

HOUSING AUTHORITY OF THE COUNTY OF BUTTE (HACB)

Board of Commissioners Meeting

2039 Forest Avenue
Chico, California 95928

MEETING AGENDA

October 16, 2025

2:00 p.m.

Due to COVID-19 and California State Assembly Bill 361 that amends the Ralph M. Brown Act to include new authorization for remote meetings, including remote public comment for all local agencies. California State Assembly Bill 361 extends the provision of Governor Newsom's Executive Order N-29-20 and N-35-20 until January 2024. The meeting will be a hybrid meeting both in person at this Housing Authority office and remotely. Members of the Board of Commissioners and HACB staff will be participating either in person or remotely. The Board of Commissioners welcomes and encourages public participation in the Board meetings either in person or remotely from a safe location.

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

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

<https://meet.goto.com/677324269>

You can also dial in using your phone.

Access Code:

677-324-269

United States (Toll Free):

[1 877 309 2073](tel:18773092073)

United States:

[+1 \(646\) 749-3129](tel:+16467493129)

If you have any trouble accessing the meeting agenda, or attachments; or if you are disabled and need special assistance to participate in this meeting, please email marysolp@butte-housing.com or call 530-895-4474 x.210.

Notification at least 24 hours prior to the meeting will enable the Housing Authority to make a reasonable attempt to assist you.

NEXT RESOLUTION NO. 4974

ITEMS OF BUSINESS

1. ROLL CALL

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2. AGENDA AMENDMENTS

3. CONSENT CALENDAR

3.1 Minutes for the meeting of September 18, 2025

3.2 Checks written for:

3.2.1	Accounts Payable (General) –	\$1,553,044.75
3.2.2	Landlords –	\$2,116,720.34
3.2.3	Payroll –	\$143,607.76

3.3 Finance Update

3.4 Section 8 Housing Choice Voucher Program

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

3.9.1 Mi Casa Update

3.10 HACB Owned Properties

3.11 Tax Credit Properties

3.12 Family Self Sufficiency

3.13 Rental Assistance Programs

3.14 News Articles

3.14.1 “New California Law to make housing projects easier can also make them cost more”, Dan Walters, *Cal Matters*, September 4, 2025

3.14.2 “Mayer Commons rises 7 years after Camp Fire” Michael Weber, *Chico Enterprise Record*, September 17, 2025

3.14.3 “70 more affordable units built on ridge” Michael Weber, *Chico Enterprise Record*, September 25, 2025

3.14.4 “A lifeline for state’s affordable housing providers” Seana O’Shaughnessy,
Chico Enterprise Record, October 1, 2025

4. CORRESPONDENCE

5. REPORTS FROM EXECUTIVE DIRECTOR

5.1 HACB Audit – Receive and Accept FY2024 Audit Report.

Recommendation: Motion

5.2 Capitalization Policy – Approve Revised Capitalization Policy.

Recommendation: Resolution No. 4974

5.3 Family Self-Sufficiency (FSS Graduate) – Recognition of FSS Graduate Vicki Smith.

Recommendation: Resolution No. 4975

6. MEETING OPEN FOR PUBLIC DISCUSSION

7. MATTERS CONTINUED FOR DISCUSSION

8. SPECIAL REPORTS

8.1 NAHRO: 2025 National Conference and Exhibition, September 28-30, 2025 Phoenix, AZ – Report by Larry Guanzon, Executive Director and Tamra Young, Deputy Executive Director.

9. REPORTS FROM COMMISSIONERS

10. MATTERS INITIATED BY COMMISSIONERS

11. EXECUTIVE SESSION

12. COMMISSIONERS’ CALENDAR

- **Next Meeting: Thursday, November 20, 2025**
- **Celebrating 25 Years of Mi C.A.S.A., Friday, November 21, 2025**
- **Save the date: HACB Holiday Luncheon Monday December 15, 2025**
- **Save the Date: January 25-27, 2026 NorCal/Nevada NAHRO 2026 Annual Conference, Napa, CA**

13. ADJOURNMENT

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

**MEETING MINUTES OF
September 18, 2025**

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

Chair Pittman called the meeting of the Housing Authority of the County of Butte to order at 2:05p.m.

1. ROLL CALL

Present for the Commissioners: Randy Coy, Bob Crowe, Rich Ober, and David Pittman; all attended in person.

Present for the Staff: Larry Guanzon, Executive Director; Tamra Young, Deputy Executive Director; Angie Little, Rental Assistance Programs Manager; Juan Meza, Public Housing Manager; Taylor Gonzalez, Project Manager; and Marysol Perez, Executive Assistant; all attended in person.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

Commissioner Ober moved that the Consent Calendar be accepted as presented. Commissioner Crowe seconded. *The approval of the consent calendar is without agenda item 3.3 Financial Reports.* The vote in favor was unanimous.

4. CORRESPONDENCE

None.

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5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Utility Allowances – The HACB completed its annual review of the Utility Allowances (UA's) used for administration of HACB's properties and programs. The Utility Allowance review was completed by Management Resource Group, Inc. using a blended methodology that combines "engineering-based" and consumption-based approaches. This year for the HCV area wide UA's there was a general decrease in PG&E, in comparison to the Public Housing department, where they say an increase in utilities across the board except for the Winston Gardens property in Oroville. After the UA's are approved by the Board, the Public Housing rates will go into effect January 1, 2026, as a 60-day notice must be given to tenants. The rates will be effective October 1, 2025 for the Section 8 HCV program as well as Gridley Farm Labor and lastly the rates will be effective within 90 days of Board approval for the Tax Credit properties.

MOTION

Commissioner Coy moved motion to adopt Utility Allowances as proposed for the upcoming 2025/2026-year, effective January 1, 2026 for the Public Housing program and October 1, 2025 for the Section 8 HCV Program. Commissioner Ober seconded. The vote in favor was unanimous.

- 5.2 HACB Consolidated Budget - The FY 2025-26 budget was presented for approval. This is a routine annual item; the proposed budget becomes effective October 1st, 2025, and was reviewed and discussed by the Board Budget Committee and HACB staff. The operating budget presented addresses and budgets anticipated expenses and revenues of the agency for all agency programs and projects. Individual fund budgets were crafted using revenue and expense trends from FY 2025 plus various assumptions. In summary, this is a routine budget, consistent with previous operations activity and trajectory, presented for approval.

RESOLUTION NO. 4972

Commissioner Ober moved that Resolution No. 4972 be adopted by reading of title only: "APPROVAL OF FISCAL YEAR 2025-26 CONSOLIDATED OPERATING BUDGET INCLUDING THE HUD SECTION 8 HOUSING CHOICE VOUCHER PROGRAM, HUD CONVENTIONAL LOW RENT PUBLIC HOUSING PROGRAM, USDA FARM LABOR HOUSING PROGRAM, AUTHORITY OWNED PROJECTS, AND OTHER AUTHORITY ADMINISTERED PROGRAMS AND CONTRACTS". Commissioner Crowe seconded. The vote in favor was unanimous.

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- 5.3 Section 8 Housing Choice Voucher (HCV) & Emergency Housing Voucher (EHV)
- Area Fair Market Rents (FMR's) by bedroom size for Butte and Glenn Counties are issued by HUD annually. HACB analyzes them to set Payment Standards for purposes of program administration. This year HUD- published FMR's saw an average increase of 10%. Rental Assistance Program Manager Angie Little and Deputy Executive Director Tamra Young, analyzed the program projections for 2026; they conducted an extensive analysis of the HCV program budget versus expenses, taking into account multiple factors such as: the effect of the effect of the project based vouchers on the program's per unit cost, as these rents are expected to increase by approximately 14%; the plan to transfer EVH participants into HCV mid-2026; predicted budget shortfall in 2026; and lastly the current housing market indicates a surplus of affordable housing units, providing competitive rental rates. Because of the factors described HACB staff is recommending unchanged HCV payment standards for the second year in a row. Additionally, because the EHV program is sunsetting in 2026, staff is currently drafting a plan to absorb these participants into the HCV program and therefore also recommends to change to the EHV Payment Standards.

RESOLUTION NO. 4973

Commissioner Crowe moved that Resolution No. 4973 be adopted by reading of title only: "DETERMINATION OF 2026 PAYMENT STANDARDS FOR THE HUD SECTION 8 HOUSING CHOICE VOUCHER AND EMERGENCY HOUSING VOUCHER PROGRAMS". Commissioner Ober seconded. The vote in favor was unanimous.

8. SPECIAL REPORTS

Executive Director Guanzon, shared that the date for the Mi CASA 25th anniversary which will be held on Friday November 21st. Additionally, the Board and staff shared the Mayer Commons Grand Opening this week was a nicely attended event.

9. REPORTS FROM COMMISSIONERS

None.

10. MATTERS INITIATED BY COMMISSIONERS

None.

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11. EXECUTIVE SESSION

None.

12. COMMISSIONERS' CALENDAR

- **NAHRO National Conference, Phoenix Convention Center | Phoenix, AZ | September 28-30, 2025**
- **Next Meeting October 16, 2025**
- **Save the Date: Monday December 15, 2025 HACB Holiday Luncheon**

13. ADJOURNMENT

The meeting was adjourned at 3:20 p.m.

Dated: September 18, 2025.

David Pittman, Board Chair

ATTEST:

Lawrence C. Guanzon, Secretary

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Housing Authority of the County of Butte
HACB Business Activities Account
AP Check Register

Check Date	Check #	Vendor	Total Amount
9/11/2025	4390	v0000006 - Biggs Municipal Utilities	3,203.64
9/11/2025	4391	v0000007 - CITY OF CHICO (22332) (FUEL)	837.86
9/11/2025	4392	v0000010 - California Water Service - Oroville	1,784.36
9/11/2025	4393	v0000011 - California Water Service - Chico	290.19
9/11/2025	4394	v0000014 - Gridley Municipal Utilities	192.26
9/11/2025	4395	v0000015 - A-1 Appliance	91.16
9/11/2025	4396	v0000017 - EAGLE SECURITY SYSTEMS	127.38
9/11/2025	4397	v0000031 - PG&E	727.77
9/11/2025	4398	v0000031 - PG&E	77.46
9/11/2025	4399	v0000031 - PG&E	7,156.37
9/11/2025	4400	v0000031 - PG&E	2,078.49
9/11/2025	4401	v0000031 - PG&E	190.65
9/11/2025	4402	v0000031 - PG&E	80.61
9/11/2025	4403	v0000034 - RECOLOGY BUTTE COLUSA COUNTIES, INC.	35.86
9/11/2025	4404	v0000034 - RECOLOGY BUTTE COLUSA COUNTIES, INC.	2,867.99
9/11/2025	4405	v0000034 - RECOLOGY BUTTE COLUSA COUNTIES, INC.	2,013.82
9/11/2025	4406	v0000040 - Gregory P. Einhorn	1,850.00
9/11/2025	4407	v0000057 - OPER. ENG. LOCAL #3	952.00
9/11/2025	4408	v0000072 - Towne Flooring Center	1,275.83
9/11/2025	4409	v0000085 - LES SCHWAB TIRES	247.05
9/11/2025	4410	v0000140 - COMCAST CABLE	706.50
9/11/2025	4411	v0000206 - JACKSON'S GLASS CO, INC.	6,642.23
9/11/2025	4412	v0000229 - InterWest Insurance Services, LLC	1,675.00
9/11/2025	4413	v0000235 - HD Supply Facilities Maintenance, Ltd.	5,941.99
9/11/2025	4414	v0000241 - WASTE MANAGEMENT	1,830.46
9/11/2025	4415	v0000276 - Scrubbs, Inc.	144.00
9/11/2025	4416	v0000297 - Valley Lock & Safe	37.69
9/11/2025	4417	v0000309 - Illustratus	136.99
9/11/2025	4418	v0000312 - Unum Life Insurance Company	1,416.85
9/11/2025	4419	v0000347 - North Valley Tree Service dba	3,250.00
9/11/2025	4420	v0000357 - Yuba City	196.00
9/11/2025	4421	v0000380 - Staples Business Credit	112.75
9/11/2025	4422	v0000380 - Staples Business Credit	80.06
9/11/2025	4423	v0000380 - Staples Business Credit	172.71
9/11/2025	4424	v0000380 - Staples Business Credit	81.50
9/11/2025	4425	v0000380 - Staples Business Credit	258.69
9/11/2025	4426	v0000380 - Staples Business Credit	155.94
9/11/2025	4427	v0000380 - Staples Business Credit	353.81
9/11/2025	4428	v0000380 - Staples Business Credit	24.13
9/11/2025	4429	v0000380 - Staples Business Credit	271.58
9/11/2025	4430	v0000401 - Plan B Professional Answering Services	150.00
9/11/2025	4431	v0000425 - Climate & Energy Solutions	1,225.00
9/11/2025	4432	v0000428 - Adecco Employment Services	2,816.00
9/11/2025	4433	v0000430 - HARRP	384,833.00
9/11/2025	4434	v0000459 - E Center	330.55
9/11/2025	4435	v0000474 - Advanced Document	225.98
9/11/2025	4436	v0000592 - Neal Road Recycling & Waste	28.21
9/11/2025	4437	v0000599 - Access Information Holdings, LLC.	98.11
9/11/2025	4438	v0000679 - SAM'S DOOR SHOP	463.22
9/11/2025	4439	v0000723 - Basis Architecture & Consulting, Inc.	8,159.54
9/11/2025	4440	v0000773 - Clean Master	2,664.00
9/11/2025	4441	v0000795 - Richard's North State Pest Mgmt (dba)	1,604.50
9/11/2025	4442	v0000801 - Chico Turf Plus, LLC	220.00
9/11/2025	4443	v0000829 - Armed Guard Private Security, Inc	300.00
9/11/2025	4444	v0000843 - Squyres Fire Protection, Inc.	300.00

9/11/2025	4445	v0000863 - Nor-Cal Landscape Maintenance dba	15,235.00
9/11/2025	4446	v0000880 - Willdan Financial Services	150.00
9/11/2025	4447	v0000903 - Chico Auto Care / Ace Radiator	450.87
9/11/2025	4448	v0004614 - City of Chico (Sewer)	34.46
9/11/2025	4449	v0004614 - City of Chico (Sewer)	1,841.97
9/11/2025	4450	v0004653 - Jessee Heating & Air Conditioning	130.00
9/11/2025	4451	v0004796 - Counter Magic Inc.	2,100.00
9/11/2025	4452	v0004827 - Verdant Commercial Capital LLC	273.13
9/11/2025	4453	v0004841 - Chico PSH Pacific Associates, A California Limited Pa	2,750.00
9/11/2025	4454	v0000380 - Staples Business Credit	12.05
9/25/2025	4455	t0001427 - Ordonez	137.44
9/25/2025	4456	v0000004 - CHWCA	23,898.00
9/25/2025	4457	v0000010 - California Water Service - Oroville	7,824.70
9/25/2025	4458	v0000010 - California Water Service - Oroville	189.03
9/25/2025	4459	v0000010 - California Water Service - Oroville	310.51
9/25/2025	4460	v0000011 - California Water Service - Chico	8,543.06
9/25/2025	4461	v0000014 - Gridley Municipal Utilities	1,802.74
9/25/2025	4462	v0000015 - A-1 Appliance	91.16
9/25/2025	4463	v0000031 - PG&E	71.00
9/25/2025	4464	v0000031 - PG&E	347.29
9/25/2025	4465	v0000031 - PG&E	15.64
9/25/2025	4466	v0000031 - PG&E	613.90
9/25/2025	4467	v0000031 - PG&E	2,511.96
9/25/2025	4468	v0000040 - Gregory P. Einhorn	90.00
9/25/2025	4469	v0000072 - Towne Flooring Center	1,802.63
9/25/2025	4470	v0000108 - AT&T	91.20
9/25/2025	4471	v0000113 - MILLER GLASS, INC.	5,051.35
9/25/2025	4472	v0000140 - COMCAST CABLE	1,187.20
9/25/2025	4473	v0000165 - CITY OF GRIDLEY	9,063.74
9/25/2025	4474	v0000169 - City of Oroville	124,353.00
9/25/2025	4475	v0000192 - Nan McKay & Associates, Inc.	239.00
9/25/2025	4476	v0000213 - MI CASA EDUCATION, INC.	5,000.00
9/25/2025	4477	v0000235 - HD Supply Facilities Maintenance, Ltd.	2,321.26
9/25/2025	4478	v0000267 - OFFICE DEPOT INC	72.02
9/25/2025	4479	v0000297 - Valley Lock & Safe	44.87
9/25/2025	4480	v0000357 - Yuba City	104.00
9/25/2025	4481	v0000380 - Staples Business Credit	535.24
9/25/2025	4482	v0000402 - US Bank	332.80
9/25/2025	4483	v0000425 - Climate & Energy Solutions	240.00
9/25/2025	4484	v0000428 - Adecco Employment Services	1,789.22
9/25/2025	4485	v0000469 - Thermalito Irrigation	897.58
9/25/2025	4486	v0000474 - Advanced Document	734.16
9/25/2025	4487	v0000504 - Jiffy Lube, Inc.	95.32
9/25/2025	4488	v0000554 - GreatAmerica Financial Services	224.55
9/25/2025	4489	v0000592 - Neal Road Recycling & Waste	215.99
9/25/2025	4490	v0000631 - Hignell, Inc. dba Experts in Your Home	196,307.06
9/25/2025	4491	v0000669 - ROTO-ROOTER OROVILLE	885.00
9/25/2025	4492	v0000680 - MAINTENANCE PLUS	2,048.29
9/25/2025	4493	v0000732 - WCP Solutions	1,597.94
9/25/2025	4494	v0000806 - Cypress Dental Administrators	2,872.70
9/25/2025	4495	v0000845 - HMR Architects, Inc.	2,100.00
9/25/2025	4496	v0000879 - GUZI-WEST Inspection and Consulting. LLC	803.45
9/25/2025	4497	v0000886 - Candelario Ace Hardware dba	75.25
9/25/2025	4498	v0000888 - Sarah Richter	50.00
9/25/2025	4499	v0000905 - Tiffany Lee (Flower Fund)	425.00
9/25/2025	4500	v0004546 - Taylor Gonzalez	9.23
9/25/2025	4501	v0004549 - Randy Coy	50.00
9/25/2025	4502	v0004637 - Ferguson US Holdings, Inc. (HVAC)	441.96
9/25/2025	4503	v0004653 - Jessee Heating & Air Conditioning	735.00

