absences (Note 1)	134,594	-	134,594
Accrued interest payable	261,507	-	261,507
Deferred revenue - HUD PHA Programs	865	-	865
Tenant security deposits	284,400	10,000	294,400
Deferred revenues - Other	152,893	265	153,158
Current portion of long-term debt (Note 4)	318,632	2,281	320,913
Interprogram - due to	27,096	-	27,096
Other current liabilities	35,007	-	35,007
Accrued liabilities - other	<u>196,105</u>	<u>30,525</u>	<u>226,630</u>
Total current liabilities	<u>1,553,722</u>	<u>50,778</u>	<u>1,604,500</u>
Noncurrent liabilities:			
Long-term debt, net of current portion (Note 4)	6,706,634	21,574	6,728,208
Accrued compensated absences - noncurrent (Note 1)	35,833	-	35,833
Noncurrent liabilities - other	79,960	-	79,960
Net OPEB liability	226,053	-	226,053
Net pension liability	<u>3,240,459</u>	<u>-</u>	<u>3,240,459</u>
Total noncurrent liabilities	<u>10,288,939</u>	<u>21,574</u>	<u>10,310,513</u>
Total liabilities	<u>11,842,661</u>	<u>72,352</u>	<u>11,915,013</u>
Deferred inflows of resources - Pension	<u>307,130</u>	<u>-</u>	<u>\$ 307,130</u>
Total liabilities and deferred inflow of resources	<u>12,149,791</u>	<u>72,352</u>	<u>12,222,143</u>
<b>NET POSITION</b>			
Net investments in capital assets	15,674,895	352,399	16,027,294
Restricted	2,626,686	-	2,626,686
Unrestricted	<u>7,795,655</u>	<u>1,576,681</u>	<u>9,372,336</u>
Total net position	<u>\$ 26,097,236</u>	<u>\$ 1,929,080</u>	<u>\$ 28,026,316</u>

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

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
<b><i>OPERATING REVENUES</i></b>			
Rental revenue- tenants	\$ 3,124,909	\$ 166,087	\$ 3,290,996
Grants:			
Federal- HUD PHA	14,346,893	-	14,346,893
Federal- USDA	331,213	-	331,213
Other revenues	<u>885,527</u>	<u>100,109</u>	<u>985,636</u>
Total operating revenues	<u>18,688,542</u>	<u>266,196</u>	<u>18,954,738</u>
<b><i>OPERATING EXPENSES</i></b>			
Administration	3,624,778	111,198	3,735,976
Tenant services	102,441	-	102,441
Utilities	440,634	18,542	459,176
Maintenance and operations	1,381,787	55,521	1,437,308
Protective services	44,995	-	44,995
General expenses	589,743	13,915	603,658
Housing assistance payments	11,984,066	-	11,984,066
Depreciation	<u>1,687,635</u>	<u>16,855</u>	<u>1,704,490</u>
Total operating expenses	<u>19,856,079</u>	<u>216,031</u>	<u>20,072,110</u>
Operating Income (Loss)	<u>(1,167,537)</u>	<u>50,165</u>	<u>(1,117,372)</u>
<b><i>NON-OPERATING REVENUES/(EXPENSES)</i></b>			
Interest income- mortgage loans	81,127	-	81,127
Other interest income	47,494	922	48,416
Interest expenses and amortization	<u>(265,800)</u>	<u>(261)</u>	<u>(266,061)</u>
Total non-operating revenue(expenses)	<u>(137,179)</u>	<u>661</u>	<u>(136,518)</u>
Net income (loss) before capital contribution	<u>(1,304,716)</u>	<u>50,826</u>	<u>(1,253,890)</u>
<b><i>CONTRIBUTIONS AND TRANSFERS</i></b>			
Capital contributions from HUD & USDA	<u>446,929</u>	<u>-</u>	<u>446,929</u>
Total capital contributions	<u>446,929</u>	<u>-</u>	<u>446,929</u>
Change in net position	<u>(857,787)</u>	<u>50,826</u>	<u>(806,961)</u>
Net position at beginning of year	27,330,265	1,878,254	29,208,519
Restatement (GASB 75)	375,242	-	375,242
Net position at beginning of year-restated	<u>26,955,023</u>	<u>1,878,254</u>	<u>28,833,277</u>
Net position at end of year	<u>\$ 26,097,236</u>	<u>\$ 1,929,080</u>	<u>\$ 28,026,316</u>

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

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Primary Government	Component Units	Total
<b><u>Cash flows from operating activities:</u></b>			
Receipts from dwelling rents	\$ 3,134,659	\$ 162,307	\$ 3,296,966
Receipts of operating grants	14,795,199	-	14,795,199
Receipts from other miscellaneous sources	1,991,496	99,643	2,091,139
Payments for housing assistance	(11,984,066)	-	(11,984,066)
Payments for tenant and protective services	(147,351)	1,000	(146,351)
Payments for utilities	(440,634)	(18,542)	(459,176)
Payment for general and administrative expenses	(4,589,763)	(125,113)	(4,714,876)
Payments for maintenance and other operation expenses	<u>(573,967)</u>	<u>(52,461)</u>	<u>(626,428)</u>
Net cash provided by operating activities	<u>2,185,573</u>	<u>66,834</u>	<u>2,252,407</u>
<b><u>Cash flows from capital and related financing activities:</u></b>			
Acquisition of construction and capital assets (net)	(759,564)	(31,065)	(790,629)
Net payment of long term debt	(308,735)	(2,257)	(310,992)
Capital contribution received	446,929	-	446,929
Interest paid	<u>(269,257)</u>	<u>(261)</u>	<u>(269,518)</u>
Net cash used by capital and related financing activities	<u>(890,627)</u>	<u>(33,583)</u>	<u>(924,210)</u>
<b><u>Cash flows from investing activities:</u></b>			
Proceeds from maturity (purchase) of investments	(972,373)	-	(972,373)
Receipts from (payment to) joint ventures	(114,121)	49,177	(64,944)
Collection of notes receivable	100,088	-	100,088
Interest on cash and investments	37,152	922	38,074
Interest received on note receivable and investments	<u>81,127</u>	<u>-</u>	<u>81,127</u>
Net cash provided/(used) by investing activities	<u>(868,127)</u>	<u>50,099</u>	<u>(818,028)</u>
Net increase/(decrease) in cash	426,819	83,350	510,169
Cash and cash equivalents - beginning of year	<u>4,561,736</u>	<u>844,162</u>	<u>5,405,898</u>
Cash and cash equivalents - end of year	<u><u>\$ 4,988,555</u></u>	<u><u>\$ 927,512</u></u>	<u><u>\$ 5,916,067</u></u>

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

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
<b><u>Reconciliation of operating loss to net cash provided by operating activities:</u></b>			
Operating income (loss)	\$ (1,167,537)	\$ 50,165	\$ (1,117,372)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	1,687,635	16,855	1,704,490
Change in assets and liabilities:			
(Increase)/Decrease in accounts receivable	1,099,612	(3,941)	1,095,671
(Increase)/Decrease in prepaid expenses and other assets	126,902	(305)	126,597
(Increase)/Decrease in inventory	6,297	-	6,297
Increase/(Decrease) in accounts payable	(56,449)	3,004	(53,445)
Increase/(Decrease) in tenant security deposits	85	1,000	1,085
Increase/(Decrease) in compensated absences payable	17,776	-	17,776
Increase/(Decrease) in deferred revenue	3,468	56	3,524
Increase/(Decrease) in accrued wages and accrued other liabilities	96,637	-	96,637
Increase/(Decrease) in net pension and OPEB liability, deferred outflows and deferred inflows	<u>371,147</u>	<u>-</u>	<u>371,147</u>
Net cash provided by operating activities	<u>\$ 2,185,573</u>	<u>\$ 66,834</u>	<u>\$ 2,252,407</u>

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

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The Housing Authority of The County of Butte (the “Authority”) is a public corporation located in Chico, California and was established under Section 34200 of the California Health and Safety Code as a local agency within the Ralph M. Brown Act of 1937. Public Housing Authorities were authorized by the Federal Housing Act of 1937. Under that authority, the Housing Authority of The County of Butte was incorporated in 1946 to provide and promote safe and sanitary housing for low-income persons residing in Butte County.

The Authority is governed by a citizen’s commission appointed by the county Board of Supervisors.

The Authority’s financial statements include the accounts of all the Authority’s operations. The criteria for including organizations as component units within the Authority’s reporting entity, as set forth in Section 2100 of Government Accounting Standards Board’s (GASB’s) Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Authority holds the corporate powers of the organization
- The Authority appoints a voting majority of the organization’s board
- The Authority is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Authority
- There is a fiscal dependency by the organization on the Authority

Based on the foregoing criteria, two entities were identified as component units of the Authority and are included in the Authority’s financial statements.

Banyard Management, Inc., (Banyard) a nonprofit and legally separate entity, is a general partner in Chico Commons, L.P., a Limited Partnership, and reports its activity on an equity basis as a joint venture under GASB 14. Chico Commons, L.P. has a December 31 year-end.

Butte County Affordable Housing Development Corporation (BCAHDC), a nonprofit and legally separate entity, is a general partner in the following California Limited Partnerships who report their activities on an equity basis as a joint venture under GASB 14: Walker Commons, L.P.; 1200 Park Avenue, L.P.; Chico Harvest Park, L.P.; and DHI-DFA Gridley Springs Associates, L.P. All partnerships have December 31 year ends.

**B. Basis of Presentation**

The Authority’s basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the USA.

**Government-wide Statements:** The statement of net position and the statement of activities display information about the Authority (and its component unit). These statements include the financial activities of the overall Authority. The Authority’s business-type activities are financed in whole or in part by fees charged to external parties.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority's activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants, federal annual contribution contracts (ACC), and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues are presented as general revenues.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as grants, ACC, and investment earnings, result from nonexchange transactions or ancillary activities.

**C. Basis of Accounting**

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Non-exchange transactions, in which the Authority gives or receives value without directly receiving or giving equal value in exchange, include grants, ACC, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Under the terms of grant or ACC agreements, the Authority may fund certain programs with a combination of cost reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The Authority's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

The Authority follows Statements and Interpretations of the Financial Accounting Standards Board and its predecessors in accounting for its business-type activities, unless those pronouncements conflict with Government Accounting Standards Board pronouncements.

The Authority considers all of its funds to be proprietary. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the Authority or if total assets, liabilities, revenues, or expenses of the individual fund are at least 10 percent of the Authority-wide total. The Authority considers all of its activity to be housing related and therefore, considers all the financial activity of the Authority to be one major fund.

# HOUSING AUTHORITY OF THE COUNTY OF BUTTE

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

The statement of position presents the Authority's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Net position is reported in three categories:

- *Net Investment in capital assets* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. There was no restricted net position.
- *Unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The Statement of Revenues, Expenses, and Changes in Net Position is the operating statement for the enterprise fund. Revenues are reported by major source. This statement distinguishes between operating and non-operating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses, and operating income.

#### **D. Programs Administered by the Authority**

The Authority administers ACCs and grants to provide low-income housing with primary financial support from the U.S. Department of Housing and Urban Development (HUD). ACC's administered by the Authority are as follows:

<b><u>Program Name</u></b>	<b><u>Contract Number</u></b>	<b><u>Number of Units</u></b>
<b><u>Component Units</u></b>		
Butte County Affordable Housing Dev. Corp		20
Banyard Management, Inc.		0
<b><u>Housing Authority</u></b>		
Farm Labor Housing		121
Low Rent Public Housing	SF-171	345
Housing Choice Vouchers	SF-479	2042
Continuum of Care Program		5
Veterans Affairs Supportive Housing		164
Administrative Fund		202

#### **E. Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reporting amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results may differ from such estimates.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**F. Cash, Cash Equivalents and Investments**

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments. For purposes of the Statement of Cash Flows, cash equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents have an original maturity date of three months or less from the date of purchase.

The Authority pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as *cash* and *investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance. Investments are reported at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for certain investments and for External Investment Pools.

**G. Capital Assets**

The Authority has a \$5,000 capitalization threshold, as per policy. All capital assets are recorded at cost. Non-expendable assets are capitalized and depreciated from the respective place-in-service date. Depreciation is computed on the straight-line method based on the estimated useful lives of the individual assets: 15-40 years for building and improvements and 5-10 years for equipment. Maintenance and repairs are charged to expense when incurred.

**H. Compensated Absences**

Vacation and related benefits fully vest as earned and are paid in full upon termination. Sick vests, as per policy, up to \$2,500 and is payable upon termination if not qualified for Other Post Retirement Benefits. Vested vacation and sick obligations are recorded as accrued compensated absences until paid. Changes in compensated absences during fiscal year ended September 30, 2018, are presented as follows:

	<u>09/30/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>09/30/2018</u>	<u>Due within One Year</u>
Compensated absences	\$ <u>152,651</u>	\$ <u>140,309</u>	\$ <u>122,533</u>	\$ <u>170,427</u>	\$ <u>134,594</u>

**I. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 5 for additional information.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. See Notes 5 and 6 for additional information.



**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**J. Taxes**

The Authority is exempt from federal and state income taxes. The Authority is also exempt from property taxes, but makes payments to the County of Butte in lieu of taxes under Memorandum of Understanding agreements.

**NOTE 2 - CASH AND INVESTMENTS**

**A. Policies**

California Law generally requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Authority's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the Authority's name and places the Authority ahead of general creditors of the institution. As of September 30, 2018, the Authority's cash in bank was insured or collateralized as discussed above.

The Authority's investments are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for the fiscal year.

**B. Cash, Cash Equivalents and Investments**

For purposes of reporting cash flows, the Authority considers each entity's share of cash to be cash and cash equivalents.

**C. Classification**

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of the Authority's debt instruments. The Authority's money market funds were rated AAAM as of September 30, 2018.

	<u>Authority</u>	<u>Component Units</u>
Cash in bank – unrestricted	\$ 3,380,655	\$ 917,512
Cash in bank – restricted	1,607,900	10,000
Investments – unrestricted	2,415,863	250,000
Investments – restricted	<u>1,680,354</u>	<u>-</u>
Total cash and investments	<u>9,084,772</u>	<u>1,177,512</u>
<u>Composition:</u>		
Cash	\$ 4,988,555	\$ 927,512
Money Market funds	1,736,217	-
Certificates of Deposit	<u>2,360,000</u>	<u>250,000</u>
Total cash and investments	<u>\$ 9,084,772</u>	<u>\$ 1,177,512</u>

# HOUSING AUTHORITY OF THE COUNTY OF BUTTE

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

### **NOTE 2 - CASH AND INVESTMENTS (CONT'D)**

#### **D. Investments Authorized by the California Government Code and the Authority's Investment Policy**

The California Government code allows the Authority to invest in the following; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code:

Authorized Investment Type	Maximum Maturity	Maximum Specified Percentage of Portfolio	Minimum Credit Quality
Local agency bonds	5 years	None	None
U.S. treasury obligations	5 years	None	None
State of California obligations	5 years	None	None
CA Local agency obligations	5 years	None	None
U.S. agencies	5 years	None	None
Banker's acceptances	180 days	40%	A1/P1
Commercial paper – select agencies	270 days	40%	A1/P1
Commercial paper – other agencies	270 days	25%	None
Negotiable certificates of deposit	5 years	30%	None
Repurchase agreements	1 year	None	None
Reverse repurchase agreements and Securities lending agreements	92 days	20%	None
Medium-term notes	5 years	30%	A
Mutual funds	N/A	20%	Multiple
Money market mutual funds	N/A	20%	Multiple
Collateralized bank deposits	5 years	None	None
Mortgage pass-through securities	5 years	20%	AA
Time deposits	5 years	None	None
County pooled investment funds	N/A	None	None
Local agency investment fund (LAIF)	N/A	None	None

There are no restrictions on the maximum amount invested in each security type or maximum that can be invested in any one issuer.

The Authority does not have reverse repurchase agreements.

#### **E. Investments Authorized by Debt Agreements**

The Authority must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the Authority fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with the Authority's resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 2 - CASH AND INVESTMENTS (CONT'D)**

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum in Portfolio</u>	<u>Maximum Investment In One Issuer</u>
Repurchase agreements	N/A	Highest Rating Category	No Limit	No Limit
Government obligations	N/A	N/A	N/A	N/A
U.S. Government agency obligations	N/A	N/A	N/A	N/A
State obligations	N/A	Highest Rating Category	No Limit	No Limit
Commercial paper	N/A	Highest Rating Category	No Limit	No Limit
Negotiable certificates of deposit	N/A	Highest Rating Category	No Limit	No Limit
Time deposits	N/A	Highest Rating Category	No Limit	No Limit
Bankers acceptances	N/A	Highest Rating Category	No Limit	No Limit
Guaranteed investment contracts	N/A	Highest Rating Category	No Limit	No Limit
Money market mutual funds	N/A	AAA	No Limit	No Limit
State of California local agency Investment fund (LAIF Pool)	Upon Demand	N/A	\$50,000,000 per account	\$50,000,000 per account

There are no restrictions on the maximum amount invested in each security type or maximum that can be invested in any one issuer.

**F. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market rates. The Authority invests in cash, money market funds and time deposits, which may be drawn down as needed, subject to terms of the underlying debt indenture.

**G. Concentration Risk**

Significant investments in the securities of any individual issuers, other than U.S. Treasury securities, or mutual funds are required to be disclosed when they exceed five percent of the total portfolio. The Authority has no investments meeting this definition.

# HOUSING AUTHORITY OF THE COUNTY OF BUTTE

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

### **NOTE 2 - CASH AND INVESTMENTS (CONT'D)**

#### **H. Investment in Joint Ventures**

As of September 30, 2018, the Authority had invested in the interest of limited partnership as follows:

	<u>Primary Government</u>	<u>Component Units</u>
Walker commons L.P.	\$ 1,562,750	\$ 84,097
Chico Commons L.P.	1,746,613	326,572
Chico Harvest Park L.P.	-	(164)
DHI-DFA Gridley Springs Associates, L.P.	-	(7)
1200 Park Avenue L.P.	<u>-</u>	<u>(483)</u>
Total investment in Joint Ventures	<u>\$ 3,309,363</u>	<u>\$ 410,015</u>

### **NOTE 3 - CAPITAL ASSETS**

Changes in the Authority's capital assets are summarized below

#### **Primary Government**

	<u>September 30, 2017</u>	<u>Additions</u>	<u>Deletion / Transfers</u>	<u>September 30, 2018</u>
Capital assets not being depreciated:				
Land and land rights	\$ 1,651,568	\$ -	\$ -	\$ 1,651,568
Construction in progress	<u>46,119</u>	<u>11,557</u>	<u>(36,424)</u>	<u>21,252</u>
Total capital assets not being depreciated	<u>1,697,687</u>	<u>11,557</u>	<u>(36,424)</u>	<u>1,672,820</u>
Capital assets being depreciated:				
Buildings and improvements	46,070,031	694,236	-	46,764,267
Vehicles	241,257	77,673	(51,080)	267,850
Infrastructure	2,889,796	-	-	2,889,796
Furniture and equipment	<u>1,926,368</u>	<u>12,522</u>	<u>-</u>	<u>1,938,890</u>
Total capital assets being depreciated	<u>51,127,452</u>	<u>784,431</u>	<u>(51,080)</u>	<u>51,860,803</u>
Less: accumulated depreciation for:				
Buildings and improvements	(27,266,294)	(1,445,384)	-	(28,711,678)
Vehicles	(215,490)	(12,138)	51,080	(176,548)
Infrastructure	(443,008)	(144,905)	-	(587,913)
Furniture and equipment	<u>(1,272,115)</u>	<u>(85,209)</u>	<u>-</u>	<u>(1,357,324)</u>
Total accumulated depreciation	<u>(29,196,907)</u>	<u>(1,687,635)</u>	<u>51,080</u>	<u>(30,833,462)</u>
Total capital assets being depreciated, net	<u>21,930,545</u>	<u>(903,204)</u>	<u>-</u>	<u>21,027,341</u>
Total capital assets, net	<u>\$ 23,628,232</u>	<u>\$ (891,647)</u>	<u>\$ (36,424)</u>	<u>\$ 22,700,161</u>