9/25/2025	4504	v0004667 - NV5, Inc.	294.80
9/30/2025	4505	v0000011 - California Water Service - Chico	292.90
9/30/2025	4506	v0000072 - Towne Flooring Center	2,681.93
9/30/2025	4507	v0000104 - DELL MARKETING L.P.	7,486.88
9/30/2025	4508	v0000113 - MILLER GLASS, INC.	916.77
9/30/2025	4509	v0000140 - COMCAST CABLE	256.09
9/30/2025	4510	v0000185 - Warren Asbestos Abatement Cont., Inc.	8,974.00
9/30/2025	4511	v0000369 - Thrifty Rooter-Service & Plumbing (CHICO)	2,660.00
9/30/2025	4512	v0000504 - Jiffy Lube, Inc.	126.84
9/30/2025	4513	v0000669 - ROTO-ROOTER OROVILLE	155.00
9/30/2025	4514	v0000680 - MAINTENANCE PLUS	21.25
9/30/2025	4515	v0000801 - Chico Turf Plus, LLC	240.00
9/30/2025	4516	v0000829 - Armed Guard Private Security, Inc	300.00
9/30/2025	4517	v0000880 - Willdan Financial Services	150.00
9/30/2025	4518	v0000886 - Candelario Ace Hardware dba	20.77
9/30/2025	4519	v0000893 - Genuine Parts Company	287.70
9/30/2025	4520	v0004653 - Jessee Heating & Air Conditioning	12,419.00
9/30/2025	4521	v0004733 - Bowman & Company, LLP.	40,000.00
9/30/2025	4522	v0004825 - Kearns & West, Inc.	2,722.50
9/30/2025	4523	t0013231 - Anguiano	1,241.00
9/3/2025	100401	v0001741 - Everett	1,839.00
9/3/2025	100402	v0003020 - Palo Verde Apartments LLC	815.00
9/3/2025	100403	v0003139 - CAA North Point Chico LP	1,259.00
9/3/2025	100404	v0003960 - Chico Housing Action Team	3,340.00
9/3/2025	100405	v0003988 - Elle Property Management Solutions	269.00
9/3/2025	100406	v0004575 - North Creek Crossings	784.00
9/3/2025	100407	v0004790 - RS1, LLC dba The Social	1,022.00
9/3/2025	100408	v0004819 - Raul J Ramirez	1,652.00
9/11/2025	100415	v0000240 - CIC	1,483.25
9/11/2025	100416	v0000821 - Golden State Risk Management Authority	33,029.00
9/11/2025	100417	v0004479 - Netsys Systems, Inc.	210.00
9/11/2025	100418	v0004835 - Marco Cruz	12,865.30
9/25/2025	100419	v0000047 - The Bank of New York Mellon Trust Co, N.A.	363,450.00
9/26/2025	100419	v0000047 - The Bank of New York Mellon Trust Co, N.A.	-363,450.00
9/25/2025	100420	v0000155 - Susanne Kemp	122.93
9/25/2025	100421	v0000159 - Tamra C. Young	174.50
9/25/2025	100422	v0000724 - ED MAYER	868.44
9/25/2025	100423	v0000749 - Larry Guanzon	334.96
9/25/2025	100424	v0000749 - Larry Guanzon	260.50
9/25/2025	100425	v0000807 - David Pittman	100.00
9/25/2025	100426	v0000859 - Richard H. Ober	50.00
9/25/2025	100427	v0000859 - Richard H. Ober	50.00
9/25/2025	100428	v0000890 - Robert R Crowe	50.00
9/25/2025	100429	v0000890 - Robert R Crowe	50.00
9/25/2025	100430	v0004526 - VSP Vision Care	521.92
9/25/2025	100431	v0004543 - Joseph Young	323.00
9/25/2025	100432	v0004835 - Marco Cruz	9,291.45
9/30/2025	100440	v0000240 - CIC	3,186.60
9/30/2025	100441	v0004841 - Chico PSH Pacific Associates, A California Limited Pa	500.00
9/30/2025	100442	v0004868 - Potter & Harvey, PC	2,046.24
9/30/2025	100443	v0004869 - Elevates Consulting LLC	13,420.40
9/30/2025	100444	v0000047 - The Bank of New York Mellon Trust Co, N.A.	363,450.00
9/15/2025	1108369	v0000799 - Benefit Resource, Inc.	175.00
9/5/2025	2994886	v0000059 - CalPERS	40,032.08
9/5/2025	2994887	v0000059 - CalPERS	12,729.23
9/5/2025	2994888	v0000059 - CalPERS	6,298.02
9/5/2025	2994889	v0000059 - CalPERS	433.17
9/5/2025	2994890	v0000059 - CalPERS	350.00
9/5/2025	2994891	v0000059 - CalPERS	315.00

10/6/2025 3:18 PM

9/5/2025	2994892	v0000059 - CalPERS	50.00
9/19/2025	3009267	v0000059 - CalPERS	12,729.40
9/19/2025	3009268	v0000059 - CalPERS	6,302.68
9/22/2025	3010238	v0000059 - CalPERS	315.00
9/16/2025	9162025	v0000088 - The Home Depot Credit Services	9,359.40
9/22/2025	9222025	v0000121 - United States Postal Service (CMRS-FP)	5,000.00
9/29/2025	9292025	v0000039 - TPx Communications	1,037.19
9/29/2025	9292025	v0000048 - Valero Fleet	557.51
9/29/2025	9292025	v0000439 - Umpqua Bank	3,133.61
9/29/2025	9292025	v0000793 - Verizon Wireless	892.81
9/5/2025	550028530	v0000181 - Empower	1,495.00
9/30/2025	563175666	v0000181 - Empower	1,495.00

TOTAL 1,522,523.68

**Housing Authority of the County of Butte
HACB Public Housing Account
AP Check Register**

Check Date	Check #	Vendor	Total Amount
9/2/2025	2942	v0000011 - California Water Service - Chico	28.00
9/2/2025	2943	v0000014 - Gridley Municipal Utilities	770.00
9/2/2025	2944	v0000031 - PG&E	1,447.00
9/2/2025	2945	v0000014 - Gridley Municipal Utilities	173.00
9/2/2025	2946	v0000031 - PG&E	1,784.00
TOTAL			4,202.00

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

Check Date	Check #	Vendor	Total Amount
9/11/2025	1201	v0000660 - HACB	432.06
TOTAL			432.06

**Housing Authority of the County of Butte
HACB BCAHDC Account
AP Check Register**

Check Date	Check #	Vendor	Total Amount
9/11/2025	1549	v0000382 - FedEx	213.83
9/11/2025	1550	v0000660 - HACB	25,573.18
9/25/2025	1551	v0004864 - Central California Housing Corporation	100.00
TOTAL			25,887.01

October 16, 2025

MEMO

To: Board of Commissioners

From: Marco Cruz, CFO Consultant

Subject: October Finance Update

I wish to provide you with an update on our financial status and recent activities.

September & October Activity

September was marked by multiple accomplishments, including completion of the of the FYE 2024 audit and approval of the FYE 2026 budget. A FYE 2025 audit process was implemented and longtime payroll accounting issues were identified. The Accounting team worked with payroll service Paylocity to create a new payroll process that reduced processing time and improved accuracy. The number of funds and accounts were condensed in the Yardi software system, diminishing complexity. Most importantly, the bank reconciliation process was improved and restarted for the FYE 2025 year.

October goals are as follows:

- Request for Proposal for audit services beginning with the 2025 audit
- Bank account consolidation to reduce complexity
- FYE 2025 audit preparation
- Continued process reviews and improvements
- Completion of FYE 2025 bank reconciliations

Up to date bank reconciliations are critical for accurate financial reporting. We're pleased to report at the time of writing, we have completed bank reconciliations through August 2025 and expect to be current by the October 16, 2025 board meeting. This will enable us to present FYE 2025 financial reports at the November board meeting.

Government shutdown

The Federal Government's spending authority expired at 11:59 PM on Tuesday, September 30, 2025, resulting in the shutdown of HUD offices and services. As per the HUD Contingency Plan, obligated funds remain available for disbursement, but no new funds will be obligated. For HACB, this means:

- Public Housing Operating Funds are available through November 2025, in addition to tenant rental income.
- Public Housing Capital Funds 2025 grant funds are available through December 2025.
- Emergency Housing Voucher funds are available through December 2026.
- Housing Choice Voucher (HCV) HAP funds are 100% funded through October and \$837,000 in funding for November. If necessary, HACB has enough reserves to cover the remaining \$1.1 million in November HAP funding.

NAHRO, our housing authority association, reported on October 8th that HUD has expressed commitments to fully funding November and December HCV HAP and Admin payments. HACB staff are anticipating obligation notices verifying the funding by the end of October. If funding is not received for December or if the shutdown continues into January 2026, Board and staff must make contingency plans for the HCV program funding shortfall.

Thank you for your attention to these matters. We continue to improve transparency and ensure the financial health of HACB.

Regards,

Marco Cruz

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

HOUSING CHOICE VOUCHER (SECTION 8)

UTILIZATION SUMMARY REPORT

ROLLING 12 MONTH ANALYSIS

UNITS LEASED SUMMARY	OCT'25	SEP'25	AUG'25	JUL'25	JUN'25	MAY'25	APR'25	MAR'25	FEB'25	JAN'25	DEC'24	NOV'24
BUTTE												
ACC UNIT MONTHS	1983	1983	1983	1983	1983	1983	1983	1983	1983	1983	1983	1983
CURRENT LEASED	1870	1854	1853	1860	1868	1873	1881	1889	1901	1907	1916	1907
VOUCHER UTILIZATION %	94.30%	93.49%	93.44%	93.80%	94.20%	94.45%	94.86%	95.26%	95.86%	96.17%	96.62%	96.17%
GLENN												
ACC UNIT MONTHS	87	87	87	87	87	87	87	87	87	87	87	87
CURRENT LEASED	94	102	102	100	101	104	105	106	105	105	102	103
VOUCHER UTILIZATION %	108.05%	117.24%	117.24%	114.94%	116.09%	119.54%	120.69%	121.84%	120.69%	120.69%	117.24%	118.39%
VASH												
ACC UNIT MONTHS	214	214	214	214	214	214	214	214	194	194	194	194
CURRENT LEASED	183	189	187	184	171	166	158	157	157	158	161	161
VOUCHER UTILIZATION %	85.51%	88.32%	87.38%	85.98%	79.91%	77.57%	73.83%	73.36%	80.93%	81.44%	82.99%	82.99%
TOTAL												
ACC UNIT MONTHS	2284	2284	2284	2284	2284	2284	2284	2284	2264	2264	2264	2264
CURRENT LEASED	2147	2145	2142	2144	2140	2143	2144	2152	2163	2170	2179	2171
VOUCHER UTILIZATION %	94.00%	93.91%	93.78%	93.87%	93.70%	93.83%	93.87%	94.22%	95.54%	95.85%	96.25%	95.89%

HAP SUMMARY*	OCT'25	SEP'25	AUG'25	JUL'25	JUN'25	MAY'25	APR'25	MAR'25	FEB'25	JAN'25	DEC'24	NOV'24
ACC BUDGET	\$ 1,854,477	\$ 1,854,477	\$ 1,854,477	\$ 1,854,477	\$ 1,854,477	\$ 1,854,477	\$ 1,854,477	\$ 1,854,477	\$ 1,854,477	\$ 1,854,477	\$ 1,741,160	\$ 1,741,160
ACTUAL HAP	\$ 1,909,215	\$ 1,921,640	\$ 1,920,111	\$ 1,909,809	\$ 1,905,886	\$ 1,902,649	\$ 1,898,991	\$ 1,891,106	\$ 1,891,143	\$ 1,872,599	\$ 1,865,583	\$ 1,844,471
PER UNIT COST	\$ 889	\$ 896	\$ 896	\$ 891	\$ 891	\$ 888	\$ 886	\$ 879	\$ 874	\$ 863	\$ 856	\$ 850
BUDGET UTILIZATION %	102.95%	103.62%	103.54%	102.98%	102.77%	102.60%	102.40%	101.98%	101.98%	100.98%	107.15%	105.93%

ACTIVITY SUMMARY	OCT'25	SEP'25	AUG'25	JUL'25	JUN'25	MAY'25	APR'25	MAR'25	FEB'25	JAN'25	DEC'24	NOV'24
# PORT IN BILLED	40	37	36	32	31	28	27	25	24	20	19	15
#PORT OUT UNDER CONTRACT	79	77	77	76	76	77	76	73	71	71	67	63
ZERO HAP	4	3	5	4	6	4	8	8	7	8	10	9
UTILITY ASSISTANCE PAYMENTS	130	132	111	125	122	116	122	119	125	150	121	134
NEW ADMISSIONS	**	22	25	30	10	21	6	12	10	8	14	38
INITIAL VOUCHERS SEARCHING	15	12	17	36	33	28	16	5	5	3	3	1
ACTUAL/ESTIMATED EOP	16	16	11	16	18	18	17	16	21	12	14	16
REMAIN ON WAITING LIST	1501	1501	1501	1501	1501	1501	1501	1501	1501	1501	1501	1501

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

**No data.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE
VACANCY REPORT AS OF THE 1ST OF THE MONTH
2025**

HOUSING AUTHORITY OWNED PROPERTIES													
	Gridley FLH	Open Market Units											
Location	FLH	Demo	Other	Gridley Springs II	Cameo	Locust	Alamont	Evanswood	Mayer Commons	Lincoln	Park Place	Total	Occupancy
# of Units	115*	6	0****	24	20	10	30	31	12	18	40	191	%
Oct-25	11**	0	0****	2	2	0	2	0	8	0	2	16	91.6%
Sep-25	12**	0	0****	2	1	0	3	0	10	0	1	17	91.1%
Aug-25	11**	0	0****	2	1	0	2	0	12***	0	2	5	97.1%
Jul-25	10**	0	0****	2	0	1	1	0	12***	0	1	3	98.3%
Jun-25	11**	0	0****	2	0	2	1	0	12***	0	1	4	97.7%
May-25	12**	0	0****	3	0	2	0	0	12***	1	1	4	97.7%
Apr-25	12**	0	0****	0	0	0	0	0	12***	0	0	0	100.0%
Mar-25	13**	0	0****	2	1	0	0	0	12***	0	1	2	98.9%
Feb-25	14**	0	0****	3	1	0	0	0	12***	0	2	3	98.3%
Jan-25	12**	0	0****	2	0	0	0	1	12***	0	2	3	98.3%
Dec-24	12**	0	0****	1	2	0	0	2	12***	0	1	5	97.1%
Nov-24	12**	0	0****	0	2	0	0	2	12***	0	1	5	97.1%

* Unit count adjusted by units offline - (18) uninhabitable and (8) less units due to rehab reconfiguration.

** Vacancy rate does not include units offline for construction; (8) units.

**** Mayer Commons leasing and occupancy began 08/01/205

***** 2131 Fogg Avenue, Oroville Vacant Lot

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	%
Oct-25	0	2	1	0	4	0	1	8	97.7%
Sep-25	0	2	1	2	4	2	1	12	96.5%
Aug-25	3	2	2	1	2	2	1	13	96.2%
Jul-25	2	0	1	0	2	1	3	9	97.4%
Jun-25	3	2	3	0	2	3	1	14	95.9%
May-25	3	2	4	0	2	0	0	11	96.8%
Apr-25	4	2	3	1	5	0	0	15	95.7%
Mar-25	4	2	3	1	4	0	0	14	95.9%
Feb-25	3	1	2	1	3	2	0	12	96.5%
Jan-25	4	2	3	2	2	2	2	17	95.1%
Dec-24	4	2	2	2	1	2	1	14	95.9%
Nov-24	3	2	3	1	1	1	2	13	96.2%

BANYARD MGMT	
Location	Chico Commons
# of Units	72
Oct-25	6
Sep-25	6
Aug-25	8
Jul-25	9
Jun-25	9
May-25	11
Apr-25	10
Mar-25	11
Feb-25	12
Jan-25	8
Dec-24	8
Nov-24	7

BCAHD				
Location	1200 Park Ave	Gridley Springs I	Harvest Park	Walker Commons
# of Units	107	32	90	56
Oct-25	8	2	2	0
Sep-25	4	1	3	2
Aug-25	4	1	4	0
Jul-25	3	1	6	2
Jun-25	3	1	6	2
May-25	5	1	4	2
Apr-25	6	0	2	3
Mar-25	7	0	2	3
Feb-25	8	0	2	1
Jan-25	8	0	2	2
Dec-24	9	0	1	2
Nov-24	7	1	2	0

Public Housing

Waiting List: Number of Applicants

Bedroom Size	Chico	est wait	Oroville	est wait	Gridley/Biggs	est wait
1	19 Transfer list	6+	2561	6+	2071	6+
2	4158	3+			935	2+
3	891	2+	918	2+	558	2+
4	346	5+			177	4+
5					38	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	497	3	362	2
2	543	7			61	
3	32	2	30	6	16	
4	7	4+			5	
5					1	

MEMO

Date: October 10, 2025

To: HACB Board of Commissioners

From: Taylor Gonzalez, Project Manager

Subject: Status of HACB Construction Projects

As of October 10, 2025, the status of HACB construction activity follows:

2020A Bond – Activities:

- To date, **\$8,703,942** has been obligated, representing approximately **92%** of the **\$9,503,644** Project Fund. Expenses paid to date include the Property Condition Assessment Repairs completed at the six properties that were used to leverage the bond proceeds, and the larger scale capital improvement projects listed below. All remaining improvements are anticipated to be completed by the end of 2026, at which point all funds are expected to be fully expended.

Mayer Commons (formerly Kathy Court Apartments), Paradise:

- The Construction Close-Out phase is now underway, with coordination between HACB staff, Town of Paradise staff, and HCD to finalize and gather all project documentation.
- Exterior work is nearly finished. The Shade Structure has been installed and the only item remaining is the property sign. It is expected to be installed in October.
- HACB staff, Town of Paradise staff, and RSC Associates, the third-party property manager, continue to collaborate on leasing activities.



Photo of completed project

*October 10, 2025
HACB Construction Status Memo
pg. 1*



Grand Opening Ceremony



Grand Opening Ceremony



Grand Opening Ceremony



Grand Opening Ceremony



Grand Opening Ceremony



Grand Opening Ceremony

*October 10, 2025
HACB Construction Status Memo
pg. 2*

Lincoln Apartments, Chico: *Exterior Rehabilitation including repairs to the upper level walkway and staircases, painting of the building exterior, and replacement of the existing aluminum framed, single pane windows and electrical subpanels at the interior of each unit.*

- Rehabilitation work is now substantially complete.
- The building permit has been signed off by the City of Chico.
- A persistent crack keeps re-appearing in the deck coating after repairs. Therefore the deck coating subcontractor will once again complete an additional repair. A representative from the deck coating manufacturer will be present to ensure this final repair is completed successfully.
- Once the rehabilitation work is fully complete, the HACB Staff will coordinate the remaining repairs including: Railing replacement, stair tread replacement, exterior painting, and repairs to the trash enclosure.

Fogg Avenue Apartments, Oroville: *Development Initiative (1+ acre lot with single-family home).*

- The vacant lot is fully fenced, and the site is secure in anticipation of future development work.
- HACB staff continue to dedicate efforts to exploring and pursuing all available funding opportunities to fulfill the \$9.7 million project budget.

Park Place Apartments, Oroville: *Exterior Site Rehabilitation with emphasis on an Accessible Path of Travel and replacement of the pergola.*

- An Invitation for Bid for the Site Improvement Project was issued on October 7, 2025.
- A Pre-Bid Job Walk will be held at the project site on October 21, 2025.
- The public bid opening will be held on November 12, 2025 and it is anticipated that a contract will be presented to the HACB Board of Commissioners for review at the November 2025 board meeting.

Farm Labor Housing, Gridley: *State Water Board Backup Generator Funding Program*

- In early September, the project team received 60% complete design drawings and specifications from the engineering team. Following this, the team held a web meeting to review the plans collaboratively.
- The proposed design includes the installation of a new 200kW natural gas generator and a 200A automatic transfer switch. This generator will supply backup power to the well during outages, ensuring the water system remains pressurized and operational.
- Final 100% design drawings are expected by January 2026, with bidding and construction to follow later that year.

HACB Main Office Tenant Improvement Project, Chico: *Construction of new partition walls to create a new Section 8 and Accounting Office, along with improvements to the accessible pathway, as required by code.*

- Project is currently on-hold. The low bid greatly exceeded the project budget, therefore per direction from HACB Staff, a Notice of Non-Award was issued to all bidders and the project will be re-advertised at a later date.

October 10, 2025
HACB Construction Status Memo
pg. 3

12 Month HACB Construction Project Schedule - October, 2025

		Budgeted Amount	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Lincoln Apartments, Chico														
	Stair and Second Floor Walkway Repair Project	\$530,683												
	Railing and Stair Replacement Project	T.B.D.												
Park Place Apartments, Oroville														
	Community Building Renovation and Site Improvements	\$449,525												
Mayer Commons (Kathy Court Apartments) Paradise														
	Replacement Project	\$6,738,294												
HACB Main Office														
	Tenant Improvement Project	\$59,850												
	Carpet Replacement Project	\$10,000												
	Avigilon Camera System Project	\$20,000												
Fogg Avenue Apartments, Oroville														
	Design Development and Construction Drawings	\$450,000												
	Seek Funding and Grant Application Preparation	\$50,000												
Farm Labor Housing, Gridley														
	Well 03 Backup Generator Installation	\$499,392												
Total next 12 months:		\$8,807,744												

	Design/Bid Phase
	Construction Phase
	Completed

MEMO**Date:** October 9, 2025**To:** Board of Commissioners**From:** Sheri Bouvier, Contracts Administrator**Subject:** Capital Fund Construction Projects – Status Update

As of October 9, 2025, the following summarizes the status of current HACB Capital Fund construction activities:

Tree Trim and Removal Project – Select Tree in Chico, Oroville, Gridley/Biggs

- IFB out to bid 10/17/25.
- ICE: \$200,000.00
- Status: Preparing Bid Packet

Bath Tub Refinishing – Select Units in Gridley/Biggs

- IFB issued 8/26/25. Contract awarded to JP Bath Refinishers
- Contract NTE: \$20,000.00
- Status: On going Indefinite - estimated to refinish approximately 20 bathtubs.

Stucco Replacement/Window Leak Repair – Winston Gardens

- QSP issued 5/15/25.
- Contract awarded to Birchard Construction for \$18,746.00
- Status: Project Start Date – October 13, 2025

Five-Year Environmental Review – All Sites

- RFP issued 8/27/24.
- Contract awarded to: E-Corp selected \$48,509.50
- Status: Final report complete. Working with HUD to upload in HEROS

Asbestos Floor Tile Abatement – All Sites

- Ongoing during unit turnover. 165 of 232 units completed

DETAILED CAPITAL FUND ACTIVITY BY CAPITAL FUND PROJECT**Capital Fund 2022, Funding Amount \$1,117,056.00 to be expended by May 11, 2026**

This Capital Fund is 99.93% obligated and 99.93% expended.

- ACM Tile Replacement – All concrete-block units – ongoing
- HVAC Replacement Chico – Replace 35 HVAC unit which reached the end of their useful life. Project completed
- Roof Replacements – Replace 70 roofs at 43-14 and 43-15 in Oroville. Replace aging and failing roofing systems fascia, soffit, gutters and downspouts, in progress. Project completed
- Architect Services – HMR to design plans for Safety and Security Improvements at Winston Gardens, in progress. Completed

*October 9, 2025
HUD Public Housing Capital Fund Report
pg. 1*

Capital Fund 2023, Funding Amount \$1,147,379.00 to be expended by May 11, 2026

This Capital Fund is 99.80% obligated and 99.69% expended.

- ACM Tile Replacement – All concrete-block units – ongoing
- Paint Trim - at 43-14 and 43-15 in Oroville – project completed
- Fencing – add additional wrought iron fencing and access control systems to the perimeter of the Winston Gardens property.
- Exterior Lighting – Winston Gardens - upgrade exterior grounds and parking lot pole lighting to LED
- Security Camera – Install security cameras to the grounds and interior of the WG community room
- Access Control System – Install vehicle and pedestrian gates at Winston Gardens
- HVAC Replacement – Replace 20 HVAC unit which reached the end of their useful life at Winston Gardens
- Roof Replacement – Replace 15 roofs which reached the end of their useful life – Chico PH – project complete

**Capital Fund 2023E, Safety and Security Grant for Winston Gardens,
Funding Amount \$225,639.00 to be expended by September 17, 2025**

This Capital Fund is 100% obligated and 100% expended.

- Fencing – add additional wrought iron fencing and access control systems to the perimeter of the property.
- Exterior Lighting – Upgrade exterior grounds and parking lot pole lighting to LED
- Security Camera – Install security cameras to the grounds and interior of the community room
- Access Control System – Install vehicle and pedestrian gates at Winston Gardens

Capital Fund 2024, Funding Amount \$1,159,420.00 to be expended by May 5, 2028

This Capital Fund is 51.88% obligated and 50.93% expended.

- HVAC Replacement Project– Select units, replace HVAC units which have reached the end of their useful life, in planning
- Bathroom Tub/Shower Remodel – Select concrete block units, in planning
- Paint – at 43-10 in Oroville – Select units in phases, in planning
- New Monument Signs – replace monuments signs at Rhodes Terrance and Shelton Oaks
- Paint – 2039 Forest Ave., HACB main office building and monument sign

Capital Fund 2025, Funding Amount \$1,107,046.00 to be expended by May 12, 2029

This Capital Fund is 0% obligated and 0% expended.

- HVAC Replacement Project– Select units, replace HVAC units which have reached the end of their useful life, in planning
- Window Replacement Project– Select units, replace windows which have compromised thermo-seals
- Roof Replacement Project– Select units, replace roofs which have reached the end of their useful life, in planning
- Tree Trim and Removal Project

*October 9, 2025
HUD Public Housing Capital Fund Report
pg. 2*

Capital Fund Program - Summary by Capital Fund Project

Cash Available as of 10/09/2025

Capital Funds CF-22, CF-23, CF-23E, CF-24

			CF-22			CF-23			CF-23E Safety and Security Grant			CF-24			Totals		
			Original	Obligated	Expended	Original	Obligated	Expended	Original	Obligated	Expended	Original	Obligated	Expended	Orig/Revised	Expended	Balance
Line No.	Summary by Development Account																
	Total Non-CGP Funds																
1	100	Reserved Budget										-			-	-	-
2	1406	Operations (25% Max)	58,149.00	58,149.00	58,149.00	45,668.00	45,668.00	45,668.00				231,314.00	231,314.00	231,314.00	335,131.00	335,131.00	-
3	1408	Management Improvements										5,000.00	5,000.00	-	5,000.00	-	5,000.00
4	1410	Administration (10% Max)	111,325.00	111,325.00	111,325.00	91,336.00	91,336.00	91,336.00				115,657.00	115,657.00	115,657.00	318,318.00	318,318.00	-
14	1480	General Capital Fund Activity: Site Improvement, Dwelling Structures, Dwelling Equipment	947,582.00	946,746.72	946,746.72	1,010,375.00	1,008,105.32	1,006,821.57	225,639.00	225,639.00	225,639.00	807,449.00	249,555.52	243,555.52	2,991,045.00	2,422,762.81	568,282.19
			1,117,056.00	1,116,220.72	1,116,220.72	1,147,379.00	1,145,109.32	1,143,825.57	225,639.00	225,639.00	225,639.00	1,159,420.00	601,526.52	590,526.52	3,649,494.00	3,076,211.81	573,282.19
				99.93%	99.93%		99.80%	99.69%	100.00%	100.00%			51.88%	50.93%			

HUD Low Income Public Housing

Capital Fund Program Summary - Projects Proposed or Under Contract

		100 Reserved Budget	1406 Operations	1408 Mgmt. Improvements	1410 Admin	1480 General Capital Activity	Totals	"UC" Under Contract
Acct Code	Cash Available as of 10/09/2025	-	-	5,000.00	-	568,282.19	573,282.19	
	CF-22, CF-23, CF23E, CF-24 Funding							
100	Reserved Budget	-					-	
1406	Operations		-				-	
1408	Management Improvements			5,000.00			5,000.00	
1410	Administration				-		-	
1480	General Capital Fund Activity: Site Improvement, Dwelling Structures, Dwelling Equipment					568,282.19	568,282.19	
							573,282.19	Total
		0.00	0.00	0.00	0.00	0.00	0.00	

MEMO

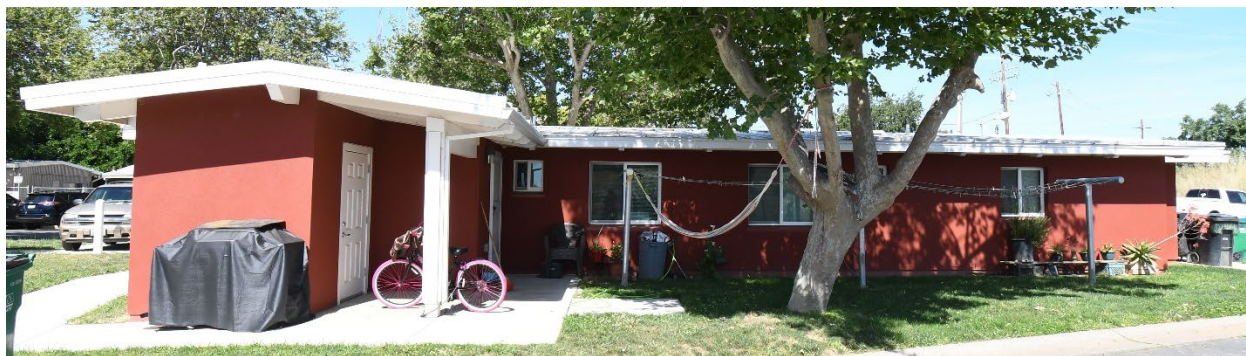
Date: October 10, 2025

To: HACB Board of Commissioners

From: Juan Meza, Public Housing Manager
Taylor Gonzalez, Project Manager

Subject: Farm Labor Housing, Gridley – status report

As of October 1st, there's a total of (78) occupied units. There was (1) move-in during the month of September. A total of (11) concrete block units are vacant and are rent ready. (18) units are deemed uninhabitable, and (8) are offline, waiting for the next phase renovation. All of the remodeled units are currently occupied. **As residents move-out of the old 1930's-era wooden units the total number of units available for occupancy decreases as they are designated "Uninhabitable" with USDA-RD.** There are no pending unlawful detainers or intent to vacate notices at this time. Unpaid rents – there are several and AWI is in the process of collecting.



Renovated 1980's era Concrete Block Housing

AWI staff continue their marketing efforts. There are several applicants on the waiting list at this time, and AWI has brought in additional staff to help expedite turns. Marketing includes distribution of flyers to local farms and businesses, a listing on Craig's List, and \$100 referral reward coupons to residents who make successful referrals.

Monthly rental income came in at \$6,063 less than budget at \$101,248. Monthly income is down due to vacancy loss being a little over \$2,747 more than what was budgeted for the month. Monthly expenses are \$25,269 less than budget at \$80,977. YTD our expenses are \$96,802 less than budget bringing our net profit to \$28,137 better than anticipated at \$40,915. Even though the property's income is down due to the YTD vacancy loss our YTD Expenses are lower as mentioned above, thus the increased positive number.

USDA-RD has acknowledged receipt of the request submitted by AWI for a waiver to rent to non-farm labor households. However, AWI has not received a response from USDA-RD on whether or not the waiver will be approved. The Market Study submitted to USDA-RD to support the waiver request indicates there's a lack of farm workers in the area that meet the 514 criteria in

order to house them at GFLH. The waiver request would permit occupancy by over-income and/or non-farm labor households, and allow current over-income residents to remain in their home helping decrease the vacancy on the property. Per Housing Community & Development (HCD) the site would still need to maintain at least (86) households that are farm labor eligible to remain in compliance.

Chavarria's Landscaping continues to service the landscaping needs of the property. AWI staff are in the process of obtaining bids for painting the exterior of the maintenance building (prices range between 22k – 30k) and replacing the golf cart/batteries (prices range between 9k – 12k).



Unrenovated 1980's era Concrete-block Unit

Mi C.A.S.A.'s monthly food distribution was held October 14, 2025. Mi CASA's Fall Session of classes is underway, and staff is reporting (40-50) students are attending the after-school program on a daily basis. We'll be requesting poster entries from Mi C.A.S.A. students for NAHRO's Poster Contest "What Home Means to Me" soon as they will need to be voted on by HACB staff before they're submitted for consideration at the NAHRO NorCal/Nevada conference that will be held in Napa on January 25th-27th, 2026.

The NVCSS Promotores Dual Language Learning (DLL) program is currently working with (14-16) families weekly within the community building on Staff Dr. Promotores staff would like to move forward with a plan to introduce a hydroponic unit to grow herbs and tomatoes as part of a community garden for all residents. The location for the community garden has been approved as they will use raised plantar beds. The location suggested is an area near the chapel where the raised plantar beds will be located.

Housing Community & Development (HCD) performed their annual monitoring inspection of the Gridley FLH resident files and rental units on July 8th through July 10th, 2025. AWI and HACB staff were present to assist HCD staff with access to the rental units and answer any questions in regards to the resident files. All requested documents requested by HCD have been submitted by AWI staff. The (213) findings found during the physical inspections of the units will require an extension in order to make all of the repairs needed. AWI has sent an initial response to HCD and they're awaiting a response.



State Demonstration “Demo” Housing Unit

AWI continues their efforts to renovate the old concrete block units. AWI was able to renovate (2) of the cinderblock units last year and plan to rehab another (2) cinderblock units this year and next year. Lead abatement has been completed for the rental units at 1464/1468/1478/1482 Ogden Ave., and bids are in hand for the rehab and window installation for all four units.

Additional funds are being sought to continue property building renovation. The USDA is not a factor. State Joe Serna Jr. Farmworker Housing and other program funds are contemplated. Renovation and/or demolition and/or historic preservation of the historically significant 1930’s era wooden units is pressing – only nine of the original twenty-four wooden units are habitable.