# HOUSING AUTHORITY OF THE COUNTY OF BUTTE

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

### **NOTE 3 - CAPITAL ASSETS (CONT'D)**

#### **Component Units**

	<u>September 30, 2017</u>	<u>Additions</u>	<u>Deletion</u>	<u>September 30, 2018</u>
Capital assets not being depreciated:				
Land and land rights	\$ 188,299	\$ -	\$ -	\$ 188,299
Total capital assets not being depreciated	<u>188,299</u>	<u>-</u>	<u>-</u>	<u>188,299</u>
Capital assets being depreciated:				
Buildings and improvements	581,961	31,065	-	613,026
Furniture and equipment	<u>10,722</u>	<u>-</u>	<u>-</u>	<u>10,722</u>
Total capital assets being depreciated	<u>592,683</u>	<u>31,065</u>	<u>-</u>	<u>623,748</u>
Less: accumulated depreciation for:				
Buildings and improvements	(411,148)	(16,139)	-	(427,287)
Furniture and equipment	<u>(7,790)</u>	<u>(715)</u>	<u>-</u>	<u>(8,505)</u>
Total accumulated depreciation	<u>(418,938)</u>	<u>(16,855)</u>	<u>-</u>	<u>(435,793)</u>
Total capital assets being depreciated, net	<u>173,745</u>	<u>14,210</u>	<u>-</u>	<u>187,955</u>
Total capital assets, net	<u>\$ 362,044</u>	<u>\$ 14,210</u>	<u>\$ -</u>	<u>\$ 376,254</u>

### **NOTE 4: LONG-TERM DEBT**

A schedule of changes in long-term debt of the Authority for the year ended September 30, 2018 is shown below:

	<u>September 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>September 30, 2018</u>	<u>Due within One Year</u>
Series 2000 A bonds	\$ 3,200,000	\$ -	\$ 140,000	\$ 3,060,000	\$ 150,000
Rural Housing Construction Loan	218,032	-	-	218,032	-
Farm Labor Housing Loan	208,449	-	59,301	149,148	53,383
GFLH USDA Loan #5	1,825,934	-	56,002	1,769,932	57,917
GFLH USDA Loan #7	<u>1,881,586</u>	<u>-</u>	<u>53,432</u>	<u>1,828,154</u>	<u>57,332</u>
Total	<u>\$ 7,334,001</u>	<u>\$ -</u>	<u>\$ 308,735</u>	<u>\$ 7,025,266</u>	<u>\$ 318,632</u>

A schedule of changes in long-term debt of the component units for the year ended September 30, 2018 is shown below:

	<u>September 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>September 30, 2018</u>	<u>Due within One Year</u>
Loan from City of Chico	\$ 26,112	\$ -	\$ (2,257)	\$ 23,855	\$ 2,281
Total	<u>\$ 26,112</u>	<u>\$ -</u>	<u>\$ (2,257)</u>	<u>\$ 23,855</u>	<u>\$ 2,281</u>

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 4 - LONG-TERM DEBT (CONT'D)**

The notes payable consist of the following at September 30, 2018:

	<u>Primary Government</u>	<u>Component Units</u>
<u>Loan from City of Chico</u>		
On September 17, 1998, the Authority obtained a loan in the amount of \$65,000 from the City of Chico. The loan bears 1.0% annual interest rate and matures September 17, 2028. Annual payment, including interest, is \$2,519.	\$ -	\$ 23,855
<u>Series 2000 A Bonds</u>		
On July 7, 2000, the Authority issued Series 2000 A Bonds (the Bonds) in the amount of \$4,550,000 to finance and refinance the acquisition and rehabilitation of five apartment projects consisting of 127 units. The Bonds are paid semi-annually and mature on October 1, 2030. Annual interest rates range from 5.50% to 7.25% through the Bonds' term. At September 30, 2018, accrued interest on the Bonds was \$110,325.	3,060,000	-
<u>Rural Housing Construction Loan</u>		
On June 28, 2013, as part of the purchase of Gridley Springs II (the Property), the Authority assumed an existing Rural Housing Construction Program loan in the amount of \$218,032 from State of California Housing and Community Development Program. The loan bears an interest rate of 3% with payments of interest only at 0.042%. The entire loan matures in March 2048. At September 30, 2018, accrued interest on the loan was \$150,117.	218,032	-
<u>Farm Labor Housing Loan USDA Loan # 4</u>		
On December 27, 1989, the Authority entered into a 33-year loan agreement with the United States Department of Agriculture in the amount of \$1,450,000. The Loan bears annual interest of 1% and matures on December 27, 2022. Annual payment, including interest, is \$54,630. At September 30, 2018, accrued interest on the loan was \$53.	149,148	-
<u>Gridley Farm Labor Housing USDA Loan # 5</u>		
On December 16, 2013, the Authority entered into a 33-year loan agreement with the United States Department of Agriculture in the amount of \$2,000,000. The Loan bears annual interest of 1% and matures on December 1, 2046. Annual payment, including interest, is \$73,342. As of September 30, 2018, the Authority's draw-down of loan amount less payments was \$1,769,932 and accrued interest was \$498.	1,769,932	-
<u>Gridley Farm Labor Housing USDA Loan # 7</u>		
On December 16, 2013, the Authority entered into a 33-year loan agreement with the United States Department of Agriculture in the amount of \$2,000,000. The Loan bears annual interest of 1% and matures on December 1, 2046. Annual payment, including interest, is \$73,342. As of September 30, 2018, the Authority's draw-down of loan amount less payments was \$1,828,154 and accrued interest was \$514.	1,828,154	-
	<u>\$ 7,025,266</u>	<u>\$ 23,855</u>

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 4 - LONG-TERM DEBT (CONT'D)**

Annual debt service requirements to maturity for debt are as follows:

Year ending September 30	Primary Government		Component Units	
	Principal	Interest	Principal	Interest
2019	318,632	259,505	2,281	238
2020	329,591	246,968	2,303	216
2021	341,295	233,714	2,326	193
2022	358,015	219,337	2,349	169
2023	319,640	204,127	2,373	146
Thereafter	5,358,093	1,231,871	12,223	369
	<u>\$ 7,025,266</u>	<u>\$ 2,395,522</u>	<u>\$ 23,855</u>	<u>\$ 1,331</u>

**NOTE 5: PENSION PLAN**

The Housing Authority of the County of Butte contributes to the California Public Employee's Retirement System (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities with the State of California.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the California Public Employees' Retirement System (CalPERS) Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Plan Description and Provisions**

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Authority is part of a "cost sharing" pool within CalPERS. Benefit provisions and all other requirements are established by State statute and Authority resolution.

All full-time employees participate in the CalPERS retirement system. Employees are eligible for retirement at the age of 55 and are entitled to a monthly benefit of 2 percent of final compensation for each year of service credit. Retirement compensation is reduced if the plan is coordinated with Social Security. Retirement may begin at age 50 with a reduced benefit rate or after age 55 to 63 with an increased rate. Retirement benefits fully vest after 5 years of credited service. Upon separation from the fund, members' accumulated contributions are refundable with interest credited through the date of separation.

The California Public Employees' Pension Reform Act of 2013 (PEPRA) changes benefits for all new members after January 1, 2013 to 2 percent at age 62. The Authority has nine employees who are subject to the new benefit formula.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 5 - PENSION PLAN (CONT'D)**

**Actuarial Assumptions**

For the measurement period ended June 30, 2018, the total pension liabilities were determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2017 and June 30, 2018 total pension liabilities were based on the following actuarial methods and assumptions for all benefit tiers:

<u>Miscellaneous Plan (1)</u>	
Valuation Date (VD)	June 30, 2017
Measurement Date (MD)	June 30, 2018
Measurement Period	June 30, 2017 to June 30, 2018
Actuarial Cost Method	Entry Age Normal Cost Method
<u>Actuarial Assumptions:</u>	
Discount Rate	7.15%
Inflation Rate	2.75%
Salary Increase Rate	Varies by Entry Age and Service
Mortality	Derived using CalPERS' Membership Data
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 2017 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the CalPERS's year ended June 30, 2017, the Authority's proportionate share in the contributions to the Plan were as follows:

Contributions employer's allocation rate	0.0008177
Authority's portion	\$ 222,026

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.



**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 5 - PENSION PLAN (CONT'D)**

Proportionate shares of the net pension liability of \$3,240,459.

The Authority's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of September 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to September 30, 2018 using standard update procedures. The Authority's proportion of the net pension liability was based on a projection of the Authority's long term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

	Discount Rate - 1% <u>6.15%</u>	Current Discount Rate 7.15%	Discount Rate + 1% <u>8.15%</u>
Net Pension Liability	\$ <u>5,108,810</u>	\$ <u>3,240,459</u>	\$ <u>1,698,165</u>

For the year ended September 30, 2018, the Authority recognized pension expense of \$642,228. At September 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 110,490	\$ -
Changes of Assumptions	369,422	90,538
Differences between Expected and Actual Experience	124,331	42,309
Difference in actual contribution and proportionate share of contribution	-	141,902
Changes in proportion	45,028	32,381
Differences between Projected and Actual Investment Earnings	<u>16,020</u>	<u>-</u>
Authority's portion	\$ <u>665,291</u>	\$ <u>307,130</u>

\$110,490 reported as deferred outflows of resources related to pension contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2019.

# HOUSING AUTHORITY OF THE COUNTY OF BUTTE

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

### **NOTE 5 - PENSION PLAN (CONT'D)**

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Measurement Periods Ended September 30:</u>	<u>Authority's Share</u>
2019	\$ 276,204
2020	143,332
2021	(142,719)
2022	(29,146)
2023	-
Thereafter	\$ -

### **Expected Average Remaining Service Lifetime (EARS�)**

The EARS� for PERF C for the measurement date ending June 30, 2018 is 3.8 years, which was obtained by dividing the total service years of 516,147 (the sum of remaining service lifetimes of the active employees) by 135,474 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

### **Discount Rate**

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for public agency plans (including PERF C), the amortization and smoothing periods recently adopted by the Board were used. For the Plan, the crossover test was performed for a miscellaneous agent rate plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the rate plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained on CalPERS's website under GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 5 - PENSION PLAN (CONT'D)**

The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The long-term expected real rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018.

**Required Supplementary Information**

**Summary of Changes of Benefits or Assumptions**

**Benefit Changes:** There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

**Changes of Assumptions:** In 2018, there was no change in the accounting discount rate.

Employers should refer to CalPERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018, which may be accessed on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov), to obtain the required supplementary information for proper financial reporting.