1930’s era Wood Frame Units

Regarding the Well Backup Generator Project, in early September, the project team received 60% complete design drawings and specifications from the engineering team. Following this, the team held a web meeting to review the plans collaboratively. The proposed design includes the installation of a new 200kW natural gas generator and a 200A automatic transfer switch. This generator will supply backup power to the well during outages, ensuring the water system remains pressurized and operational. Final 100% design drawings are expected by January 2026, with bidding and construction to follow later that year.

Please find third party property manager AWI’s September, 2025 report following.

**Gridley Farm Labor Housing
September 2025**



Updates:

GFLH has 11 units available for occupancy. 1 move-in during the month of September.

As of the end of August.

- 78 Occupied
- 8 units held for the next phase of rehab / in house rehab
- 18 units deemed uninhabitable (old wooden units)
- 11 units available for occupancy

Future Rehab Units:

- **Rehabs have been split over 2 years;**
- **The following are for 2025.**
 - **OG1478** – Rehab underway 95% completed.
 - **OG1482** – Rehab underway 95% completed.
- **The following are for 2026.**
 - **OG1464** – Rehab scheduled to be completed in 2026
 - **OG1468** – Rehab scheduled to be completed in 2026

The staff is processing all qualifying applications on hand. USDA-RD has acknowledged receipt of the farm labor unit waiver; however, after several follow up attempts they have not responded. Per HCD the site will still have to house 86 farm labor units to maintain compliance with Serna.

Important Note: As residents move out of the “old wooden units” the total number of units available for occupancy decreases as they are marked uninhabitable with USDA-RD.

Advertising is ongoing via Craigslist, The Publisher, Flyers, Signage, resident referral, move in specials and outreach to ag employers, canneries, etc...



We are starting the bidding process for the following 2025 / 2026 fiscal year capital items:

Bids on hand for capital projects:

- Golf Cart Replacement / Battery Replacement
 - If funds allow, this should be a focus as the current cart requires maintenance more frequently.
 - Prices range between 9k - 12k
- Painting of maintenance building
 - Bids on hand but will be moved to 2026.

HCD Inspection:

- A detailed report has been submitted by HCD with 213 findings.
- Staff have been working to complete all findings.
- An initial response has been sent to HCD, pending a response.



Budget Comparison

Property = Gridley Farm Labor Housing (p0645)

Period = 09/2025 - 09/2025

Book = Accrual ; Tree = Statement of Income & Cash Flow (awi_cf)

ACCOUNT	PTD ACTUAL	PTD BUDGET	VARIANCE	% VAR	YTD ACTUAL	YTD BUDGET	VARIANCE	% VAR	ANNUAL
TENANT RENT									
Gross Rents	124,900	127,302	-2,402	-2	1,498,204	1,527,624	-29,420	-2	1,527,624
Vacancies	-21,635	-18,888	-2,747	-15	-259,785	-226,656	-33,129	-15	-226,656
Admin Unit-Non Rev	-1,906	-1,382	-524	-38	-24,179	-16,584	-7,595	-46	-16,584
TOTAL TENANT RENT	101,359	107,032	-5,673	-5	1,214,240	1,284,384	-70,144	-5	1,284,384
PROJECT INCOME									
Laundry Income	121	163	-42	-26	1,484	1,960	-476	-24	1,960
Other Tenant Income	0	92	-92	-100	176	1,100	-924	-84	1,100
Interest Income	276	24	253	1,068	2,932	284	2,648	932	284
Interest Income-Restricted Reserve	77	0	77	N/A	821	0	821	N/A	0
Utility Allowance Preparation	-585	0	-585	N/A	-585	0	-585	N/A	0
TOTAL OTHER PROJECT INCOME	-111	279	-390	-140	4,827	3,344	1,483	44	3,344
TOTAL PROJECT INCOME	101,248	107,311	-6,063	-6	1,219,067	1,287,728	-68,661	-5	1,287,728
PROJECT EXPENSES									
Maint and Oper Exp	18,915	42,136	23,222	55	444,639	505,637	60,998	12	505,637
Utilities	11,114	11,582	468	4	127,815	138,985	11,170	8	138,985
Administrative	19,102	17,804	-1,298	-7	212,143	213,646	1,503	1	213,646
Taxes and Insurance	11,075	11,075	0	0	145,287	132,898	-12,389	-9	132,898
Other Taxes and Insurance	3,944	6,272	2,328	37	41,014	75,261	34,247	46	75,261
Other Project Expenses	769	1,318	550	42	14,547	15,820	1,273	8	15,820
TOTAL O/M EXPENSES	64,918	90,187	25,269	28	985,445	1,082,247	96,802	9	1,082,247
MORTGAGE AND OWNERS EXPENSE									
Interest Expense	12,559	12,559	0	0	150,708	150,703	-5	0	150,703
Asset Management Fees	625	625	0	0	7,500	7,500	0	0	7,500
Reserve Transfers	2,875	2,875	0	0	34,500	34,500	0	0	34,500
TOTAL MORTGAGE AND OWNERS EXP	16,059	16,059	0	0	192,708	192,703	-5	0	192,703
TOTAL PROJECT EXPENSES	80,977	106,246	25,269	24	1,178,153	1,274,950	96,797	8	1,274,950
NET PROFIT (LOSS)	20,271	1,065	19,206	1,804	40,915	12,778	28,137	220	12,778
OTHER CASH FLOW ITEMS:									
Reserve Transfers	-77	0	-77	N/A	-821	0	-821	N/A	0
T and I Transfers	64,670	0	64,670	N/A	12,361	0	12,361	N/A	0
Payroll Control	0	0	0	N/A	-13,625	0	-13,625	N/A	0
Receivable-Tenant	1,256	0	1,256	N/A	4,275	0	4,275	N/A	0
Security Deposits	500	0	500	N/A	317	0	317	N/A	0
Other Receivables	7,713	0	7,713	N/A	778	0	778	N/A	0
Rental Assistance	714	0	714	N/A	-8,653	0	-8,653	N/A	0
AP-Other	0	0	0	N/A	27,165	0	27,165	N/A	0
Accrued Property Taxes	4,028	0	4,028	N/A	28,929	0	28,929	N/A	0

Budget Comparison

Property = Gridley Farm Labor Housing (p0645)

Period = 09/2025 - 09/2025

Book = Accrual ; Tree = Statement of Income & Cash Flow (awi_cf)

ACCOUNT	PTD ACTUAL	PTD BUDGET	VARIANCE	% VAR	YTD ACTUAL	YTD BUDGET	VARIANCE	% VAR	ANNUAL
Accrued Local Administration Fees	625	0	625	N/A	0	0	0	N/A	0
TOTAL OTHER CASH FLOW ITEMS	79,430	0	79,430	N/A	50,727	0	50,727	N/A	0
NET OPERATING CASH CHANGE	99,701	1,065	98,636	9,263	91,641	12,778	78,863	617	12,778

Mi C.A.S.A. Education, Inc
After School Program
2025-2026



Character • Academics • Service • Achievement
Funding Proposal – 2025–2026 School Year

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Mi Character • Academics • Service • Achievement
Funding Proposal – 2025–2026 School Year

1. Program Overview

The Mi C.A.S.A. After-School Program — which stands for Character, Academics, Service, and Achievement — is dedicated to building strong students and stronger communities. Currently, we serve 25 students in grades TK through 7, including 3 newly arrived English learners and a growing number of middle school participants. Our staff includes two adults with experience working in school settings, supported by two high school former students on staff and one high school volunteer who recently moved to the community, as well as two 8th-grade middle school students who occasionally assist and mentor younger participants.

2. Mission Statement

Our mission is to create a safe, supportive, and enriching space where students grow as learners, leaders, and citizens. Through academic support, reading intervention, enrichment opportunities, and community engagement, Mi C.A.S.A. equips students with the tools they need to succeed in school and beyond.

At Mi C.A.S.A., we believe every child deserves the chance to grow in character, excel academically, serve their community, and achieve their highest potential.

Our program is built on these four pillars — and everything we do reflects them:

- **Character:** We build responsibility, leadership, and teamwork through mentorship, positive relationships, and social-emotional learning.
- **Academics:** We provide daily homework help, small-group reading support, and enrichment activities that strengthen foundational skills and curiosity.
- **Service:** We connect students with meaningful opportunities to give back and actively participate in their community.
- **Achievement:** We celebrate growth, set goals, and support students in reaching new milestones in school and in life.

3. Program Impact and Outcome

The Mi C.A.S.A. program continues to make a measurable difference in the lives of our students and families:

- **Academic Growth:** Students are completing homework more consistently and improving reading fluency and comprehension through guided practice and support.
- **Improved Attendance & Engagement:** Students who participate regularly demonstrate better school attendance and are more engaged in class.
- **Long-Term Impact:** Several of our former students have returned to volunteer and mentor, giving back to the program that once supported them — a powerful example of leadership and community connection.

4. Program Activities & Enrichment

We provide a comprehensive range of activities to support the whole child:

- **Academic Support:** Daily homework help, targeted reading intervention, comprehension strategies, and vocabulary development.
- **Enrichment Opportunities:** STEM challenges, art projects, cultural learning, team-building games, leadership activities, and real-world problem-solving projects.
- **Reading Focus:** Guided reading groups, literacy games, read-aloud circles, and a reading achievement tracking system.
- **Leadership Development:** Mentorship opportunities for former students and older peers, helping them build leadership skills while inspiring younger participants.

With additional funding, we aim to expand enrichment options and reintroduce educational field trips (such as museum visits, nature center outings, movies, and bowling) to enhance vocabulary, social skills, and real-world learning.

5. Mi C.A.S.A. Summer Program Overview

In addition to our school-year program, **Mi C.A.S.A. proudly offers a summer enrichment program** designed to prevent learning loss and provide extended opportunities for growth. The summer program runs **from 8:30 a.m. to 12:30 p.m.**, allowing for deeper exploration of academic and enrichment subjects thanks to the extended time each day.

Summer Program Highlights:

- **Academic Support:** Continued focus on reading, writing, math, and science to keep students on track for the new school year.
- **Hands-On Learning:** Interactive science experiments, project-based learning, and collaborative problem-solving.
- **Creative Expression:** Art projects that connect to academic themes while encouraging creativity and self-expression.
- **Practical Life Skills:** Cooking lessons that integrate math, science, and teamwork in a fun, hands-on environment.
- **Thematic Learning:** This year's theme focused on **ocean animals**, incorporating science, literacy, art, and research skills to build knowledge and engagement around a central topic.
- **Engagement & Social Skills:** Students participated in special events such as a **Bubble Festival, Water Day**, and structured **team-building activities**, all designed to foster communication, cooperation, and problem-solving skills.
- **Leadership & Mentorship:** Opportunities for older students and alumni volunteers to assist, mentor, and lead activities — strengthening leadership skills and fostering a culture of service.

The summer program extends the mission of Mi C.A.S.A. by providing continuous support, preventing summer learning loss, and creating meaningful learning experiences beyond the traditional classroom calendar.

Future Funding Goals: Additional funding will allow us to **expand field trips, enhance instructional materials**, and **increase staff capacity** to support small-group instruction and individualized learning, further enriching the summer experience for all students.

6. Community Engagement & Service

At Mi C.A.S.A., service is one of our core values — and our commitment extends far beyond the classroom. Students actively participate in community events and service projects that strengthen their sense of belonging and civic responsibility. These experiences teach leadership, teamwork, and the importance of giving back.

Some of the ways we support our community include:

- **Breakfast with Santa** – Helping with setup, serving, and activities for local families.
- **Community Easter Egg Hunt** – Assisting with, organizing, and running family-friendly activities.
- **Red Suspenders Parade** – Assisting with parade setup, supporting community groups during the event, and helping with cleanup afterward.
- **Museum Dinners & Local Events** – Volunteering and representing Mi C.A.S.A. at educational and cultural events.
- **Support for Local Clubs & Organizations** – Offering extra hands and leadership whenever schools or community groups need assistance.

Through these partnerships and activities, Mi C.A.S.A. demonstrates its role as an essential and trusted part of the community.

7. Use of Funds & Future Needs

Current funding supports essential program operations such as staffing, supplies, and daily student support. However, to sustain and expand our program, additional funding is needed to:

- Reintroduce field trips that enrich learning and support social-emotional development.
- Expand enrichment materials (e.g., STEM kits, art supplies, and project materials).

- Provide transportation for students to attend field trips and community-based learning opportunities.
- Increase staffing and training for volunteers and mentors, including returning alumni.
- Strengthen summer program offerings with additional materials, guest instructors, and project-based learning experiences.

8. Current Challenges

While Mi C.A.S.A. has a strong foundation, we face challenges that require additional funding and support:

- Limited funds for field trips, enrichment materials, and transportation.
- Growing student participation, including middle school students with evolving needs.
- Need for additional staffing, training, and volunteer coordination.
- Expanding summer programming and thematic learning opportunities.

9. Our Commitment to the Future

At Mi C.A.S.A., our mission is simple but powerful:

Build character. Support academics. Serve our community. Celebrate achievement.

With your continued support, we will:

- Expand our reach to serve more students.
- Reintroduce high-impact field trips and real-world learning opportunities.
- Strengthen literacy outcomes and academic growth.
- Deepen school-home-community partnerships.
- Grow our mentorship and leadership programs with returning alumni.

- Continue supporting and enriching our entire community through service.
- Provide year-round learning through our expanded summer program.

The Mi C.A.S.A. After-School Program is not just an extension of the school day — it is a launching pad for future leaders, a source of hope for families, and a bridge connecting education with the world beyond the classroom. Your investment ensures that every student we serve is prepared to learn, lead, and succeed.

10. Pictures

Summer School 2025



Celebrating the last day of summer school with our amazing students
—it was an absolute pleasure!

Cooking Days!



Rolling, folding, and smiling—students had a blast making quesadillas!



Mix, stir, and smile—pancake time!



Pizza party in the making!
Students had a blast creating their own Pizza!

Hands-On Activities!



Even teachers participate and join in the fun!



Hands-on science never felt so squishy!



Bubbles, smiles, and endless fun!



Building skills and friendships together.



Water Day!



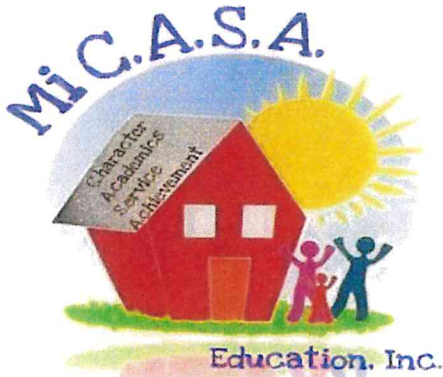
Slides, splashes, and endless smiles!



Putting their summer school knowledge to the test with a fun trivia challenge!



We love seeing our students build friendships that can last a lifetime!



Mi C.A.S.A. EDUCATION, INC.

Site location: 1587 Booth

Mailing address: 385 Ford Ave.

Gridley, CA. 95948

E.I.N. # 80-0491477

530-513-2334

Website: www.micasaeducation.com

Dear Friend,

Thank you for your interest in Mi C.A.S.A., an after-school homework and enrichment program that supports the educational and personal growth of farm labor students in Gridley, Butte County.

Mi C.A.S.A. stands for My **Character, Academics, Service, and Achievement**. Since 2000, our mission has been to inspire and guide students to become successful, contributing members of their communities—whether in Gridley, throughout California, or across the United States.

Through our program, students consistently make positive choices that lead to lifelong success. With your support, Mi C.A.S.A. has helped young people:

- Stay on the honor roll at both the middle and high school levels
- Embrace healthy lifestyles through nutrition education, team sports, and physical activity
- Discover cultural talents in music and the arts
- Steer clear of drugs and alcohol
- Develop strong character and leadership skills
- Support their families, neighbors, and the wider Gridley community
- Serve as role models for siblings and peers
- Pursue higher education and careers, including military service

Mi C.A.S.A. serves students in grades K–5 and provides daily academic and personal support for 3 to 4 hours during both the school year and summer. Our staff is dedicated to creating a safe, caring environment where children can thrive.

100% of your donation goes directly to student services. Every dollar makes a difference. For example, a gift of just \$100 provides six hours of tutoring—real, measurable help for students who need it most. Please consider making your gift today to keep our doors open and our programs thriving. Visit our website at www.micasa.com to donate via PayPal.

Your gift helps sustain a safe, nurturing environment where children grow into confident, educated, and empowered young leaders. **Thank you for being a vital part of their success.**

With sincere gratitude,

Kathy McKenzie, Director

Alma Luna, Assistant Directors

Grecia Ponce, Treasurer

Alexandra Ramirez, Personnel Director

Monica Torres, Secretary

Date: October 10, 2025

MEMO

To: HACB Board of Commissioners

From: Larry Guanzon, Executive Director

Subject: Agenda Item 3.10 - Status Report: Bond-Financed and Other-owned Properties

Bond-Financed

- Alamont Apartments, Chico (30 units, family)
- Cameo Apartments, Chico (20 units, family)
- Evanswood Estates, Oroville (31 units, family)
- Lincoln Apartments, Chico (18 units, family)
- Locust Apartments, Chico (10 units, family)
- Park Place Apartments, Oroville (40 units, senior)

Other-Owned

- Gridley Springs II, Gridley (24 units, family)
- Mayer Commons, Paradise (12 units, family)
- 2131 Fogg Ave, (1 single family house)

For Alamont, Cameo, Evanswood, Kathy Court, Lincoln, Locust, and Park Place Apartments, please see monthly reports provided by the property manager, RSC Associates Inc. following this memo. Please also find Arrowhead Management's financials for Gridley Springs II.