**NOTE 6 - OTHER POST EMPLOYMENT BENEFIT (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

<u>Miscellaneous Plan (1)</u>	
Valuation Date (VD)	June 30, 2017
Measurement Date (MD)	June 30, 2018
Measurement Period	June 30, 2017 to June 30, 2018

**Plan Description**

Retired HACB employees are entitled to medical, dental and vision benefits if they:

- Were hired before October 01, 2013
- Retire at age 55 or older under CalPERS, and
- Have accumulated a minimum of 240 unused sick leave hours with HACB

# HOUSING AUTHORITY OF THE COUNTY OF BUTTE

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

### **NOTE 6 - OTHER POST EMPLOYMENT BENEFIT (OPEB)**

#### **Plan Description - cont'd**

Employees hired after October 1, 2013 are not eligible for post-retirement benefits under this plan. Benefits are provided to retirees, spouses and beneficiaries for a period of 5 years after retirement. This benefit is in lieu of accrued sick leave pay out at retirement. Benefits cease if the retiree dies prior to receiving 5 years of benefits. The HACB contribution amount is calculated at the time of retirement and is based on plan coverage at retirement, hours of unused sick leave, and the HACB contribution percentage on the date of retirement. The HACB contribution amount is calculated as the % of premiums HACB will cover (90% in 2018) times the CSAC Silver PPO plan premium at the coverage level selected, then scaled by accrued sick leave hours / required accrued sick leave hours (capped at 100%). The HACB contribution amount will not increase after the first 12 months of retirement and the retiree is responsible for any premiums in excess of the maximum.

#### **Employees Covered**

The participant data used in the valuation was provided by the Authority as of June 30, 2017. It is assumed that this data is representative of the population as of June 30, 2017. While the participant data was checked for reasonableness, the data was not audited, and the valuation results presented in this report are dependent upon the accuracy of the participant data provided. The table below presents a summary of the basic participant information for the active and retired participants covered under the terms of the Plan.

	<u>Total</u>
<u>Actives</u>	
Total counts	25
Average age	<u>50</u>
Average service	10
<u>Retirees</u>	
Counts	
Under age 65	2
Age 65 and over	<u>0</u>
Total counts	2
Average age	57
Total participants	27
<u>Covered dependents of retirees</u>	
Counts	
Spouses/Domestic partners	1
Children	<u>0</u>
Total	1
Grand total	28

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 6 - OTHER POST EMPLOYMENT BENEFIT (OPEB)**

**Net OPEB Liability**

The Authority's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 that was rolled forward to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

**Actuarial Assumptions - June 30, 2018 Measurement Date**

Actuarial valuation date	June 30, 2017
Discount rate	6.50%, based on CERBT Strategy 2 investment policy
Net investment return	6.50%, based on CERBT Strategy 2 investment policy
General inflation	Assumed 2.26% annual inflation
Payroll increases	3.25% annual increases.
Baseline Cost	<ul style="list-style-type: none"> <li>• \$7,308 per year for retirees</li> <li>• \$7,020 per year for spouses</li> </ul>
Administrative Expenses	We assumed that there are no administrative fees other than those included in the premium rates
Health Plan Participation	Assumed that 100% of eligible participants will participate and will chose the HACB plans for the first three years of coverage
Medicare Coverage	N/A
Morbidity Factors	CalPERS 2013 study
Population for Curving	CalPERS 2013 study
Mortality	The mortality rates used in this valuation are those used in the most recent CalPERS valuations.
Disability	Because of the anticipated low incidence of disability retirements, did not value disability.
Percent Married	The mortality rates used in this valuation are those used in the most recent CalPERS valuations.

As of June 30, 2018, the long-term expected rates of return for each major investment class in the Plan's portfolio are as follows:

<u>Investment Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equity	43.00 %	5.43 %
Fixed Income	49.00 %	1.63 %
REITs	8.00 %	5.06 %

The above table shows the target asset allocation in the CERBT Strategy 2 investment policy.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 6 - OTHER POST EMPLOYMENT BENEFIT (OPEB)**

**Discount Rate**

The discount rate is based on a blend of (a) the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

Above are the arithmetic long-term expected real rates of return by asset class for the next 10 years as provided in a report by JP Morgan. For years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.26% inflation rate. Investment expenses were assumed to be 10 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Bond Buyer 20-Bond General Obligation index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

<u>Investment Class</u>	<u>June 30, 2017</u>		<u>June 30, 2018</u>	
Discount rate	6.50	%	6.50	%
Bond Buyer 20-Bond GO Index	3.58	%	3.87	%

**Sensitivity of the Net OPEB Liability to changes in the discount rate**

The following presents the Authority's Net OPEB Liability if it were calculated using a discount rate that is 1% point lower (5.50%) or 1% point higher (7.50%) than the current rate:

	<u>Discount Rate - 1%</u> <u>5.50%</u>	<u>Current Discount</u> <u>Rate 6.50%</u>	<u>Discount Rate + 1%</u> <u>7.50%</u>
Net OPEB Liability	\$ <u>289,509</u>	\$ <u>226,053</u>	\$ <u>168,027</u>

**Sensitivity of the Net OPEB Liability to changes in the Trend rate**

The following presents the Authority's Net OPEB Liability if it were calculated using a trend table that is 1% point lower or 1% point higher than the current rate:

	<u>Trend Rate - 1%</u>	<u>Base Trend Rate</u>	<u>Trend Rate + 1%</u>
Net OPEB Liability	\$ <u>160,782</u>	\$ <u>226,053</u>	\$ <u>300,184</u>

# HOUSING AUTHORITY OF THE COUNTY OF BUTTE

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

### **NOTE 6 - OTHER POST EMPLOYMENT BENEFIT (OPEB)**

#### **Changes in Net OPEB Liability**

The changes in the net OPEB liability for the Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/ (Asset) (c) =(a) - (b)
Beginning Balance	\$ 689,492	\$ 464,671	\$ 224,821
Changes Recognized for the Measurement Period			
▪ Service Cost	29,120	-	29,120
▪ Interest	45,949	-	45,949
▪ Difference between Expected and Actual Experience	259	-	259
▪ Contributions from the Employers	-	45,274	(45,274)
▪ Net Investment Income <sup>2</sup>	-	29,068	(29,068)
▪ Benefit Payments, including Refunds of Employee Contributions	(23,792)	(23,792)	-
▪ Administrative Expenses	-	(246)	246
Net Changes	51,536	50,304	1,232
Ending Balance	<u>\$ 741,028</u>	<u>\$ 514,975</u>	<u>\$ 226,053</u>

#### **OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the fiscal year ended September 30, 2018, the Authority recognized OPEB expense of \$44,822. As of fiscal year ended September 30, 2018, the Authority reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	4,304	-
Differences between Expected and Actual Experience	232	-
Net Differences between Projected and Actual Earnings on OPEB Plan Investments	1,452	-
Authority's portion	<u>\$ 5,988</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 6 - OTHER POST EMPLOYMENT BENEFIT (OPEB)**

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - cont'd**

Fiscal Year Ended June 30:	Deferred Outflow/Inflow
2019	\$ 390
2020	390
2021	390
2022	390
2023	27
Thereafter	\$ 97

**NOTE 7: INTERPROGRAM BALANCES**

At September 30, 2018, interprogram balances are as follows:

	Due From	Due To
Business Activity	\$ 27,096	\$ -
Continuum of care	-	4,510
Capital Fund	-	15,852
ROSS Grant	-	4,606
Farm Labor Housing	-	2,128
Housing & Community Development	-	-
	<u>\$ 27,096</u>	<u>\$ 27,096</u>

**NOTE 8: RELATED PARTIES**

**Discretely Presented Component Units**

**Banyard Management** – was formed in July 1994 as a California non-profit public benefit corporation. Banyard Management has no employees, and is the managing general partner of Chico Commons L.P., a California Limited Partnership, which was formed in June 1991, to own, maintain and operate Chico Commons, a 72-unit apartment complex.

**BCAHDC** – Butte County Affordable Housing Development Corporation was formed in December 1994 as a California nonprofit public benefit corporation, owns a 20 unit housing development known as Cordillera Apartments. BCAHDC has no employees. And is the managing general partner of the following respective limited partnerships:

- DHI-DFA Gridley Springs I Associates, L.P., a California Limited Partnership, which was formed in July 2012, to own, maintain and operate Gridley Springs I, a 32-unit apartment complex.
- Chico Harvest Park L.P., a California Limited Partnership, which was formed in August 2011, to own, maintain and operate Harvest Park, a 90-unit apartment complex



# HOUSING AUTHORITY OF THE COUNTY OF BUTTE

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

### **NOTE 8 - RELATED PARTIES (CONT'D)**

- Walker Commons L.P., a California Limited Partnership, which was formed in May 1995, to own, maintain and operate Walker Commons, a 56-unit apartment complex.
- 1200 Park Avenue L.P. a California Limited Partnership, which was formed in March 2003, to own, maintain and operate 1200 Park Avenue Apartments. a 107-unit apartment complex.

**Related Party Transactions** - The Authority maintains the accounting records and provides managing general partner duties for various limited partnerships as well as providing Corporate Services for which it was paid management fees of \$22,912 and \$67,170 for Banyard Management and BCAHDC, respectively. The Authority did not charge the two component units with any of its overhead during the current fiscal year.

Five participants of the Housing Choice Voucher Program (CFDA #14.871) elected to use their vouchers to occupy units in BCAHDC's Cordillera Apartments. During the current fiscal year, the Authority made housing assistance payments from the HAP program for 7 tenants in the amount of \$21,415 to BCAHDC.

### **NOTE 9: GRIDLEY FARM LABOR HOUSING REHAB**

In September 2017 and July 2018, the Authority was granted two \$3 million grants from the USDA-RD for the purpose of rehabilitating units at Gridley Farm Labor Housing in Gridley, California. During the fiscal year, the Authority expended \$0 and \$0 was disbursed. Renovation is pending

### **NOTE 10: JOINT POWER AGREEMENT**

The Authority participates in a joint venture under a joint power agreement (JPA) with the California Housing Workers' Compensation Authority (CHWCA). CHWCA was formed to provide workers' compensation insurance coverage for member housing authorities. At December 31, 2017, there were thirty-three members. The relationship between the Authority and CHWCA is such that CHWCA is not a component unit of the Authority for financial reporting purposes.

Condensed audited financial information as of and for the year ended December 31, 2017, is as follows:

Total assets	\$ 27,349,298
Total liabilities	<u>15,055,537</u>
Net position	<u>12,293,761</u>
Total liabilities and net position	<u>27,349,298</u>
Operating revenues and non-operating revenues	6,348,609
Operating expenses	<u>5,823,426</u>
Net increase in net position	525,183
Net position, beginning of year	<u>11,768,578</u>
Net position, end of year	<u><u>\$ 12,293,761</u></u>

# HOUSING AUTHORITY OF THE COUNTY OF BUTTE

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

### NOTE 10: JOINT POWERS AGREEMENT

The Authority's share of year end assets, liabilities, or retained earnings has not been calculated. The Authority's annual premium is based on covered payroll. Premium paid for the fiscal year ended September 30, 2018 was approximately \$47,900. CHWCA issues a separate comprehensive annual financial report. Copies of this report may be obtained by contacting Bickmore Risk Services, 1750 Creekside Oaks Drive, Suite 200, Sacramento, California, 95833.

### NOTE 11: RISK MANAGEMENT

The Authority is exposed to all common perils associated with the ownership and rental of real estate properties. A risk management pool has been established to minimize loss occurrence and to transfer risk through various levels of insurance. Property, casualty, employee dishonesty and public official's liability forms are used to cover the respective perils. Insurance for these perils is underwritten by a housing authority insurance pool: Housing Authorities Risk Retention Pool (HARRP).

HARRP is a Joint Powers Authority organized under the intergovernmental cooperation laws of the states of Washington, Oregon, California, and Nevada, to manage the self-insurance program of housing authorities. The relationship between the Authority and HARRP is not a component unit of the Authority for financial reporting purposes. Through HARRP, the Authority currently maintains general liability coverage for claims up to \$2 million and property insurance for claims up to \$2 million and also business auto, fidelity bonds and errors and omission coverages. Condensed audited financial information for the year ended December 31, 2017 is as follows:

Total assets	\$ 37,010,002
Total liabilities	<u>13,142,172</u>
Net assets	<u>23,867,830</u>
Total liabilities and equity	<u>37,010,002</u>
Total revenues	11,743,844
Total expenses	<u>13,182,543</u>
Net change in net assets	(1,438,699)
Net assets at beginning of year	<u>25,306,529</u>
Net assets at end of year	<u>\$ 23,867,830</u>

The Authority's share of year end assets, liabilities, or retained earnings has not been calculated. The Authority's annual premium paid for the fiscal year ended September 30, 2018 was approximately \$90,165.

The Authority also procures flood insurance for Gridley Farm Labor and HUD properties in the flood plan for a cost of \$149,248.

# HOUSING AUTHORITY OF THE COUNTY OF BUTTE

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

### NOTE 12: COMMITMENTS AND CONTINGENCIES

In connection with various Federal and State grant programs, the Authority is obligated to administer the programs in accordance with regulatory restrictions, and is subject to audit by grantor agencies. In cases of noncompliance, the agencies involved may require the Authority to refund program monies. The amount of expenditures which may be disallowed, if any, by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

The Authority is contingently liable in connection with claims and contracts arising in the normal course of its activities. The Authority management is of the opinion that the outcome of such matters will not have a material effect on the basic financial statements.

The possibility exists that HUD contributions may decrease in the future. In the event that such contributions were significantly decreased, the Authority would need to seek other funding sources to maintain operations at current level or reduce services.

The Authority has various contracts they are committed to complete as of September 30, 2018. These contracts relate to the Authority various construction projects at Chico office. The funding to cover these commitments is through the general fund.

### NOTE 13: EVALUATION OF SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through June 21, 2019, the date which the financial statements were available to be issued.

### NOTE 14. NET POSITION RESTATEMENT

A prior period adjustment of \$375,242 has been reflected in the Authority's net position to record the net OPEB asset/liability, deferred outflows/inflows, and adjusted OPEB expense and net position in accordance to GASB 75.

Beginning net position as previously reported at September 30, 2017	\$ 27,330,265
Net OPEB liability per actuary report as of September 30, 2017	(224,821)
OPEB other assets recorded as of September 30, 2017	(150,421)
Total prior period adjustment	<u>(375,242)</u>
Net position- <i>restated</i> , September 30, 2017	<u><u>\$ 26,955,023</u></u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED NOTES**  
**FOR THE MEASUREMENT PERIOD JUNE 30, 2018**

	<u>2018</u>
<u>Total OPEB liability</u>	
Service cost	\$ 29,120
Interest	45,949
Change in benefit terms	-
Differences between expected and actual experience	259
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(23,792)</u>
Net change in Total OPEB Liability	51,536
Total OPEB Liability – beginning (a)	<u>689,492</u>
Total OPEB Liability – ending (b)	741,028
<u>Plan Fiduciary Net Position</u>	
Contributions – employer	45,274
Contributions – employee	-
Net investment income	29,068
Benefit payments, including refunds of employee contributions	(23,792)
Administrative expense	(246)
Other	<u>-</u>
Net change in Plan Fiduciary Net Position	50,304
Plan Fiduciary Net Position – beginning (c)	<u>464,671</u>
Plan Fiduciary Net Position – ending (d)	514,975
Net OPEB Liability - beginning (a) – (c)	<u>224,821</u>
Net OPEB Liability – ending (b) – (d)	<u><u>\$ 226,053</u></u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	69%
Covered employee payroll	NA
Plan Net OPEB Liability as percentage of covered employee payroll	NA

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**SCHEDULE OF PLAN CONTRIBUTION - OPEB**  
**FOR THE MEASUREMENT PERIOD JUNE 30, 2018**

	<u>2017 - 2018</u>
Actuarially determined contribution <sup>2</sup>	\$ 46,287
Covered-employee payroll <sup>3</sup>	NA
Contributions as a % of covered-employee payroll <sup>3</sup>	NA
Pay-go Payments by Employer Unreimbursed by the Trust	21,482
Active Implicit Rate Subsidy Transferred to OPEB	18,370
Contributions to the Trust	<u>5,422</u>
Total OPEB Contributions <sup>1</sup>	<u><u>\$ 45,274</u></u>

<sup>1</sup> ADC and Contributions are for the measurement period July 1, 2017 to June 30, 2018.

<sup>2</sup> Employers setting a discount rate based on the assumption that assets will be sufficient to cover all future benefit payments under the plan are assumed to annually make contributions equal to the actuarially determined contribution. Annual contributions made that are substantially less than the ADC would require additional support for use of a discount rate equal to the long-term expected return on trust assets. The ADC is based on the actuarial valuation as of the July 6, 2018 ADC report.

<sup>3</sup> Covered-Employee Payroll represented above is based on covered-employee payroll provided by the employer. GASB 75 defines covered-employee payroll as the total payroll of employees that are provided OPEBs through the OPEB plan. Accordingly, if OPEB covered-employee payroll shown above is different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Fiscal Year Ended September 30	Authority's Share			
	2015	2016	2017	2018
Authority's proportion of the net pension liability (asset)	0.0858%	0.0847%	0.0803%	0.0818%
Authority's proportionate share of the net pension liability	2,358,466	2,943,783	3,368,291	3,240,459
Authority's covered-employee payroll	1,669,801	1,777,189	1,796,356	1,819,346
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	141%	166%	188%	178%
Plan fiduciary net position as a percentage of the total pension liability	78.40%	75.87%	75.38%	77.68%

\* Fiscal year 2018 was the fourth year of implementation, therefore only four years are shown.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<u>Fiscal Year Ended September 30</u>	<u>Authority's Share</u>			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 296,087	\$ 317,900	\$ 343,095	\$ 222,026
Contributions in relation to the actuarially determined contributions	<u>(296,087)</u>	<u>(317,900)</u>	<u>(343,095)</u>	<u>(222,026)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	<u>1,669,801</u>	<u>1,777,189</u>	<u>1,796,356</u>	<u>1,819,346</u>
Contributions as a percentage of covered payroll	<u>0.18%</u>	<u>0.18%</u>	<u>0.19%</u>	<u>0.12%</u>

\* Fiscal year 2018 was the fourth year of implementation, therefore only four years are shown.



## **SUPPLEMENTARY INFORMATION**

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**COMBINING SCHEDULE OF NET POSITION - COMPONENT UNITS**  
**SEPTEMBER 30, 2018**

	<u>BCAHDC</u>	<u>Banyard</u>	<u>Total Component Units</u>
<b>ASSETS</b>			
Current assets:			
Cash - unrestricted	\$ 698,236	\$ 219,276	\$ 917,512
Cash - tenant security	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total cash	<u>708,236</u>	<u>219,276</u>	<u>927,512</u>
Receivables			
Accounts receivable - miscellaneous	28,534	-	28,534
Accounts receivable - tenant dwelling rents	<u>5,634</u>	<u>-</u>	<u>5,634</u>
Total receivables	<u>34,168</u>	<u>-</u>	<u>34,168</u>
Investments			
Investments - unrestricted (Note 2)	250,000	-	250,000
Prepaid expenses and other assets	<u>3,483</u>	<u>-</u>	<u>3,483</u>
Total Current Assets	<u>995,887</u>	<u>219,276</u>	<u>1,215,163</u>
Noncurrent assets:			
Capital assets			
Land and land rights	188,299	-	188,299
Buildings and improvements	613,026	-	613,026
Furniture, equipment and machinery - dwellings	10,722	-	10,722
Accumulated depreciation	<u>(435,793)</u>	<u>-</u>	<u>(435,793)</u>
Total capital assets, net	<u>376,254</u>	<u>-</u>	<u>376,254</u>
Other assets			
Investments in joint ventures	<u>83,444</u>	<u>326,571</u>	<u>410,015</u>
Total non-current assets	<u>459,698</u>	<u>326,571</u>	<u>786,269</u>
Total assets	<u>\$ 1,455,585</u>	<u>\$ 545,847</u>	<u>\$ 2,001,432</u>

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**COMBINING SCHEDULE OF NET POSITION - COMPONENT UNITS**  
**SEPTEMBER 30, 2018**

	<u>BCAHDC</u>	<u>Banyard</u>	<u>Total Component Units</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 6,903	\$ 804	\$ 7,707
Tenant security deposits	10,000	-	10,000
Deferred revenues	265	-	265
Current portion of long-term debt (Note 4)	2,281	-	2,281
Accrued liabilities - other	<u>30,525</u>	<u>-</u>	<u>30,525</u>
Total current liabilities	<u>49,974</u>	<u>804</u>	<u>50,778</u>
Noncurrent liabilities:			
Long-term debt, net of current portion (Note 4)	<u>21,574</u>	<u>-</u>	<u>21,574</u>
Total noncurrent liabilities	<u>21,574</u>	<u>-</u>	<u>21,574</u>
Total Liabilities	<u>71,548</u>	<u>804</u>	<u>72,352</u>
<b>NET POSITION</b>			
Net investments in capital assets	352,399	-	352,399
Unrestricted	<u>1,031,638</u>	<u>545,043</u>	<u>1,576,681</u>
Total Net Position	<u><u>\$ 1,384,037</u></u>	<u><u>\$ 545,043</u></u>	<u><u>\$ 1,929,080</u></u>