Alamont Apartments, Chico (30 units, family, RSC) – There was two (2) vacancies as of the end of September. All rents were collected for the month. YTD Total Income came in \$11,542 more than budget at \$394,055. Total YTD expenses are \$5,344 more than anticipated at \$147,116 bringing the YTD NOI to \$6,197 more than budget, at \$246,938. YTD Owner Distributions total \$219,196.73.



Alamont Apartments, 811 West East Avenue, Chico

Cameo Apartments, Chico (20 units, family, RSC) - The property had two (2) vacancies as of October 1st. There is one additional 30-day notice which includes an Unlawful Detainer for

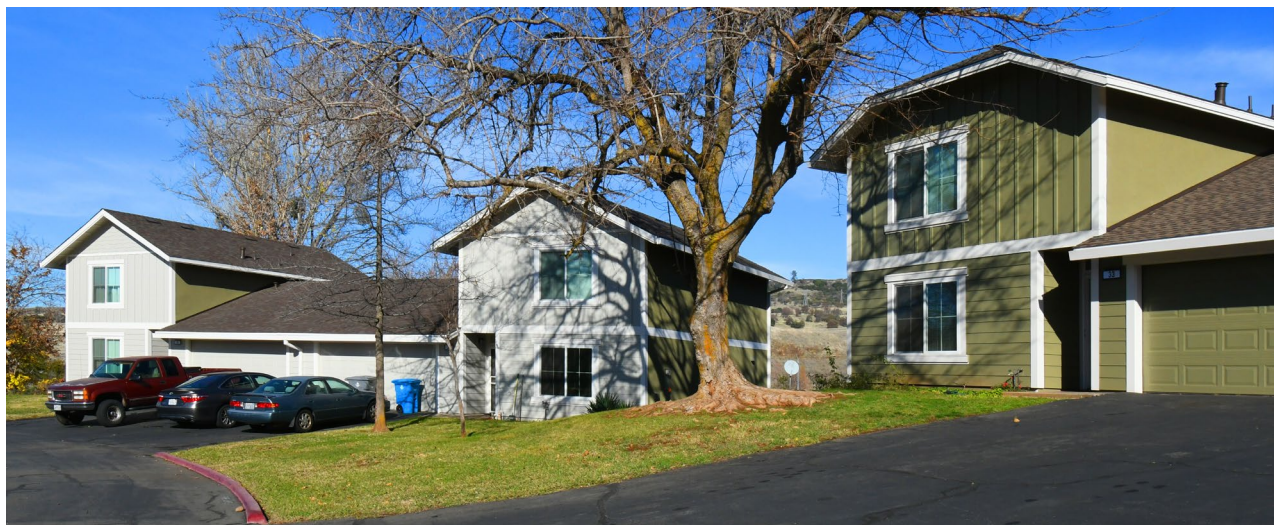
non-payment of rent. RSC is in the process of collecting any unpaid rents as reiterated in their monthly narrative. Total YTD income is higher than budget by \$14,367 at \$233,213. Total YTD Operating Expenses are lower by \$11,846 at \$103,734 with YTD NOI higher than budget at \$129,479 or \$25,479 more than budget. The YTD owner distribution totals \$92,434.13.



Cordillera Apartments, Cameo Way, Chico

Evanswood Estates Apartments, Oroville (31 units, family, RSC) – There was zero (0) vacancies as of the date of this memo. There is no pending 30-day notice to vacate. Total YTD income is \$25,871 more than anticipated, at \$511,393. Total YTD Operating Expenses is \$21,318 more than budget, at \$270,054. NOI YTD totals \$241,339 or \$4,553 more than budget. YTD Owner distributions totaled \$215,035.20.

Evanswood Estates Apartments, Oroville Units #21, 25, and 33, tracked separately, were occupied with no unpaid rents. There was no additional thirty (30) day notices to vacate. YTD Income is slightly above budget by \$1,083 at \$42,921. With YTD expenses being lower than budget. NOI is \$3,496 more than budget, at \$25,263. YTD owner distribution was \$23,528.74



Evanswood Estates, Table Mountain Boulevard, Oroville - new exteriors.



Lincoln Apartments, 474 East 12th Street, Chico

Lincoln Apartments, Chico (18 units, family, RSC) – Lincoln Apartments had zero (0) vacancy as of the first of the month. There were no additional thirty (30) day notices to vacate. All rents were collected for the month. Total YTD income is above budget by \$15,930 at \$201,377. YTD Expenses are under budget by \$20,102, bringing YTD NOI to \$36,033 more than budget at \$125,745. YTD Owner Distributions totaled \$91,538.53. Exterior Rehabilitation including repairs to the upper level walkway and staircases, and painting of the building exterior are in process with the new contractor and set to be completed within the next 30 days. There were issues with a specific area of the upper walkways where it needed to be re-done to meet warranty compliance of the materials used. HACB and 3rd party property manager (RSC) as well as, the general contractor developed a strategic plan to minimize tenant disturbances during construction. The first two phases of construction were completed during the first and second quarters of 2025.

Locust Apartments, Chico (10 units, family, RSC) – The property has zero (0) vacancy as of October 1st with no new notices to vacate. All rent was collected for the month with the exception of a pending VASH security deposit payment to be received. YTD Total Income comes in at \$3,782 more than budget at \$106,554. Total YTD Expenses are lower than budget by \$4,941 due to less administrative and utility costs at \$43,133. YTD NOI is \$8,724 more than anticipated at \$63,441. YTD Owner distributions for the month totaled \$52,789.72. The majority of bond-funded capital improvements are complete, with replacement of water heaters, range hoods, and GFCI outlets installed.



Locust Apartments, 1519 Locust Street, Chico



Park Place Apartments, 2105 Park Avenue, Oroville

Park Place Apartments, Oroville (40 units, senior, RSC) – The month ended with two (2) vacancies but those to units have since been re-rented. There are no additional 30-day notices to vacate. Unpaid Rents for the moth was (0) zero. YTD Income is \$17,908 more than budget at \$368,809. YTD Expenses comes to \$28,895 less than budgeted at \$144,386. YTD NOI is \$46,804 more than budget at \$224,423. YTD owner distribution totals \$57,748.53. Bond-funded work, including equipment and pergola replacements, upgrade of the Community Room, and site path of travel improvements, are in process, with property management collecting bids - work is anticipated for 4th quarter in 2025. We are also working with P G & E due to old gas lines having to be replaced at the site which has been completed. P G & E has agreed to work with the HACB cooperatively as we will be upgrading all sidewalks to ADA compliance. P G & E & RSC did host a BBQ for the residents.

Other-Owned Properties

Gridley Springs II, Gridley (24 units, Family, Arrowhead Housing) The property has two (2) vacancies as of this memo. Applications are being processed for the two current vacancies with move-ins anticipated for this month if applications pass the screening process. There are no additional 30-day notices. Property management has transitioned to Arrowhead Housing. The monthly financials have been revised with Arrowhead Housing's enclosed. Expenses were moved into the appropriate line items. The "Bad Debt" write-offs were moved to the suspense account to be written off at fiscal year-end. The YTD income comes in at \$20,073 less than budget at \$218,138. The income overall is less due to the vacancy loss being higher than budget at \$34,417. The property in the last several months has had 4 vacant units and we are down to 2 units vacant which as previously mentioned will be occupied this month. YTD Operating Expenses comes in at \$14,688 more than

budget at \$200,043 bringing the YTD NOI to \$34,761 or less than budget at \$18,095. Administrative, Utilities, Operating, Maintenance & Taxes / Insurance all come in higher than anticipated.

Please find Arrowhead's short narrative, following.



Gridley Springs Apartments II, 210 Ford Avenue, Gridley

Mayer Commons formerly Kathy Court Apartments, Paradise (12 units, family, RSC) – Applications are being processed for new prospective households. The Town of Paradise Building Department completed the final inspection on July 30, 2025, and issued a Temporary Certificate of Occupancy, allowing tenants to move in. As of this memo a full certificate of occupancy has been received. The Kathy Court operating account will be closed out with the opening of a new operating account due to the complex's re-naming to Mayer Commons.

Interior work is nearly complete, with two units ready as of August 1st and the rest needing only final touch-ups. Exterior work is also nearly complete with only the property sign remaining. The "Tot Lot" play equipment has been installed and passed a certified inspection. See additional information under Taylor Gonzalez, Project Manager Construction Report.

2131 Fogg Ave, Oroville (SFH, HACB) – The vacant lot is fully fenced and secure, awaiting future development. Annual weed abatement has been completed and funding opportunities are continually being explored. See additional information under Taylor Gonzalez, Project Manager Construction Report.



October 9, 2025

Larry Guanzon
Executive Director
Housing Authority of the County of Butte
2039 Forest Ave
Chico, CA 95928

RE: September 2025 HACB Monthly Financial Package

Dear Mr. Guanzon:

Below is a summary of the key operational activities and highlights of significant financial results for HACB properties managed by RSC Associates, Inc. in September 2025. For additional details, please review the following comprehensive financial reports provided for each property.

If you have any questions or concerns, please contact Patti or me.

Respectfully,

Susan Critser, CPM
Regional Property Manager
530-893-8228 Ext 240
scritser@rsc-associates.com
DRE# 01312715

cc Richard Gillaspie

**1519 Locust Street
September 2025**



Monthly Highlights:

Updates – Total Income for September was \$8,768.26 or 6.98% ahead of budget.

Occupancy -

- ✓ The community is 100% occupied with no new notices.

Rent Collection -

- ✓ Unit #7 reflects a balance of \$782.42 for the security deposit. The deposit is being paid by a 3rd party agency, Nation's Finest.

Expense Variances –

- ✓ Total Operating Expenses of \$2,479.21 were under budget in September by 55.49%
- ✓ NOI exceeded budget by 139.49% for September, and YTD exceeded budget by 15.94%.

Capital Expenses -

- ✓ No Capital Improvements for September.

Owner Distributions -

- ✓ Distributions year-to-date totaled \$52,789.72.

Alamont Apartments September 2025



Monthly Highlights:

Updates – Total Income was slightly below budget due to vacancies. The variance for the month was (\$1,314.54), and year-to-date, Total Income exceeded the budget by 3.02%.

Occupancy -

- ✓ We ended September with two vacant units: unit #6, which we are working on a pending application, & unit #22 has no applications at this time. Occupancy improved in September, reaching a total of 93%. No new notices at this time.

Rent Collection -

- ✓ September delinquent rent #12 \$935.00 & #18 \$517.00, both paid after the accounting close.

Expense Variances -

- ✓ The Total Operating Expenses were over budget at -13.78% due to repairs/labor, repairs/material, service appliances, HVAC, and lighting.
- ✓ Net Operating Income for September is under budget by -11.53%; however, YTD exceeds the budget by 3.77%.

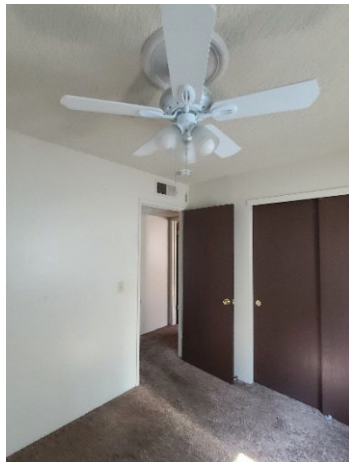
Capital Expenses -

- ✓ In unit #12, the range was replaced in September for \$768.47.

Owner Distributions -

- ✓ Distributions year-to-date totaled \$219,196.73

MOVE OUT POST REPAIRS #22



Cordillera Apartments September 2025



Monthly Highlights:

Updates – September Total Income exceeded budget by 0.37% and 6.57% year-to-date.

Occupancy –

- ✓ Occupancy for the month was 92%.
- ✓ Unit 37-4 is vacant with no pending applications. We are marketing to over
- ✓ Unit 45-2 is a Behavioral Health vacant unit with no pending applications. We are working with them to find a qualified applicant.
- ✓ No new 30-day notices to vacate.

Rent Collection -

- ✓ Unit #45-3 (in eviction) has a balance of \$4,750.00.

Expense Variances -

- ✓ Total Operating Expenses were over budget in September at -2.06%. Primarily due to Bad Debt Expense \$4,688.19 written off. We have worked out payment arrangements.
- ✓ Net Operating Income Year-to-date exceeded budget by \$25,479.07.

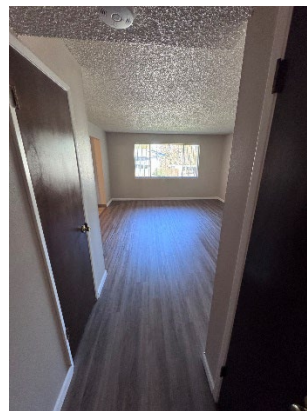
Capital Expenses -

- ✓ No capital improvements for September.

Owner Distributions -

- ✓ Distributions year-to-date totaled \$92,434.13.

MOVE OUT POST REPAIRS #45-3



Evanswood Estates Apartments September 2025



Monthly Highlights:

Updates - Total income exceeded the budget by 3.28%, totaling \$42,476.22.

Occupancy –

- ✓ Occupancy totaled 100% in September with no new notices.

Rent Collection -

- ✓ There are no delinquent rents for September 2025

Expense Variances -

- ✓ Total Operating Expenses were over budget by -5.02%, totaling \$17,651.63. Year-to-date, we are over budget by -8.57%. Overage is due to additional repairs to units after annual inspections.
- ✓ Net Operating Income exceeded budget by 2.08%

Capital Improvements -

- ✓ No capital improvements for September.

Owner Distributions -

- ✓ Distributions year-to-date totaled \$215,035.20

COMPLETED TRENCH BUILD



Evanswood #21, #25, and #33 September 2025



Monthly Highlights:

Updates -Total Income for September exceeded the budget by 0.14% and by 2.59% year-to-date.

Occupancy –

- ✓ Totaled 100% at the end of September with no new notices.

Rent Collection –

- ✓ There are no delinquent rents for September 2025.

Expense Variances-

- ✓ Total Operating Expenses were under budget at 21.13% for September, totaling \$1,294.24.
- ✓ Net Operating Income exceeded budget by 17.61%

Distributions –

- ✓ Distributions year-to-date totaled \$23,528.74.

Mayer Commons September 2025



Monthly Highlights:

Updates – The Grand Opening was held in September.

- ✓ The total income for September is \$3,076.27.

Occupancy –

- ✓ Occupancy improved to 33.33%.
- ✓ Unit #L moved in on 9/01/25.
- ✓ Unit #G moved in on 9/02/25.
- ✓ We are processing an application for Unit A for an October move-in.
- ✓ As of today, we have three additional files we are processing for approval..

Expense Variances—

- ✓ Total Operating Expenses in September totaled \$3,455.45.

Distributions –

- ✓ Distributions year-to-date totaled \$0.

MAYER COMMONS GRAND OPENING



Lincoln Apartments September 2025



Monthly Highlights:

Updates - The Total Income for September was slightly under budget by -1.83%, totaling \$15,962.62, and exceeded the budget year-to-date by 8.59%.

Occupancy -

- ✓ Currently, we are 100% occupied with no new notices.

Rent Collection -

- ✓ There are no delinquent rents for September 2025.

Expense Variances -

- ✓ Total Operating Expenses under budget by 43.69% for the month and 21.00% year-to-date.

Capital Improvements -

- ✓ No capital improvements for September.

Owner Distributions -

- ✓ Distributions year-to-date totaled \$91,538.53.

PHOTOS OF THE PROPERTY



Park Place September 2025



Monthly Highlights:

Updates - Total Income exceeded the budget by 17.75% and year-to-date by 5.10%.

Occupancy -

- ✓ We concluded September with 95% occupancy.
- ✓ Unit #16 is leased with a scheduled move-in date of 10/01/25.
- ✓ Unit #5 is leased with a scheduled move-in date of 10/6/25.
- ✓ No new notices.

Rent Collection -

- ✓ There are no delinquent rents for September 2025

Expense Variances -

- ✓ Total Operating Expenses for September were under budget, at -25.397% at \$14,424.46.
- ✓ Net Operating Income for September exceeded budget by 13.02%, totaling \$20,993.82.

Capital Improvements -

- ✓ Replaced handrails #20, #21, and #25 \$1,349.70.
- ✓ Interior paint unit #16 \$1,817.15.

Owner Distributions -

- ✓ Distributions year-to-date totaled \$57,748.53

MOVE OUT POST REPAIRS #16



Property Update – October 1, 2025

Gridley Springs 1 (GS1)

Occupancy

- Current vacancies: **2 units**

Move-Ins

- **Unit #2** – Pending bank verification; application under review. Move-in will proceed once approved.
- **Unit #25** – Application approved; scheduled to move in on October 1st.

Maintenance

- The new maintenance technician Taylor Mader repaired the irrigation system, and the grass is beginning to recover.
 - GS1: Blind replacements completed.
-

Gridley Springs 2 (GS2)

Occupancy

- Current vacancies: **2 units**

Move-ins

- **Unit #16** – An approved applicant declined on their scheduled move-in day. A new applicant is being submitted to compliance today; move-in will follow upon approval.
- **Unit #1** – Pending approval.

Maintenance

- GS2: Blind replacements in progress; expected completion by mid-October.

Abandoned Vehicles

- All abandoned vehicles have been removed.

Gridley Municipal Utilities

- Utility bills have been higher than usual. We are investigating the cause

Staff Changes

Manager

- Miguel Aguirre has provided notice of resignation. His last day will be **October 3rd**. Recruitment for a replacement is in progress.

Regional Manager

- **Laurie Hunter** will be transitioning out of her role as Regional Manager. **Melissa Runyon** will begin in this position effective **October 1st**.
-

Gridley Springs 2 Budget Comparison September 30, 2025

	Month Ending 09/30/2025				Year to Date 09/30/2025			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Income								
Rental Income								
5120 - Rent Revenue -- Gross Potential	19,768.00	19,768.00	0.00	0.00	237,216.00	237,216.00	0.00	0.00
5180 - Local Section 8 Subsidy Revenue	233.00	233.00	0.00	0.00	4,176.00	2,796.00	1,380.00	49.35
5195 - Leases Less than Market	680.00	0.00	680.00	100.00	(3,062.00)	0.00	(3,062.00)	(100.00)
5196 - Leases in Excess of Market	0.00	0.00	0.00	0.00	5,541.00	0.00	5,541.00	100.00
Total Rental Income	20,681.00	20,001.00	680.00	3.39	243,871.00	240,012.00	3,859.00	1.60
Vacancy, Losses & Concessions								
5220 - Vacancy Loss - Apartments	(2,640.00)	(400.00)	(2,240.00)	(560.00)	(34,417.00)	(4,800.00)	(29,617.00)	(617.02)
5250 - Rental Concessions	0.00	0.00	0.00	0.00	(99.00)	0.00	(99.00)	(100.00)
Total Vacancy, Losses & Concessions	(2,640.00)	(400.00)	(2,240.00)	(560.00)	(34,516.00)	(4,800.00)	(29,716.00)	(619.08)
Net Rental Income	18,041.00	19,601.00	(1,560.00)	(7.95)	209,355.00	235,212.00	(25,857.00)	(10.99)
Financial Income								
5440 - Interest Revenue -- Replacement Reserve	2.46	0.00	2.46	100.00	30.54	0.00	30.54	100.00
Total Financial Income	2.46	0.00	2.46	100.00	30.54	0.00	30.54	100.00
Other Income								
5910 - Laundry Revenue	28.58	42.00	(13.42)	(31.95)	171.41	500.00	(328.59)	(65.71)
5920 - Tenant Charges (Late Fees, Damages)	0.00	209.00	(209.00)	(100.00)	8,581.72	2,500.00	6,081.72	243.26
Total Other Income	28.58	251.00	(222.42)	(88.61)	8,753.13	3,000.00	5,753.13	191.77
Total Income	18,072.04	19,852.00	(1,779.96)	(8.96)	218,138.67	238,212.00	(20,073.33)	(8.42)
Expenses								
Administrative Expenses								
6311 - Office Supplies	1,752.34	583.00	(1,169.34)	(200.57)	11,049.67	7,000.00	(4,049.67)	(57.85)
6320 - Management Fee Expense	945.00	1,080.00	135.00	12.50	11,475.00	12,960.00	1,485.00	11.45
6330 - Manager Salaries	2,058.13	2,000.00	(58.13)	(2.90)	23,429.05	24,000.00	570.95	2.37
6340 - Legal Expense - Project	0.00	167.00	167.00	100.00	770.00	2,000.00	1,230.00	61.50
6350 - Audit Expense	0.00	0.00	0.00	0.00	12,935.00	9,000.00	(3,935.00)	(43.72)
6351 - Bookkeeping Fees/Accounting Services	0.00	25.00	25.00	100.00	0.00	300.00	300.00	100.00
7006 - Seminars & Training	27.12	29.00	1.88	6.48	260.65	350.00	89.35	25.52
Total Administrative Expenses	4,782.59	3,884.00	(898.59)	(23.13)	59,919.37	55,610.00	(4,309.37)	(7.74)
Marketing Expenses								
6210 - Advertising and Marketing	55.00	21.00	(34.00)	(161.90)	671.96	250.00	(421.96)	(168.78)
Total Marketing Expenses	55.00	21.00	(34.00)	(161.90)	671.96	250.00	(421.96)	(168.78)
Utilities								
6449 - Utilities - Vacant	0.00	0.00	0.00	0.00	33.46	0.00	(33.46)	(100.00)

Gridley Springs 2 Budget Comparison September 30, 2025

	Month Ending 09/30/2025				Year to Date 09/30/2025			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
6450 - Electricity	369.88	310.00	(59.88)	(19.31)	4,378.98	3,720.00	(658.98)	(17.71)
6451 - Water	881.10	500.00	(381.10)	(76.22)	6,964.10	6,000.00	(964.10)	(16.06)
6452 - Gas	0.00	68.00	68.00	100.00	1,014.46	820.00	(194.46)	(23.71)
6453 - Sewer	887.28	820.00	(67.28)	(8.20)	11,371.19	9,840.00	(1,531.19)	(15.56)
Total Utilities	2,138.26	1,698.00	(440.26)	(25.92)	23,762.19	20,380.00	(3,382.19)	(16.59)
Operating & Maintenance Expenses								
6512 - Maintenance Salaries	1,817.66	2,000.00	182.34	9.11	25,328.24	24,000.00	(1,328.24)	(5.53)
6515 - Supplies - Maint. & Repairs	322.50	1,917.00	1,594.50	83.17	8,060.80	23,000.00	14,939.20	64.95
6520 - Contracts - Maint. & Repairs	1,962.05	1,667.00	(295.05)	(17.69)	33,234.73	20,000.00	(13,234.73)	(66.17)
6525 - Garbage & Trash Removal	504.62	566.00	61.38	10.84	6,055.44	6,800.00	744.56	10.94
6546 - Repairs - HVAC Repairs & Maintenance	12,390.00	500.00	(11,890.00)	(2,378.00)	16,257.95	6,000.00	(10,257.95)	(170.96)
6590 - Misc. Operating & Maint Expenses	0.00	899.00	899.00	100.00	5,127.57	10,785.00	5,657.43	52.45
Total Operating & Maintenance Expenses	16,996.83	7,549.00	(9,447.83)	(125.15)	94,064.73	90,585.00	(3,479.73)	(3.84)
Taxes & Insurance								
6711 - Payroll Taxes	374.12	418.17	44.05	10.53	4,613.31	5,018.00	404.69	8.06
6720 - Property & Liability Insurance (Hazard)	0.00	0.00	0.00	0.00	5,848.52	4,000.00	(1,848.52)	(46.21)
6722 - Workers Compensation Ins	345.43	296.67	(48.76)	(16.43)	3,973.67	3,560.00	(413.67)	(11.61)
6723 - Health Insurance and Other Employee Benefits	169.82	496.00	326.18	65.76	7,189.30	5,952.00	(1,237.30)	(20.78)
Total Taxes & Insurance	889.37	1,210.84	321.47	26.54	21,624.80	18,530.00	(3,094.80)	(16.70)
Total Operating Expenses	24,862.05	14,362.84	(10,499.21)	(73.09)	200,043.05	185,355.00	(14,688.05)	(7.92)
Net Operating Income (Loss)	(6,790.01)	5,489.16	(12,279.17)	(223.69)	18,095.62	52,857.00	(34,761.38)	(65.76)
Net Income (Loss)	(6,790.01)	5,489.16	(12,279.17)	(223.69)	18,095.62	52,857.00	(34,761.38)	(65.76)

MEMO

Date: October 10, 2025

To: HACB Board of Commissioners

From: Larry Guanzon, Executive Director
Taylor Gonzalez, Project Manager

Subject: Status Report – HACB Investor Limited Partner (ILP) LIHTC Properties

- 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)

For Chico Commons, Walker Commons, and 1200 Park Ave. Apartments, Chico, please also see monthly reports provided by the property manager, AWI, following this memo.

Chico Commons Apartments, Chico (72 units, LIHTC, Family, MGP: Banyard Management, PM: AWI) –There are (7) vacancies as of this memo’s date. There was one move-in and one move-out in September. Several of the current vacancies are attributed to non-payment of rent and or failure to follow lease policies which AWI lists in their monthly report. Increased vacancies were anticipated with lease up of the new tax-credit subsidized properties in the area. AWI has increased their marketing to address the dynamic and loss. In addition, rents have been reduced for the 2-3 bedrooms for a limited time. AWI details current turnover status in the monthly narrative following. AWI’s narrative also details unpaid rent balances. Parking lot bids to repair/replace sections of asphalt have been obtained and work will be completed weather permitting. Total income is below budget by \$7,729 at \$610,443. YTD vacancy loss being higher than anticipated by \$23,228 at \$91,816. YTD Total expenses are under budget by \$20,729 at \$585,471. This brought Net profit YTD to \$24,973 or \$13,000 more than budget. AWI is gathering comparable bids for Exterior Painting of all buildings. The property is subject to repositioning, involving refinancing, capital improvements, and replacements. Please find AWI’s monthly narrative and financials for your review.



Chico Commons Apartments, 2071 Amanda Way, Chico



Walker Commons Apartments, 678 Buttonwillow Lane, Chico

Walker Commons Apartments, Chico (56 units, LIHTC, Senior & Disabled, MGP: BCAHDC, PM: AWI) – The property has zero (0) vacancy as of this memo. Residents and staff have continued to partner to create monthly activities supporting all residents, such as donut and ice cream socials, bingo nights monthly, and weekly card games. The community resident garden is being used by residents. YTD income is higher than budget by approximately \$56,886 at \$411,071 with overall YTD expenses lower than anticipated by \$10,714 at \$334,454. This brought the property's Net Profit to \$67,601 more than budget, at \$76,616. Bids are being collected for elimination of trip hazards and sidewalks repairs/photos are within the AWI narrative. Tree Trimming & Path-Lighting underground wiring is also being planned. The property is subject to repositioning, involving refinance, capital improvements and replacements. Whitney Vaughan is the new on-site manager. The property generates significant cash, which will help with anticipated renovations. Please find the AWI monthly owners report following.



Walker Commons Apartments, Chico - Community Room Building



1200 Park Avenue - Street Entry

1200 Park Avenue Apartments, Chico (107 units, LIHTC, Senior, MGP: BCAHDC, PM: AWI)
 – There are seven (7) vacancies as of this memo. AWI reviews the turnover and market ready status of these 7 units in their report, following. There is two (2) additional 30-day notices as reiterated in AWI’s narrative. Any unpaid rents are also being collected. AWI is processing applications and preparing the units for lease. Marketing efforts, including flyers have increased due to vacancies; many fixed-extremely low-income applicants on the waiting lists have insufficient income to pay the 50-60% AMI rents. Pressure Washing, Exterior Window Cleaning, Facia Repairs & Landscaping needs are being addressed. CAA Food Distribution is on-going. North Valley Catholic Social Services and others are continuing to be contacted to provide activities for property residents. The residents and AWI staff continue to calendar events - monthly bingo and birthdays are celebrated. Butte County Library continues to serve property residents. Total income is up by \$7,270, at \$835,546. Total expenses come in at \$848,249, or \$26,604 more than budget. This brought the YTD net monthly profit to a negative \$13,793. or \$19,334 less than anticipated. Our YTD Maintenance, Operating & Administrative expenses all come in higher than budget. The property is subject to repositioning, involving refinancing and capital improvements. Please find AWI’s monthly financials following.



1200 Park Avenue Apartments, Inner Courtyard view

Chico Commons Apartments September 2025



Updates:

Chico Commons currently has 7 vacant units available for occupancy, 1 Move-in and 1 Move-out in September.

Vacancies:

- **Unit 05 (60%):** (Personal) Minor repairs and painting
- **Unit 02 (60%):** (Personal) Full paint, Minor repairs
- **Unit 12 (60%):** (Personal) Rent Ready, Looking for qualifying applicants
- **Unit 21 (60%):** (Non-Payment) Major repairs, cleaning
- **Unit 17 (60%):** (Personal) Major repairs, cleaning
- **Unit 63 (50%):** (Personal) Major repairs, cleaning
- **Unit 53 (50%):** (Eviction) Major repairs, Major cleaning

Advertising:

- In an effort to attract renters that can afford the units, we have temporarily reduced rents for two and three bedrooms. The property has a new advertising banner on the front of the complex; resident referral flyers are being distributed around the area and to local agencies.

(530) 745-6170 tel AWI Management Corporation
(530) 745-6171 fax 120 Center Street
www.awimc.com Auburn CA 95603



Aging Balances:

- **Unit 10:** (Failure to pay) - This household has not set up a payment arrangement; Notices have been issued.

Bids on hand for capital projects:

- Building Painting
- Facia Repairs
- Tree Trimming

Estimates are under review and new renders were requested for the building painting.

(530) 745-6170 tel AWI Management Corporation
(530) 745-6171 fax 120 Center Street
www.awimc.com Auburn CA 95603



AWI Management Corporation is an Equal Opportunity provider.

Chico Commons (p0549)

Budget Comparison Cash Flow

Period = Sep 2025

Book = Accrual ; Tree = awi_cf

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
TENANT RENT									
Gross Rents	75,017	76,209	-1,192	-2	684,175	685,881	-1,706	0	914,508
Gain/Loss to Lease	2,809	0	2,809	N/A	17,033	0	17,033	N/A	0
Vacancies	-7,653	-7,621	-32	0	-91,816	-68,588	-23,228	-34	-91,451
Rent Adjustments	0	-135	135	100	0	-1,214	1,214	100	-1,618
Admin Unit-Non Rev	-1,049	-1,049	0	0	-9,441	-9,441	0	0	-12,588
TOTAL TENANT RENT	69,124	67,404	1,720	3	599,951	606,638	-6,687	-1	808,851
PROJECT INCOME									
Laundry Income	0	477	-477	-100	1,525	4,295	-2,770	-64	5,727
Late Charges	171	271	-100	-37	2,816	2,440	376	15	3,253
Other Tenant Income	-48	495	-543	-110	1,183	4,456	-3,274	-73	5,942
Interest Income	64	38	25	67	875	343	533	155	457
Interest Income-Restricted Reserve	458	0	458	N/A	3,894	0	3,894	N/A	0
Miscellaneous Income	0	0	0	N/A	580	0	580	N/A	0
Utility Allowance Preparation	-363	0	-363	N/A	-363	0	-363	N/A	0
Copies/Postage Offset	-18	0	-18	N/A	-18	0	-18	N/A	0
TOTAL OTHER PROJECT INCOME	264	1,282	-1,018	-79	10,492	11,534	-1,042	-9	15,379
TOTAL PROJECT INCOME	69,388	68,686	702	1	610,443	618,172	-7,729	-1	824,230
PROJECT EXPENSES									
Maint and Oper Exp	13,268	29,236	15,968	55	250,528	263,122	12,594	5	350,829
Utilities	9,530	10,954	1,424	13	72,722	98,584	25,861	26	131,445
Administrative	14,128	10,985	-3,144	-29	143,584	98,864	-44,720	-45	131,819
Taxes and Insurance	4,111	4,193	82	2	36,311	37,738	1,428	4	50,318
Other Taxes and Insurance	1,533	4,215	2,682	64	16,898	37,936	21,037	55	50,581
Other Project Expenses	1,004	1,589	585	37	9,770	14,299	4,529	32	19,065
TOTAL O/M EXPENSES	43,573	61,171	17,598	29	529,813	550,543	20,729	4	734,057
MORTGAGE AND OWNERS EXPENSE									
Interest Expense	2,604	2,604	0	0	23,438	23,438	0	0	31,250
Administrative General Partner Fees	1,080	1,080	0	0	9,720	9,720	0	0	12,960
Reserve Transfers	2,500	2,500	0	0	22,500	22,500	0	0	30,000
TOTAL MORTGAGE AND OWNERS EXP	6,184	6,184	0	0	55,658	55,658	0	0	74,210
TOTAL PROJECT EXPENSES	49,757	67,356	17,598	26	585,471	606,200	20,729	3	808,267
NET PROFIT (LOSS)	19,630	1,330	18,300	1,376	24,973	11,972	13,000	109	15,963
OTHER CASH FLOW ITEMS:									
Reserve Transfers	-458	0	-458	N/A	-31,043	0	-31,043	N/A	0
T and I Transfers	-4,236	0	-4,236	N/A	-38,053	0	-38,053	N/A	0
Receivable-Tenant	-8,673	0	-8,673	N/A	-5,706	0	-5,706	N/A	0

Chico Commons (p0549)

Budget Comparison Cash Flow

Period = Sep 2025

Book = Accrual ; Tree = awi_cf

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
Security Deposits	0	0	0	N/A	1,451	0	1,451	N/A	0
Authorized Reserve-Other	0	-11,783	11,783	100	-40,340	-106,050	65,710	62	-141,400
Other Receivables	5,111	0	5,111	N/A	-5,847	0	-5,847	N/A	0
AP-Trade Vendors	0	0	0	N/A	-67,525	0	-67,525	N/A	0
TOTAL OTHER CASH FLOW ITEMS	-8,257	-11,783	3,527	30	-187,064	-106,050	-81,014	-76	-141,400
NET OPERATING CASH CHANGE	11,374	-10,453	21,827	209	-162,091	-94,078	-68,013	-72	-125,437

**Walker Commons
September 2025**



Updates:

- 100% occupied.

Landscaping Improvements:

- Crushed Dust replaced the buildings.
- Stump Grinding completed.
- Sidewalk repairs completed.

Bids on hand for capital projects:

- Gutters for the remainder of the property.
 - Requested a 2nd bid.
- Tree Trimming
 - Approved, work to begin shortly

Events:

- The site continues to host bingo events monthly.
- We have expanded events to include weekly card games as well. The games are a great success and appreciated by the residents.
- Will be planning a birthday cake event monthly for the site soon.

Projects:

- Concrete repairs are wrapping up for the trip hazards present on the complex.





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AWI Management Corporation
120 Center Street
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AWI Management Corporation is an Equal Opportunity provider.