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -**  
**COMPONENT UNITS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>BCAHDC</u>	<u>Banyard</u>	<u>Total Component Units</u>
<b><i>OPERATING REVENUES</i></b>			
Rental revenue - tenants	\$ 166,087	\$ -	\$ 166,087
Other revenues	<u>86,287</u>	<u>13,822</u>	<u>100,109</u>
Total operating revenues	<u>252,374</u>	<u>13,822</u>	<u>266,196</u>
<b><i>OPERATING EXPENSES</i></b>			
Administration	88,137	23,061	111,198
Utilities	18,542	-	18,542
Maintenance and operations	55,521	-	55,521
General expenses	13,915	-	13,915
Depreciation	<u>16,855</u>	<u>-</u>	<u>16,855</u>
Total operating expenses	<u>192,970</u>	<u>23,061</u>	<u>216,031</u>
Operating income (loss)	<u>59,404</u>	<u>(9,239)</u>	<u>50,165</u>
<b><i>NON-OPERATING REVENUES/(EXPENSES)</i></b>			
Interest income- mortgage loans	-	-	-
Interest income	786	136	922
Interest expenses and amortization	<u>(261)</u>	<u>-</u>	<u>(261)</u>
Total non-operating revenue and expenses	<u>525</u>	<u>136</u>	<u>661</u>
Net income (loss) before contributions and transfers	<u>59,929</u>	<u>(9,103)</u>	<u>50,826</u>
Change in net position	59,929	(9,103)	50,826
Net position at beginning of year	<u>1,324,109</u>	<u>554,145</u>	<u>1,878,254</u>
Net position at end of year	<u><u>\$ 1,384,038</u></u>	<u><u>\$ 545,042</u></u>	<u><u>\$ 1,929,080</u></u>

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**ANNUAL CONTRIBUTION CONTRACTS WITH THE**  
**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
**RECONCILIATION OF COMPREHENSIVE GRANT AND CAPITAL FUNDS**  
**ADVANCES WITH COSTS**  
**OWNED HOUSING - SF - 171**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<u>Project Numbers</u>	<u>Funds Approved</u>	<u>Funds Advanced</u>	<u>Funds Expended</u>	<u>Excess/ (Deficiency)</u>
501-16	\$ <u>557,509</u>	\$ <u>557,509</u>	\$ <u>557,509</u>	\$ <u>-</u>
501-17	\$ <u>557,643</u>	\$ <u>203,856</u>	\$ <u>203,856</u>	\$ <u>353,787</u>
501-18	\$ <u>817,783</u>	\$ <u>10,381</u>	\$ <u>10,381</u>	\$ <u>807,402</u>

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**DEBT SERVICE COVERAGE RATIO - 2000A BONDS**  
**SEPTEMBER 30, 2018**

	<u>Combined Totals</u>	<u>Park Place Apts</u>	<u>Lincoln Apts</u>	<u>Kathy Ct Apts</u>	<u>Alamont Apts</u>	<u>Evanswood Estates</u>
<b><i>REVENUES</i></b>						
Rental revenue - tenants	\$ 1,127,191	\$ 279,875	\$142,435	\$ 114,091	\$ 270,865	\$ 319,925
Other income	46,730	6,695	8,866	12,611	10,957	7,601
Less: Vacancies and concessions	<u>(25,458)</u>	<u>(2,208)</u>	<u>(3,284)</u>	<u>(10,231)</u>	<u>(5,340)</u>	<u>(4,395)</u>
Total gross revenues	1,148,463	284,362	148,017	116,471	276,482	323,131
Less: Operating and maintenance expenses	<u>(584,485)</u>	<u>(127,914)</u>	<u>(93,031)</u>	<u>(87,632)</u>	<u>(112,978)</u>	<u>(162,930)</u>
Total net revenues	563,978	156,448	54,986	28,839	163,504	160,201
Note debt service payable	(369,650)	(107,497)	(15,290)	(41,936)	(89,171)	(115,756)
Transfer from Capitalized Interest Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash flow from Surplus Fund	<u>\$ 194,328</u>	<u>\$ 48,951</u>	<u>\$ 39,696</u>	<u>\$ (13,097)</u>	<u>\$ 74,333</u>	<u>\$ 44,445</u>

Debt service coverage ratio for the fiscal year ended 2018 is 1.53.

# HOUSING AUTHORITY OF THE COUNTY OF BUTTE

## FINANCIAL DATA SCHEDULE

### SEPTEMBER 30, 2018

	Project Total	14.267 Continuum of Care Program	10.427 Rural Rental Assistance Payments	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	1 Business Activities	10.405 Farm Labor Housing Loans and Grants	2 State/Local	Total
111 Cash - Unrestricted	\$17,499		\$13,054		\$1,113,251	\$917,512	\$2,236,851			\$4,298,167
112 Cash - Restricted - Modernization and Development			\$331,874							\$331,874
113 Cash - Other Restricted			\$298,847		\$291,215		\$104,356			\$694,418
114 Cash - Tenant Security Deposits	\$140,597		\$32,801			\$10,000	\$114,682			\$298,080
115 Cash - Restricted for Payment of Current Liabilities					\$33,203		\$260,325			\$293,528
100 Total Cash	\$158,096	\$0	\$676,576	\$0	\$1,437,669	\$927,512	\$2,716,214	\$0	\$0	\$5,916,067
122 Accounts Receivable - HUD Other Projects	\$16,855	\$4,555		\$4,606						\$26,016
124 Accounts Receivable - Other Government			\$27,415							\$27,415
125 Accounts Receivable - Miscellaneous	\$26,894		\$7,927	\$0		\$28,534	\$193,751			\$257,106
126 Accounts Receivable - Tenants	\$34,819	\$0	\$3,778	\$0		\$5,634	\$13,076			\$57,307
126.1 Allowance for Doubtful Accounts - Tenants	-\$14,861	\$0	\$0	\$0		\$0	-\$3,301			-\$18,162
128 Fraud Recovery	\$173		\$0		\$54,763					\$54,936
128.1 Allowance for Doubtful Accounts - Fraud	\$0		\$0		-\$54,763					-\$54,763
129 Accrued Interest Receivable							\$40,671			\$40,671
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$63,880	\$4,555	\$39,120	\$4,606	\$0	\$34,168	\$244,197	\$0	\$0	\$390,528
131 Investments - Unrestricted	\$1,132,940				\$1,059,000	\$250,000	\$223,923			\$2,665,863
132 Investments - Restricted							\$1,680,354			\$1,680,354
142 Prepaid Expenses and Other Assets	\$69,571		\$75,233		\$4,380	\$3,483	\$102,834			\$255,501
143 Inventories							\$19,987			\$19,987
143.1 Allowance for Obsolete Inventories							\$47			\$47
144 Inter Program Due From							\$27,096			\$27,096
150 Total Current Assets	\$1,424,487	\$4,555	\$790,929	\$4,606	\$2,501,049	\$1,215,163	\$5,014,558	\$0	\$0	\$10,955,347
161 Land	\$484,396		\$325,300				\$188,299			\$1,839,868
162 Buildings	\$27,668,118		\$11,865,151		\$396,855		\$613,026			\$47,377,293
163 Furniture, Equipment & Machinery - Dwellings	\$1,116,341		\$128,979				\$10,722			\$1,460,243
164 Furniture, Equipment & Machinery - Administration			\$522,493		\$113,023		\$121,702			\$757,218
166 Accumulated Depreciation	-\$21,973,583		-\$4,907,626		-\$316,370	-\$435,792	-\$3,635,884			-\$31,269,255
167 Construction in Progress	\$21,252		\$0				\$0			\$21,252
168 Infrastructure			\$2,889,796							\$2,889,796
160 Total Capital Assets, Net of Accumulated Depreciation	\$7,739,017	\$0	\$10,101,600	\$0	\$193,508	\$376,255	\$4,666,035	\$0	\$0	\$23,076,415
171 Notes, Loans and Mortgages Receivable - Non-Current							\$1,826,030			\$1,826,030
174 Other Assets					\$0		\$10			\$10
176 Investments in Joint Ventures						\$410,015	\$3,309,363			\$3,719,378
180 Total Non-Current Assets	\$7,739,017	\$0	\$10,101,600	\$0	\$193,508	\$786,270	\$9,801,438	\$0	\$0	\$28,621,833
200 Deferred Outflow of Resources	\$251,329		\$64,135		\$187,528		\$168,287			\$671,279
290 Total Assets and Deferred Outflow of Resources	\$9,414,833	\$4,555	\$10,956,664	\$4,606	\$2,882,085	\$2,001,433	\$14,984,283	\$0	\$0	\$40,248,459
312 Accounts Payable <= 90 Days	\$27,478	\$45	\$34,539		\$33,056	\$7,708	\$32,064			\$134,890
321 Accrued Wage/Payroll Taxes Payable							\$15,441			\$15,441
322 Accrued Compensated Absences - Current Portion	\$27,124		\$7,180		\$29,742		\$70,548			\$134,594
325 Accrued Interest Payable			\$1,065			\$0	\$260,442			\$261,507
331 Accounts Payable - HUD PHA Programs					\$865					\$865
341 Tenant Security Deposits	\$140,597		\$30,967			\$10,000	\$112,836			\$294,400
342 Unearned Revenue	\$6,758		\$4,692	\$0	\$131,024	\$265	\$10,419			\$153,158
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			\$168,632			\$2,281	\$150,000			\$320,913
345 Other Current Liabilities					\$34,001		\$1,005			\$35,006
346 Accrued Liabilities - Other	\$109,746		\$20,826		\$9,894	\$30,525	\$55,639			\$226,630
347 Inter Program - Due To	\$15,852	\$4,510	\$2,128	\$4,606			\$0			\$27,096
310 Total Current Liabilities	\$327,555	\$4,555	\$270,029	\$4,606	\$238,582	\$50,779	\$708,394	\$0	\$0	\$1,604,500
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0		\$3,578,602			\$21,574	\$3,128,032			\$6,728,208
353 Non-current Liabilities - Other					\$79,960					\$79,960
354 Accrued Compensated Absences - Non Current	\$7,220		\$1,912		\$7,918		\$18,783			\$35,833
357 Accrued Pension and OPEB Liabilities	\$1,445,813		\$296,674	\$0	\$1,120,716		\$603,309			\$3,466,512
350 Total Non-Current Liabilities	\$1,453,033	\$0	\$3,877,188	\$0	\$1,208,594	\$21,574	\$3,750,124	\$0	\$0	\$10,310,513
300 Total Liabilities	\$1,780,588	\$4,555	\$4,147,217	\$4,606	\$1,447,176	\$72,353	\$4,458,518	\$0	\$0	\$11,915,013
400 Deferred Inflow of Resources	\$101,352		\$28,263		\$104,821		\$72,694			\$307,130
508.4 Net Investment in Capital Assets	\$7,739,017		\$6,354,366		\$193,508	\$352,400	\$1,388,003		\$0	\$16,027,294
511.4 Restricted Net Position	\$0		\$630,721		\$211,255		\$1,784,710			\$2,626,686
512.4 Unrestricted Net Position	-\$206,124	\$0	-\$203,903	\$0	\$925,325	\$1,576,680	\$7,280,358	\$0	\$0	\$9,372,336
513 Total Equity - Net Assets / Position	\$7,532,893	\$0	\$6,781,184	\$0	\$1,330,088	\$1,929,080	\$10,453,071	\$0	\$0	\$28,026,316
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$9,414,833	\$4,555	\$10,956,664	\$4,606	\$2,882,085	\$2,001,433	\$14,984,283	\$0	\$0	\$40,248,459