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Walker Commons (p0550)

Budget Comparison Cash Flow

Period = Sep 2025

Book = Accrual ; Tree = awi_cf

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
TENANT RENT									
Gross Rents	39,061	40,596	-1,534	-4	340,994	365,360	-24,366	-7	487,146
Gain/Loss to Lease	8,820	0	8,820	N/A	76,729	0	76,729	N/A	0
Vacancies	-458	-609	151	25	-9,514	-5,480	-4,034	-74	-7,307
Rent Adjustments	0	-18	18	100	0	-162	162	100	-216
Admin Unit-Non Rev	-906	-906	0	0	-8,154	-8,154	0	0	-10,872
TOTAL TENANT RENT	46,517	39,063	7,454	19	400,055	351,563	48,492	14	468,751
PROJECT INCOME									
Laundry Income	0	272	-272	-100	2,563	2,446	116	5	3,262
Late Charges	11	4	7	164	1,209	38	1,172	3,124	50
Application Fees	0	0	0	N/A	-25	0	-25	N/A	0
Other Tenant Income	0	9	-9	-100	1,308	82	1,226	1,486	110
Interest Income	125	6	119	1,951	1,265	55	1,210	2,210	73
Interest Income-Restricted Reserve	608	0	608	N/A	4,979	0	4,979	N/A	0
Utility Allowance Preparation	-283	0	-283	N/A	-283	0	-283	N/A	0
TOTAL OTHER PROJECT INCOME	461	291	170	58	11,016	2,621	8,394	320	3,495
TOTAL PROJECT INCOME	46,978	39,354	7,624	19	411,071	354,184	56,886	16	472,246
PROJECT EXPENSES									
Maint and Oper Exp	9,197	14,480	5,284	36	145,479	130,324	-15,155	-12	173,765
Utilities	3,724	4,920	1,196	24	27,175	44,281	17,106	39	59,041
Administrative	12,086	8,827	-3,258	-37	80,639	79,445	-1,194	-2	105,927
Taxes and Insurance	2,572	2,585	13	0	22,694	23,268	574	2	31,024
Other Taxes and Insurance	2,971	3,702	731	20	24,958	33,320	8,363	25	44,427
Other Project Expenses	717	1,028	312	30	8,235	9,256	1,020	11	12,341
TOTAL O/M EXPENSES	31,267	35,544	4,277	12	309,179	319,894	10,714	3	426,525
MORTGAGE AND OWNERS EXPENSE									
Interest Expense	1,250	1,250	0	0	11,250	11,250	0	0	15,000
Managing General Partner Fees	625	0	-625	N/A	625	0	-625	N/A	0
Administrative General Partner Fees	0	625	625	100	5,000	5,625	625	11	7,500
Reserve Transfers	933	933	0	0	8,400	8,400	0	0	11,200
TOTAL MORTGAGE AND OWNERS EXP	2,808	2,808	0	0	25,275	25,275	0	0	33,700
TOTAL PROJECT EXPENSES	34,075	38,352	4,277	11	334,454	345,169	10,714	3	460,225
NET PROFIT (LOSS)	12,903	1,002	11,901	1,188	76,616	9,016	67,601	750	12,021
OTHER CASH FLOW ITEMS:									
Reserve Transfers	-608	0	-608	N/A	-104,979	0	-104,979	N/A	0
T and I Transfers	-2,619	0	-2,619	N/A	-23,524	0	-23,524	N/A	0
Receivable-Tenant	-869	0	-869	N/A	-1,649	0	-1,649	N/A	0

Walker Commons (p0550)

Budget Comparison Cash Flow

Period = Sep 2025

Book = Accrual ; Tree = awi_cf

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
Security Deposits	680	0	680	N/A	-861	0	-861	N/A	0
Authorized Reserve-Other	0	-6,458	6,458	100	0	-58,125	58,125	100	-77,500
Other Receivables	3,572	0	3,572	N/A	-4,031	0	-4,031	N/A	0
AP-Trade Vendors	0	0	0	N/A	-19,215	0	-19,215	N/A	0
Accrued Interest-ROA	1,250	0	1,250	N/A	1,250	0	1,250	N/A	0
Accrued Managing General Partner Fees	625	0	625	N/A	5,625	0	5,625	N/A	0
Partners Equity	0	0	0	N/A	-12,898	0	-12,898	N/A	0
TOTAL OTHER CASH FLOW ITEMS	2,032	-6,458	8,490	131	-160,281	-58,125	-102,156	-176	-77,500
NET OPERATING CASH CHANGE	14,935	-5,457	20,392	374	-83,665	-49,109	-34,555	-70	-65,479

1200 Park Avenue Apartments September 2025



Currently there are 7 units available for occupancy due to three move outs in September.

Vacancies:

- **Unit #131 (50%):** (Skipped, Non-Payment) - Rent Ready: RA Transfer unit
- **Unit #253 (50%):** (Medical) - Rent Ready: Applicant in process with Section 8
- **Unit #103 (60%):** (Medical) - Turn in process, Reserved as a possible transfer
- **Unit #307 (50%):** (Medical) - Turn in process, working on applicants
- **Unit #321 (50%):** (Medical) - Turn in process, working on applicants
- **Unit #239 (60%):** (Eviction) - Applicant in process with Section 8
- **Unit #226 (60%):** (Personal) - Bought a home

Upcoming Vacancies:

- **Unit #221 (50%):** (Transfer) RA to unit 131
- **Unit #242 (50%):** (Deceased) - Butte Co Sheriff has possession of the unit - unit is sealed until further notice

Bids on hand for capital projects:

- Pressure washing the buildings
- Window cleaning
- Facia repairs
- Landscaping improvements
- Hallway / Stair flooring

Estimates will be submitted for consideration based on priority and funds.

Community Events:

The staff have continued the monthly events to foster community spirit, including:

- Monthly Bingo Games
- Birthday Cake Celebrations



Park Avenue (p0569)

Budget Comparison Cash Flow

Period = Sep 2025

Book = Accrual ; Tree = awi_cf

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
TENANT RENT									
Gross Rents	98,670	95,845	2,825	3	872,679	862,606	10,073	1	1,150,141
Vacancies	-5,140	-3,834	-1,306	-34	-36,183	-34,504	-1,678	-5	-46,006
Admin Unit-Non Rev	-1,111	-1,111	0	0	-9,999	-9,999	0	0	-13,332
TOTAL TENANT RENT	92,419	90,900	1,519	2	826,497	818,102	8,395	1	1,090,803
PROJECT INCOME									
Laundry Income	0	667	-667	-100	6,000	6,000	0	0	8,000
Late Charges	-219	68	-287	-419	1,051	616	434	70	822
Application Fees	0	14	-14	-100	25	125	-100	-80	167
Other Tenant Income	614	333	281	84	573	3,000	-2,427	-81	4,000
Interest Income	78	0	78	N/A	536	0	536	N/A	0
Interest Income-Restricted Reserve	22	18	4	22	189	164	25	16	218
Miscellaneous Income	50	20	30	152	1,125	178	946	530	238
Utility Allowance Preparation	-540	0	-540	N/A	-540	0	-540	N/A	0
TOTAL OTHER PROJECT INCOME	5	1,120	-1,115	-100	8,959	10,084	-1,125	-11	13,445
TOTAL PROJECT INCOME	92,424	92,021	404	0	835,456	828,186	7,270	1	1,104,248
PROJECT EXPENSES									
Maint and Oper Exp	9,949	21,761	11,812	54	230,989	195,853	-35,137	-18	261,137
Utilities	12,248	13,233	984	7	85,579	119,092	33,514	28	158,790
Administrative	15,361	13,035	-2,325	-18	145,194	117,319	-27,875	-24	156,425
Taxes and Insurance	7,269	7,440	170	2	64,182	66,958	2,776	4	89,277
Other Taxes and Insurance	3,280	3,454	174	5	31,488	31,085	-402	-1	41,447
Other Project Expenses	2,377	2,401	24	1	23,559	21,610	-1,950	-9	28,813
TOTAL O/M EXPENSES	50,485	61,324	10,839	18	580,991	551,917	-29,074	-5	735,889
MORTGAGE AND OWNERS EXPENSE									
Interest Expense	14,783	26,300	11,517	44	172,702	236,704	64,001	27	315,605
Principal Payment	6,536	0	-6,536	N/A	57,460	0	-57,460	N/A	0
Interest-Other	4,786	0	-4,786	N/A	4,786	0	-4,786	N/A	0
Managing General Partner Fees	1,086	1,106	20	2	9,770	9,950	180	2	13,266
Asset Management Fees	0	0	0	N/A	-535	0	535	N/A	0
Reserve Transfers	2,675	2,675	0	0	24,075	24,075	0	0	32,100
TOTAL MORTGAGE AND OWNERS EXP	29,866	30,081	215	1	268,258	270,728	2,470	1	360,971
TOTAL PROJECT EXPENSES	80,351	91,405	11,054	12	849,249	822,645	-26,604	-3	1,096,860
NET PROFIT (LOSS)	12,074	616	11,458	1,861	-13,793	5,541	-19,334	-349	7,388
OTHER CASH FLOW ITEMS:									
Reserve Transfers	-17	0	-17	N/A	65,419	0	65,419	N/A	0
T and I Transfers	-7,488	0	-7,488	N/A	2,058	0	2,058	N/A	0

Park Avenue (p0569)

Budget Comparison Cash Flow

Period = Sep 2025

Book = Accrual ; Tree = awi_cf

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
Other Cash Changes	0	0	0	N/A	419	0	419	N/A	0
Receivable-Tenant	1,915	0	1,915	N/A	-3,223	0	-3,223	N/A	0
Security Deposits	-211	0	-211	N/A	1,289	0	1,289	N/A	0
Authorized Reserve-Other	0	-10,942	10,942	100	-65,410	-98,475	33,065	34	-131,300
Pending Reserves	0	0	0	N/A	-34,721	0	-34,721	N/A	0
Other Receivables	8,269	0	8,269	N/A	56,360	0	56,360	N/A	0
AP-Trade Vendors	0	0	0	N/A	22,081	0	22,081	N/A	0
Accrued Interest-ROA	0	0	0	N/A	5,126	0	5,126	N/A	0
Accrued Interest	4,786	0	4,786	N/A	4,786	0	4,786	N/A	0
Accrued Local Administration Fees	6,542	0	6,542	N/A	9,875	0	9,875	N/A	0
Accrued Managing General Partner Fees	669	0	669	N/A	-19,799	0	-19,799	N/A	0
TOTAL OTHER CASH FLOW ITEMS	14,465	-10,942	25,407	232	44,261	-98,475	142,736	145	-131,300
NET OPERATING CASH CHANGE	26,539	-10,326	36,865	357	30,468	-92,934	123,402	133	-123,912

MEMO

Date: October 9, 2025

To: HACB Board of Commissioners

From: Tiffany Lee, Special Programs Coordinator
Angie Little, Rental Assistance Programs Manager

Subject: Family Self-Sufficiency (FSS) Program update for Sept 2025

Program Statistics for Period Ending	Sept 2025	Sept 2024
Number of participants as of last day of the month	33	26
Number of Orientation Briefings	0	0
Number of signed contracts	4	0
Number of Port-In's	0	0
Number of Port-Out's	0	0
Number of Graduates	0	2
Contract Expired	0	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)	8	0
Number of participants with new employment (YTD)	3	0
Number of participants with escrow accounts	11	15
Number of participants currently escrowing	9	9
Amount disbursed from escrow account	0.00	\$0.00
Balance of Forfeiture account	\$33,511.07	\$5,694.76
Balance of Escrow Account	\$65,834.50	\$169,644.62

FSS FY 2024 HUD Grant Program Tracking Data

Program Management Questions:	2025 Calendar Year
PHA mandatory program size (Initial 50)	N/A
PHA voluntary program size (50)	33
Number of FSS participants identified as a person with disabilities	7
Number of FSS participants employed	12
Number of FSS participants in training programs	1
Number of FSS participants enrolled in higher/adult education	6
Number of FSS participants enrolled in school and employed	3
Number of FSS families receiving cash assistance	8
Number of FSS families experiencing a reduction in cash assistance	3
Number of FSS families who have ceased receiving cash assistance	4
How many new FSS escrow accounts were established	14
Number of FSS families moved to non-subsidized housing	0
Number of FSS families moved to home-ownership ⁸¹	0

HACB CoC Programs: A Report to the Board of Commissioners for the Month of September 2025										
Grant	Funding Period	Amount Funded	Grantee	Sponsor	Units	Eligibility Criteria	Service Area	09/2025 Enrollment	09/2025 HAP Assistance	Grant Balance
City of Chico - LGP	7/1/25 - 6/30/26	\$9,000.00	City of Chico	SSA	8	Low-income, referred by supportive service agency	Chico	0	\$0.00	\$9,000.00
City of Chico - TBRA	7/1/25 - 6/30/26	\$150,000.00	City of Chico	SSA	18	Low-income, under case management with self-sufficiency plan	Butte County	8	\$9,896.00	\$119,978.00
BHHAP/Security Deposit**	7/1/25 - 6/30/26	\$1,695.00	City of Chico	SSA	5	Individuals with a mental illness with homelessness eligibility	Butte County	13	\$3,250.00	\$0.00
BHHAP/ASOC	7/1/25 - 6/30/26	\$11,915.00	BCBH	BCBH	4	Individuals with a mental illness with homelessness eligibility	Butte County	2	\$3,239.00	\$6,233.65
Totals		\$172,610.00			35			23	\$16,385.00	\$135,211.65

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:10/08/2025

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

**Written authorization given from BCDDBH to take any over spent dollars from BHHAP/ASOC to cover BHHAP/Security Deposit

New California law to make housing projects easier can also make them cost more



BYDAN WALTERS
SEPTEMBER 4, 2025



A transit train passes a construction project in Los Angeles on March 6, 2017. A new California law may spur development near public transit. Photo by Mike Blake, Reuters

Welcome to CalMatters, the only nonprofit newsroom devoted solely to covering statewide issues that affect all Californians. Sign up for [WeeklyMatters](#) for a Saturday morning digest of the latest news and commentary from the Golden State.

This story is part of **California Voices**, a commentary forum aiming to broaden our understanding of the state and spotlight Californians directly impacted by policy or its absence. Learn more [here](#).

Two months ago, Gov. Gavin Newsom and legislators from both parties celebrated [enacting landmark legislation](#) to remove the California Environmental Quality Act as an impediment to new housing construction.

Lopsided votes in the Legislature for [Assembly Bill 130](#) and Newsom's immediate signature seemingly ended decades of debate over how the environmental law, signed by then-Gov. Ronald Reagan more than 50 years ago, was being used to delay or kill residential developments.

"Saying 'no' to housing in my community will no longer be state sanctioned," said [Assemblymember Buffy Wicks](#), an Oakland Democrat who has long advocated for CEQA reform. "This isn't going to solve all of our housing problems in the state, but it is going to remove the single biggest impediment to building environmentally friendly housing."

Newsom took obvious pleasure in achieving what had eluded other governors, including predecessor Jerry Brown, who once described overhauling CEQA as "the lord's work."

As Newsom signed the measure into law he thanked legislators and housing, labor and environmental leaders "who heeded my call and came together around a common goal—to build more housing faster and create strong, affordable pathways for every Californian.

"Today's bill is a game changer which will be felt for generations to come," he said.

While AB130 does remove CEQA as a weapon for labor unions and opponents of high-density projects to stall construction, there's a provision buried in the lengthy bill that could create a new impediment.

Two sections, 137 pages in, declare that if a residential project has "significant transportation impact," local governments or regional agencies can impose fees to "mitigate the transportation impact to a less than significant level by helping to fund or otherwise facilitating vehicle miles traveled-efficient affordable housing or related infrastructure projects...."

The so-called vehicle miles traveled, or VMT, fees are "a new housing tax families simply cannot afford," the California Building Industry Association publicly complained, adding that impact fees are [already major factors in housing costs](#).

Local traffic impact fees are not new. In fact, a dispute over a \$23,420 traffic mitigation fee imposed nine years ago for a [factory-built house in El Dorado County](#) is still pending after going all the way to the U.S. Supreme Court.

However, AB 130 appears to broaden the potential use of these fees not only for roadway improvements, but also to pay for low-income housing projects throughout the state by contributing to the state's Transit-Oriented Development Implementation Fund.

Drafting AB 130's CEQA language was a complex process involving multiple stakeholders, not only housing advocates but environmental groups that often employ CEQA to slow or kill major public and private developments and labor unions, which have used the threat of CEQA lawsuits to compel developers to use union workers. The latter issue was a major hang-up that required last-minute amendments to the measure.

The language about traffic fees was never mentioned in analyses of the bill nor in the debates that preceded legislative passage. It's another example of how such [budget trailer bills are used by governors and legislators to enact major legislation on the sly](#), with little or no public airing of the issues.

Trailer bills often contain language that has little or nothing to do with the budget and are often fleshed out just hours before enactment. Under the guise of being budget-related, the bills can be passed with simple majority floor votes, take effect immediately upon being signed by the governor and cannot be taken to voters via referendum.

Those factors make trailer bills convenient vehicles for legislation that might not survive close scrutiny. Newsom has been especially willing to utilize them for his legislative priorities.

Mayer Commons rises 7 years after Camp Fire



A welcoming banner stands before Mayer Commons apartments Tuesday, Sept. 16, 2025 in Paradise, California. MICHAEL WEBER — ENTERPRISE-RECORD

BY MICHAEL WEBER

MWEBER@CHICOER.COM

PARADISE >> Seven years after the Camp Fire destroyed Kathy Court Apartments, along with about 18,000 other structures in Paradise, the 12-unit apartment complex has been rebuilt as Mayer Commons, which celebrated its grand opening Tuesday.