# HOUSING AUTHORITY OF THE COUNTY OF BUTTE

## FINANCIAL DATA SCHEDULE

### SEPTEMBER 30, 2018

	Project Total	14.267 Continuum of Care Program	10.427 Rural Rental Assistance Payments	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	1 Business Activities	10.405 Farm Labor Housing Loans and Grants	2 State/Local	Total
70300 Net Tenant Rental Revenue	\$1,249,274		\$428,701			\$166,087	\$1,446,935			\$3,290,997
70400 Tenant Revenue - Other	\$81,930		\$5,185			\$4,241	\$41,386			\$132,742
70500 Total Tenant Revenue	\$1,331,204	\$0	\$433,886	\$0	\$0	\$170,328	\$1,488,321	\$0	\$0	\$3,423,739
70600 HUD PHA Operating Grants	\$1,199,504	\$44,233		\$61,064	\$13,042,092					\$14,346,893
70610 Capital Grants	\$446,929									\$446,929
70800 Other Government Grants			\$331,213							\$331,213
71100 Investment Income - Unrestricted	\$17,798		\$176		\$14,592	\$923	\$3,604			\$37,093
71200 Mortgage Interest Income							\$81,127			\$81,127
71400 Fraud Recovery					\$54,840					\$54,840
71500 Other Revenue	\$3,383		\$0		\$10,699	\$95,867	\$688,102			\$798,051
72000 Investment Income - Restricted			\$918				\$10,407			\$11,325
70000 Total Revenue	\$2,998,818	\$44,233	\$766,193	\$61,064	\$13,122,223	\$267,118	\$2,271,561	\$0	\$0	\$19,531,210
91100 Administrative Salaries	\$352,772	\$1,211	\$72,695		\$468,641		\$149,211			\$1,044,530
91200 Auditing Fees	\$2,858		\$3,500		\$18,028	\$3,379	\$5,406			\$33,171
91400 Advertising and Marketing			\$2,538		\$4,301		\$46			\$6,885
91500 Employee Benefit contributions - Administrative	\$398,760	\$381	\$62,127		\$408,345		\$94,601			\$964,214
91600 Office Expenses	\$56,124	\$1	\$9,864		\$108,645	\$3,047	\$32,511			\$120,192
91700 Legal Expense	\$5,739		\$670				\$520			\$6,929
91800 Travel	\$2,310		\$702		\$2,956		\$11,607			\$17,575
91810 Allocated Overhead	\$525,634				\$404,175		\$127,863			\$1,057,672
91900 Other	\$28,350	\$349	\$7,787		\$21,696	\$106,287	\$195,470			\$359,939
91000 Total Operating - Administrative	\$1,372,547	\$1,942	\$159,883	\$0	\$1,436,787	\$112,713	\$617,235	\$0	\$0	\$3,701,107
92100 Tenant Services - Salaries				\$44,839						\$44,839
92200 Relocation Costs	\$7,761									\$7,761
92300 Employee Benefit Contributions - Tenant Services				\$13,653						\$13,653
92400 Tenant Services - Other	\$1,524		\$1,243				\$15,892			\$18,659
92500 Total Tenant Services	\$9,285	\$0	\$1,243	\$58,492	\$0	\$0	\$15,892	\$0	\$0	\$84,912
93100 Water	\$98,964		\$9,337		\$963	\$6,308	\$45,546			\$161,118
93200 Electricity	\$26,255		\$31,384		\$13,818	\$3,146	\$25,918			\$100,521
93300 Gas	\$5,844		\$6,039		\$1,003	\$3,572	\$2,480			\$18,938
93600 Sewer	\$92,021		\$16,550		\$138	\$5,515	\$58,677			\$172,901
93000 Total Utilities	\$223,084	\$0	\$63,310	\$0	\$15,922	\$18,541	\$132,621	\$0	\$0	\$453,478
94100 Ordinary Maintenance and Operations - Labor	\$239,566		\$29,082				\$3,619			\$272,267
94200 Ordinary Maintenance and Operations - Materials and Other	\$117,997		\$9,981		\$3,644		\$2,726			\$134,348
94300 Ordinary Maintenance and Operations Contracts	\$322,658		\$114,331		\$13,373	\$55,521	\$405,253			\$911,136
94500 Employee Benefit Contributions - Ordinary Maintenance	\$125,289		\$10,012				\$1,652			\$136,953
94000 Total Maintenance	\$805,510	\$0	\$163,406	\$0	\$17,017	\$55,521	\$413,250	\$0	\$0	\$1,454,704
95200 Protective Services - Other Contract Costs	\$17,144		\$23,614		\$1,856		\$1,792			\$44,406
95000 Total Protective Services	\$17,144	\$0	\$23,614	\$0	\$1,856	\$0	\$1,792	\$0	\$0	\$44,406
96110 Property Insurance	\$26,580		\$10,520			\$5,665	\$11,318			\$54,083
96120 Liability Insurance	\$7,006		\$2,533				\$3,542			\$13,081
96130 Workmen's Compensation	\$29,230	\$9	\$3,993	\$350	\$6,157		\$1,660			\$41,399
96140 All Other Insurance	\$73,188		\$67,374		\$4,414		\$11,713			\$156,689
96100 Total Insurance Premiums	\$136,004	\$9	\$84,420	\$350	\$10,571	\$5,665	\$28,233	\$0	\$0	\$265,252
96200 Other General Expenses	\$761		\$3		\$15,092	\$138	\$30,349			\$46,343
96210 Compensated Absences	\$69,848	\$39	\$10,030	\$2,222	\$42,149		\$3,990			\$128,278
96300 Payments in Lieu of Taxes	\$95,405		\$16,714			\$1,295				\$113,414
96400 Bad debt - Tenant Rents	\$40,936		\$4,945			\$5,303	\$13,089			\$64,273
96600 Bad debt - Other					\$22,387					\$22,387
96000 Total Other General Expenses	\$206,950	\$39	\$31,692	\$2,222	\$79,628	\$6,736	\$47,428	\$0	\$0	\$374,695
96710 Interest of Mortgage (or Bonds) Payable			\$38,609				\$227,191			\$265,800
96720 Interest on Notes Payable (Short and Long Term)						\$261				\$261
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$38,609	\$0	\$0	\$261	\$227,191	\$0	\$0	\$266,061
96900 Total Operating Expenses	\$2,770,524	\$1,990	\$566,177	\$61,064	\$1,561,781	\$199,437	\$1,483,642	\$0	\$0	\$6,644,615
97000 Excess of Operating Revenue over Operating Expenses	\$228,294	\$42,243	\$200,016	\$0	\$11,560,442	\$67,681	\$787,919	\$0	\$0	\$12,886,595
97200 Casualty Losses - Non-capitalized	\$2,500		\$2,500							\$5,000
97300 Housing Assistance Payments		\$42,243			\$11,718,484		\$223,339			\$11,984,066
97400 Depreciation Expense	\$682,652		\$714,906		\$27,190	\$16,855	\$262,887			\$1,704,490
90000 Total Expenses	\$3,455,676	\$44,233	\$1,283,583	\$61,064	\$13,307,455	\$216,292	\$1,969,868	\$0	\$0	\$20,338,171
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$456,858	\$0	-\$517,390	\$0	-\$185,232	\$50,826	\$301,693	\$0	\$0	-\$806,961
11020 Required Annual Debt Principal Payments	\$0	\$0	\$168,732	\$0	\$0	\$2,258	\$140,000	\$0	\$0	\$310,990
11030 Beginning Equity	\$8,167,511	\$0	\$7,315,386	\$0	\$1,642,216	\$1,878,254	\$10,205,151	\$0	\$0	\$29,208,518
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$177,760		-\$16,812		-\$126,896		-\$53,773			-\$375,241
11170 Administrative Fee Equity					\$1,118,833					\$1,118,833
11180 Housing Assistance Payments Equity					\$211,255					\$211,255
11190 Unit Months Available	4140	60	1380	0	26262	240	2052			34134
11210 Number of Unit Months Leased	4096	60	1066	0	24289	236	1998			31745
11270 Excess Cash	\$801,595									\$801,595
11620 Building Purchases	\$446,929									\$446,929



**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u><i>U.S. Department of Housing and Urban Development</i></u>		
Direct Programs:		
Public and Indian Housing Program	14.850	\$ 1,138,175
Section 8 Housing Choice Voucher Program	14.871	13,042,092
Resident Opportunity and Supportive Services	14.870	61,064
Continuum of Care	14.267	44,233
Public Housing Capital Fund Program	14.872	<u>508,257</u>
Total U.S. Department of Housing and Urban Development		<u>14,793,821</u>
<u><i>U.S. Department of Agriculture</i></u>		
Direct Programs:		
Rural Rental Assistance Program	10.427	331,213
Farm Labor Housing USDA Loans and Grants	10.405	<u>3,747,234</u>
Total U.S. Department of Agriculture		<u>4,078,447</u>
Total Expenditures of Federal Awards		<u><u>\$18,872,268</u></u>

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Housing Authority of the County of Butte under programs of the federal government for the year ended September 30, 2018. The information in this schedule is presented in accordance with the requirements, Cost Principles Because the schedule presents only a selected portion of the operations of Housing Authority of the County of Butte, it is not intended to and does not present the financial position, changes in net position or cash flows of Housing Authority of the County of Butte.

**Note 2 - Summary of Significant Accounting**

Summary of significant accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All proprietary funds are accounted for using the accrual basis of accounting. Expenditures of federal awards reported on the schedule are recognized when incurred.

**Note 3 - Direct and Indirect (Pass-Through) Federal Awards**

Federal awards may be granted directly to the Authority by a federal granting agency or may be granted to other government agencies which pass-through federal awards to the Authority. The schedule includes only direct federal award programs. There are no indirect federal award programs for fiscal year ended September 30, 2018.

**Note 4 - De minimis indirect cost rate**

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

## **COMPILATION SECTION**

**INDEPENDENT AUDITOR'S 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 Board of Commissioners  
Housing Authority of The County of Butte  
Chico, California

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities, and the aggregate discretely presented component units of Housing Authority of The County of Butte as of and for the year ended September 30, 2018 and the related notes to the financial statements, which collectively comprise Housing Authority of the County of Butte's basic financial statements, and have issued our report thereon dated June 21, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Housing Authority of The County of Butte's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of The County of Butte's internal control. Accordingly, we do not express an opinion on the effectiveness of Housing Authority of The County of Butte'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 entity'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 weakness 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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Housing Authority of The County of Butte'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 determination of financial statement amounts. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Harshwal & Company, LLP**  
**Certified Public Accountants**

*Harshwal & Company LLP*

**Oakland, California**  
**June 21, 2019**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To the Board of Commissioners  
Housing Authority of The County of Butte  
Chico, California

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

We have audited Housing Authority of The County of Butte's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Housing Authority of The County of Butte's major federal programs for the year ended September 30, 2018. Housing Authority of The County of Butte's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Housing Authority of The County of Butte's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Housing Authority of The County of Butte's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Housing Authority of The County of Butte's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Housing Authority of The County of Butte, 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 federal programs for the year ended September 30, 2018.

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

Management of Housing Authority of The County of Butte is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Housing Authority of The County of Butte's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Housing Authority of The County of Butte's internal control over compliance.

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

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

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

**Harshwal & Company, LLP**  
**Certified Public Accountants**

*Harshwal & Company LLP*

**Oakland, California**  
**June 21, 2019**

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified that are not considered to be material weakness?	None reported
Noncompliance material to the financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance?	No

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program of Cluster</u>
14.850	Public and Indian Housing Program
14.871	Section 8 Housing Choice Voucher program

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.



**HOUSING AUTHORITY OF THE COUNTY OF BUTTE  
STATUS OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

There were no findings reported in the prior year.

July 12, 2019

MEMO

To: Board of Commissioners

From: Ed Mayer

Subject: Camp Fire Disaster Response  
HACB Hours of Operation Open to the Public

Requested is authorization to shorten the hours of operation where the HACB is open to the public. It is recommended the HACB close its office to public access at 4:00 p.m. Monday through Thursday. Friday access would remain the same (9:00 a.m. to noon).

Currently, the HACB is open to the public 36 hours each week: 9:00 a.m. to 5:00 p.m. Monday through Thursday, and 9:00 a.m. to noon on Fridays. Closing the office at 4:00 p.m. Monday through Thursday will result in 32 hours of public access each week.

The recommendation is made based on the following:

- Lack of Administrative capacity - because of Disaster-related personnel issues, the Section 8 Department now is short two (2) persons, and is in flux as personnel are being promoted, and hired and trained. One of the remaining Section 8 Case workers is new to their position, another has only six months experience. Also, the Department has a new Supervisor. A temp has been hired to backfill clerical work, but the Department is currently short HUD-related expertise; an issue that cannot simply be addressed by hiring (untrained) temps.
- The Section 8 Department was impacted significantly by the Disaster (318 participant households lost their homes – 15%). Re-constitution of the program is a high priority. Consequently, HACB is processing significantly increased numbers of program applicants in order to secure lease-up utilization. While overtime has been authorized, given the staffing shortfalls and new employees, administrative capacity to process applications is challenged. The four hours per week requested for closure to the public will provide eight hours of clerical capacity per week to the program, in that both front-desk personnel can be devoted to Section 8 work in the last hour of the day.
- The shortened hours to the public is a temporary, Disaster-related action. It is anticipated to last for an estimated half year, giving HACB personnel breathing room to address significantly increased Section 8 admissions processing, conducted in effort to rebuild the Section 8 program.

*Recommendation: Motion to authorize change in HACB hours open to the public, where the HACB's regular open to the public hours would be from 9:00 a.m. to 4:00 p.m. Monday through Thursday, and from 9:00 a.m. to noon on Friday, each week.*



## HOUSING AUTHORITY of the County of Butte

(530) 895-4474  
 FAX (530) 895-4459  
 TDD/TTY (800) 735-2929  
 (800) 564-2999 Butte County Only  
 WEBSITE: [www.butte-housing.com](http://www.butte-housing.com)  
 2039 Forest Avenue • Chico, CA 95928

July 9, 2019

### Update to Camp Fire Disaster, Butte County, CA

Below is summary data for our Section 8 HCV program. Of the 318 Section 8 Housing Choice Voucher households displaced by the Camp Fire:

	07/09/2019	07/01/2019
<b>Successes –</b>	<b>150</b>	<b>150</b>
• Repopulated:	29	29
• Housed in new unit:	60	60
• Port Out:	61 (45 billed / 16 absorbed)	61 (45 billed / 16 absorbed)
<b>Left Program –</b>	<b>67</b>	<b>63</b>
• Deceased:	8 (3 Camp Fire, 5 post CF)	8 (3 Camp Fire, 5 post CF)
• Voluntary exit:	11	11
• Expired vouchers	40	36
• Expired ports	8	8
<b>Still searching -</b>	<b>101</b>	<b>105</b>
• HACB Jurisdiction:	74	78
• Port:	27	27
<b>Total:</b>	<b>318 households</b>	<b>318 households</b>

This week no households leased up. Four (4) more left the program.

HACB has almost exhausted its 2017 Wait List. Also of the 1,048 families who applied for the 2019 Camp Fire Survivor Only Wait List, only 312 turned in verification for the preference. Therefore, HACB will be opening its Section 8 Housing Choice Voucher Wait List from July 22 – August 5, 2019 in order to continue our effort of rebuilding the Section 8 program post-Camp Fire.

Section 8 HCV Program Waiver requests are being prepared, focusing on a SEMAP performance exemption, maintenance of baseline funding, and denial of clients seeking to port into the Butte County jurisdiction.

Efforts continue to develop disaster response tools for the agency and community, including seeking of funds to gap finance pipeline affordable housing development projects, introduction of a Lease-Option-to-Purchase program for homebuyers, development of “small home” projects, and introduction of modular home concepts.

Re-staffing of the agency has been a recurring challenge, as employees impacted by the Disaster have been leaving to rebuild their lives; five have left to date.

Respectfully submitted,  
 Tamra C. Young, Administrative Operations Director  
 (530) 895-4474 Ext. 214, [tamray@butte-housing.com](mailto:tamray@butte-housing.com)



*The Housing Authority is an equal opportunity employer and housing provider.*



# Housing Authority of the County of Butte

## Asset Repositioning Study

### Summary Memorandum

July 17, 2019

#### Overview

The purpose of this memorandum is to generally outline the strategies for repositioning HACB's affordable housing assets. The final plan will (1) identify and analyze various real estate assets in HACB's real estate portfolio, (2) determine strategic financing and operating options for each asset, and (3) provide a roadmap for future decision making. The Repositioning Plan is expected to be finalized the week of July 15<sup>th</sup>.

#### Summary Financing Strategies by Project

Property	Existing Structure	Units	Hold	Redevelop	Bond/Refi	Tax Credit	Dispo
Alamont Apartment	Bond	30			X	X	
Lincoln Apartments	Bond	18				X	
Evanswood Estates	Bond	27				X	X
Park Place Apartments	Bond	40			X	X	
Kathy Court Apartments*	Bond	12		X			
Chico Commons Apartments	Tax Credit	72			X	X	
Walker Commons Apartments	Tax Credit	56	X			X	
1200 Park Avenue Apartments	Tax Credit	107			X	X	
Locust Street Apartments	Other/N/A	10			X	X	
Cordillera Apartments	Other/N/A	20			X	X	
1744 Laurel Street (SFH)	Other/N/A	1					X
2131 Fogg Avenue (SFH and land)	Other/N/A	1		X			X
29 Evanswood Circle (1 unit - condo)	Other/N/A	1				X	X

#### Hold

The Plan will identify those properties within the portfolio whose repositioning strategy might include continued operations "as is." A prime example of this strategy would be the Walker Commons Apartments. The caveat to most potential "hold" scenarios will be the Authority's interest or motivation in leveraging the project's current operations or HACB's equity in the project to potentially increase cash proceeds from a repositioning. As an example, and given the excellent condition of the property, combining Walker Commons with a scattered site tax credit syndication would create surplus cash for the Authority



## **Disposition**

Given the financial and operational drain that accompanies management of low-density scattered site properties, the plan will recommend disposition of the Laurel Street single family Home. Given the significant capital needs and architectural barriers, Evanswood Estates, as well as the Single-Family condo unit, is also a potential disposition option.

## **Redevelop**

The Fogg Avenue property is ideally situated adjacent to an existing Public Housing complex, and given the large parcel of land, provides for unique opportunity to redevelop the site with more dense housing. A likely scenario involves holding the property until a development is planned for the site, potentially involving replacement housing for other HACB dispositions. Alternatively, the property would likely obtain a prime asking price given the acreage, should the Authority elect not to redevelop. Similarly, given the total loss of housing during the Camp Fire, the Kathy Court Apartments are most likely best suited for redevelopment in the future.

## **Bond/Refinance or Tax Credit Syndication**

The remaining sites will see a number of scenarios involving Tax Credit Syndication, and or bond refinancing. Some of the factors impacting the scenarios involve “Qualified Census Tract” status, existing capital needs, acquisition value, and geographical location. Alamont, Park Place, Chico Commons, 1200 Park, Locust St, and Cordillera are all well suited for repositioning through Tax Credit syndication or a bond refinancing. Other properties such as Evanswood Estates and Lincoln Apartments, which have greater rehab needs, would benefit from the equity of a tax credit syndication over refinancing. It should be noted that after reviewing the Option and Right of First Refusal language, 1200 Park Avenue will most certainly be a prime candidate for the Authority to re-syndicate as both the Developer and General Partner, thus leveraging a substantial amount of potential surplus cash. .