While tradition has buildings named in memoriam, Ed Mayer, former director of Butte County Housing Authority, recalled what he blurted out when his board members asked if they could rename this apartment in his honor.

“I’m not dead yet,” Mayer said. “What would someone say if they named a park after you? So, they named it after the idea of excellence in affordable housing.”

Partners of the housing authority attended Tuesday’s ground opening to celebrate the raising of Mayer Commons out of the ashes of the Camp Fire. The apartment complex is 12 units total, with two one-bedroom units, two three-bedroom units and eight two-bedroom units.

Mark Thorp, business advocate with the Paradise Chamber of Commerce, said the Paradise community has been working hard to bring affordable housing, and Mayer Commons is one of the important efforts made to bring people back up to Paradise.

Thorp said he is often at opening ceremonies for new paradise businesses, “but it’s two-sided; we have the businesses, but you need the people.”

He said people are essential to bringing economic development to Paradise, and that affordable options like Mayer commons allow a path “for those that cannot afford the grandiose home, but want to get back to Paradise and perhaps can work their way toward that. That’s all part of economic development.”

Butte County Housing Authority Executive Director Larry Guanzon said the apartment was finished Sept. 1 after more than 7 years of planning and securing funding. He said the project’s total cost came to about \$6 million with funding sourced from the Fire Victim Trust, disaster recovery tax credits from Paradise and bonds from the housing authority.

Mayer, during the ceremony, reminded the audience that since the 2018 Camp Fire, 44 affordable housing projects with more than 2,700 housing units were delivered in Butte County, totaling a \$1.2 billion investment of private and public funding.

“That investment in affordable housing in this county is the largest investment in affordable housing on a per-capita basis in the history of the United States,” Mayer said. “It would be really interesting to see in the future looking backward whether that investment in affordable housing actually moved the needle in favor of housing opportunity, for which we have an enormous deficit.”

In an interview with this newspaper, Mayer shared what he thought of the building’s name.

“I had a grandfather, the name Mayer ... he was a farm boy, he grew up in Iowa, and at age 18 he was so impassioned ... he became a pilot and flew for the Italian Air Force in World War 1,” He said. “The name Mayer, what I like about that, is he went to go fight a war. When it comes to affordable housing, we are fighting a kind of⁸⁷war.

“I like to think that we have to fight for our values and what we believe in. This affordable housing, I like to think, is the best of the best.”

70 more affordable units built on ridge



Left to right, Khalid Elias, Christian Roeder and Francisco Medina put together a planter box Wednesday, Sept. 24 at Cypress Family Apartments in Paradise. PHOTOS BY MICHAEL WEBER — ENTERPRISE-RECORD



Paradise Vice Mayor Steve “Woody” Culleton, right, addresses Community Housing Improvement Project and Wells Fargo volunteers Wednesday at Cypress Family Apartments in Paradise.

BY MICHAEL WEBER
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PARADISE >> Another 70 units of affordable housing are opening in the town of Paradise at the new Cypress Family Apartments by the Community Housing Improvement Project.

During a volunteer day Wednesday at the apartments, Vice Mayor Steve “Woody” Culleton made an address recalling the history of the property at 1623 Cypress Lane, a 100-bed managed care home burned by the Camp Fire that will now be housing for families.

“What the fire didn’t take was the community spirit, and that’s why I live here, and that’s why I stayed here after the fire, and that’s why people who moved away are coming back here,” Culleton said. “And I hope that the new families that move into these apartments in this development will experience that same spirit⁹⁰ that has kept me. here for the last 40 years.”

The 70 apartments — 69 rentals and one manager unit — at Cypress Family Housing are the first of two project phases by CHIP on the property, with a second phase for seniors only opening in 2026.

Of the 69 units, 25 are covered by Section 8 housing vouchers with Butte County Housing Authority, according to CHIP President and CEO Seana O'Shaughnessy. The apartments are fitted with one-, two- and three-bedroom apartments.

CHIP is currently leasing for individual and family renters under 60% area median income, a condition for using disaster relief funding and low income housing tax credits through Paradise. The total project cost is \$43,597,721.

O'Shaughnessy said CHIP developed the property with Mercury Housing California based in Sacramento. Leasing information may be found at chiphousing.org.

She said the two phases are 1,800 acres total, “and we want to make sure that it’s fire resilient and easy to maintain.” So, CHIP contracted Regenerating Paradise to develop a land management plan for the property for fire resilience, she. said.

Nicole LaSuenesse, executive director of Regenerating Paradise, said the property’s landscape will be cultivated with native plants including redbud, California wild rose, dogwood trees, sticky monkey flower and California poppies that are expected to bloom in the spring.

“This restoration project is trying to create a native plant landscape that’s dominated by native plants, which are beneficial in that they’re drought tolerant, fire resistant and just easier to care for,” LaSueness said. “And, they can be really beautiful.”

The volunteer day brought Wells Fargo employees from the north state Wednesday morning to help build garden boxes at the apartments, with employees like regional coach Khalid Elias putting in hours for a nationwide Welcome Home campaign by his company.

“It’s really exciting to see the community come together and be able to take part in rebuilding in paradise,” Elias said.

Wells Fargo, a long-time bank serving Paradise with its town branch having survived the Camp Fire, donated \$100,000 to CHIP on Wednesday for resident services and improvements for the apartments.

Kären Woodruff, senior vice president of philanthropy and community impact for Wells Fargo, said the bank has donated more than \$5 million to Paradise rebuilding efforts since 2018, and has sent volunteers to help CHIP in seven rebuilding projects. She added that four members at the Paradise branch had lost their homes in the Camp Fire.

“We’ve been here arms wrapped around the community; the first five years, we were here all the time,” Woodruff said.

A lifeline for state's affordable housing providers

Rising insurance costs and lack of coverage is a common headline in California and across the country these days, but the acute challenges for affordable housing — and the state's most vulnerable residents who live there — have received far less attention. Between 2020 and 2022, insurance costs for California's affordable housing providers increased by an average of 56%, with some facing hikes as high as 500% between 2022 and 2024. At the same time, coverage options have narrowed, further jeopardizing the long-term viability of these essential homes.

Gov. Gavin Newsom can ensure an important first step toward countering this unsustainable trend by signing AB 1339. This legislation requires the California Department of Insurance to study the availability and affordability of coverage for affordable housing providers, equipping the state with the information needed to craft solutions, protect affordable housing from skyrocketing costs, and keep Californians securely housed. Unlike market-rate housing, where owners can offset rising costs by raising rents or relying on profit margins, affordable housing providers operate under strict affordability requirements that last at least 55 years. While small annual rent adjustments are allowed, they cannot keep pace with insurance premiums that have doubled, tripled, or even quintupled in just a few years. The result is a mounting financial crisis that threatens providers' ability to maintain operations, placing tens of thousands of households at risk and undermining billions in state investment.

Headquartered in Chico, the Community Housing Improvement Program (CHIP) has developed and managed thousands of affordable homes across seven rural northern California counties since 1973. The 2018 Camp Fire destroyed one of CHIP's properties in Paradise, and while it was later rebuilt, the development now only qualifies for coverage through California's Fair Plan, with premiums consuming two-thirds of the property's gross income. Today, CHIP faces further renewal challenges as new CalFire maps push premiums higher and force partial non-renewals even for properties in Chico, a mid-sized city of 100,000 people not traditionally viewed as a high wildfire-risk community.

This crisis is not limited to wildfire-prone areas such as Chico and Paradise. Rising insurance costs are also hitting infill urban communities like Los Angeles, where the Little Tokyo Service Center (LTSC) has provided social services and developed affordable housing for more than 45 years. LTSC has built over 1,300 units of multifamily housing across Los Angeles County, with another 360 units under construction. Yet from 2022 to 2023, LTSC's insurance premiums skyrocketed by more than 300% — despite an extremely low record of claims and its location outside wildfire-prone zones.

Across California, providers are being forced into short-term coping strategies just to stay afloat — tapping reserves meant for one-time emergencies, delaying critical maintenance, reducing staff or services, or cutting back on insurance coverage altogether. These stopgap measures might buy time, but they deepen long-term vulnerability and leave affordable housing communities one disaster away from catastrophe. Without intervention, the consequences will ripple across every region of the state, undermining California's hard-won progress in expanding affordable housing supply.

Other states, including New York and Washington, are already studying the affordability and availability of insurance for affordable housing providers. By gathering data and identifying barriers, they are beginning to shape targeted reforms. California cannot afford to fall behind.

California Assembly Bill 1339, authored by Assemblymember Mark González, takes a concrete, data-driven approach to this challenge. The bill requires the California Department of Insurance to analyze data on insurance costs and coverage for affordable housing providers, assess the barriers they face, and recommend solutions. This analysis will give policymakers the evidence they need to develop informed strategies — whether regulatory changes, new state-backed insurance tools, or budget actions — to stabilize the market and protect affordable housing providers. We know solving this crisis will take time. But we also know the first step is clear. AB 1339 won't fix the problem overnight, but it lays the foundation for durable, statewide solutions. By signing it into law, Gov. Newsom can ensure that California confronts the insurance crisis with facts, not guesswork. The stakes could not be higher. Without action, skyrocketing premiums and shrinking coverage options will continue to endanger the homes of California's most vulnerable residents and erode decades of public investment. With AB 1339,

California has the chance to safeguard affordable housing, protect its communities, and chart a path toward a more secure future.

Governor Newsom should sign AB 1339 without delay.

Seana O'Shaughnessy is President and CEO of the Community Housing Improvement Program. Erich Nakano is the Director of Special Projects and former Executive Director, Little Tokyo Service Center

October 16, 2025

MEMO

To: Board of Commissioners

From: Marco Cruz, CFO Consultant
Larry Guanzon, Executive Director

Subject: Approval of Fiscal Year 2024 Government-Wide Audit Report

We present to the Board the Housing Authority of the County of Butte (HACB) Government-Wide Audited Financial Statements for the year ended September 30, 2024. This report includes the HACB's five blended component units, Butte County Affordable Housing Development Corporation (BCAHDC), Banyard Management, Inc, Walker Common, L.P., Chico Commons, L.P., and 1200 Park Avenue, L.P.

We are pleased to report that the auditors gave an unmodified opinion for both the financial statements and compliance over internal controls. Financial highlights include an ending net position of \$34.9 million, an increase \$2.4 million over prior year. Cash and cash equivalents increased by \$1.5 million.

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. There were multiple findings listed on the audit, both from 2024 and open findings from 2021-2023. These primarily dealt with internal controls, audit processes, and timely filings. These issues are being addressed and rectified with this year's 2025 audit.

Recommendation: Motion to accept the FYE 2024 Audit Report as presented.

**HOUSING AUTHORITY OF
THE COUNTY OF BUTTE**

***FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION***

SEPTEMBER 30, 2024

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INDEPENDENT AUDITORS' REPORT

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

Opinions

We have audited the accompanying financial statements of the business-type activities (primary government) and the fiduciary fund of the Housing Authority of the County of Butte (the Authority) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the primary government and the fiduciary fund of the Housing Authority of the County of Butte as of September 30, 2024, and the respective changes in the financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 15 to the financial statements, the Authority recorded prior period adjustments related to the correction of pension valuation, cash account balances, unrestricted net position, and revenue recognition timing. These adjustments were necessary to correct amounts reported in prior fiscal years and ensure conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any

assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the budgetary comparison information and pension and other post employment benefit information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying financial data schedules as required by the U.S. Department of Housing and Urban Development and the schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedule, and the 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 August 15, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.

Bawman & Company, L.L.P.

Stockton, California
August 15, 2025

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

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 provide access to affordable and innovative housing solutions for the well-being of all. We support residents in securing and maintaining quality housing as a pathway to fostering sustainable, resilient, and stable communities. 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 jurisdictions. 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 eighty-four (2,284) vouchers, as of September 30, 2024. 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 up to two hundred fourteen (214) homeless veterans. Supportive services are provided by the local office of the US Department of Veterans Affairs. The HACB was awarded one hundred sixteen (116) EHV (Emergency Housing Vouchers) on July 1, 2021 from HUD.

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 be paid out from an escrow account that has been growing over time as their income increases. The Authority maintains a voluntary program of up to fifty (50) participating S8 HCV households.

USDA-RD Farm Labor Housing Rental Assistance and Loans and Grants: The Authority owns one hundred and fifteen (115) 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 and 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. Currently, twenty-six units (26) are designated uninhabitable or vacant awaiting rehabilitation. Rehabilitation of the older units, using USDA Loans and Grants, resumed in FY 2020-21 after receipt of two \$3 million USDA-RD Section 516 grants. Current Phase IV work to be completed in FY 2023-24 with the use of CBDG-DR, MHP & Joe Serna grants. The Housing Authority of the County of Butte is in the process of applying for the above-mentioned grants to fund future rehab phases.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

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 ninety-one (191) rental units including: twenty-four (24) Low Income Housing Tax Credit (LIHTC) and HCD regulated units (Gridley Springs II); and one hundred sixty-seven (167) non- and other- regulated residential units. Several commercial spaces are leased to outside agencies to provide supportive services at Gridley FLH. The City of Chico and the County of Butte contract with the Authority to process City and County HAP funds to landlords and to perform inspections on behalf of their local housing assistance programs. The Authority contracts with both of its component units for Corporate Services, Managing General Partner Services, Extraordinary Services, and Construction Management Services. Lastly, the Authority currently receives interest income from its loans to two (2) LIHTC partnerships, and a Section 115 Pension Trust, whose interest income is restricted to payment of pension obligations. The twenty (20) apartment units acquired through BCAHDC's donation of Cordillera Apartments to the Authority were leveraged with five other multi-family properties to generate a Bond issuance providing for major capital improvements to Authority-owned properties, as well as to purchase additional residential properties.

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 Authority ended the fiscal year of operations with assets of \$61.7 million; deferred outflows of resources of \$2.0 million; liabilities of \$28.2 million; deferred inflows of resources of \$0.6 million; and net position of \$34.9 million, which consisted of \$20.9 million invested in land, buildings, and equipment; \$8.0 million in restricted assets; and \$6.0 million in unrestricted assets.

The ending net position of \$34.9 million represents an increase in net position \$2.3 million which includes a change in net position of \$1.1 million.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED

FINANCIAL POSITION AND ANALYSIS

ANALYSIS OF ENTITY-WIDE ASSETS & LIABILITIES (STATEMENT OF NET POSITION)

	2024	2023	Increase (Decrease)	Percentage Change
Cash and cash equivalents	\$ 7,529,042	\$ 6,040,955	1,488,087	24.63%
Other current assets	1,329,643	893,584	436,059	48.80%
Capital assets, net	41,885,495	40,644,686	1,240,809	3.05%
Other non-current assets	10,979,724	11,077,775	(98,051)	-0.89%
Deferred outflows	2,045,818	1,478,516	567,302	38.37%
Total assets and deferred outflows	<u>63,769,722</u>	<u>60,135,516</u>	<u>3,634,206</u>	<u>6.04%</u>
Current and other liabilities	2,518,669	2,671,778	(153,109)	-5.73%
Non-current liabilities	25,724,623	24,386,698	1,337,925	5.49%
Deferred inflows	583,803	522,037	61,766	11.83%
Total liabilities and deferred inflows	<u>28,827,095</u>	<u>27,580,513</u>	<u>1,246,582</u>	<u>4.52%</u>
Net investment in capital assets	20,881,011	20,971,346	(90,335)	-0.43%
Restricted net position	8,041,651	9,853,205	(1,811,554)	-18.39%
Unrestricted net position	6,019,965	1,730,452	4,289,513	247.88%
Total net position	<u>\$ 34,942,627</u>	<u>\$ 32,555,003</u>	<u>2,387,624</u>	<u>7.33%</u>

- Total assets and deferred outflows increased by 6.04%.
 - o Current and other assets increased by 73.43%, which represents continued strength in operational cash flow.
 - o Non-current assets increased by 2.17%.
 - o Deferred outflows increased by 38.37%, representing positive changes in pension and OPEB calculations over prior year.
- Total liabilities and deferred inflows increased by 4.52%.
 - o Current and other liabilities decreased by 5.73%.
 - o Non-current liabilities increased by 5.49%
 - o Deferred Inflows increased by 11.83%

Total Net Position for FYE 2024 ended with an overall increase of 7.33% over FY 2023.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED

ANALYSIS OF ENTITY-WIDE REVENUES

	2024	2023	Increase (Decrease)	Percentage Change
Section 8 Housing Choice Vouchers (HCV)	\$ 23,531,810	\$ 20,849,649	2,682,161	12.86%
Emergency Housing Vouchers	1,431,643	1,190,936	240,707	20.21%
Public and Indian Housing Program	3,153,102	2,795,465	357,637	12.79%
Public Housing Capital Fund Program (CFP)	2,282,553	687,823	1,594,730	231.85%
Rural Rental Assistance Payments	1,149,620	1,190,369	(40,749)	-3.42%
Resident Opportunity and Self-sufficiency Program (ROSS)	77,596	93,169	(15,573)	-16.71%
Blended Component Units	3,256,686	2,362,129	894,557	37.87%
Business Activities	3,487,136	3,088,881	398,255	12.89%
Total Revenue	<u>\$ 38,370,146</u>	<u>\$ 32,258,421</u>	<u>6,111,725</u>	<u>18.95%</u>

ANALYSIS OF ENTITY-WIDE EXPENSES

	2024	2023	Increase (Decrease)	Percentage Change
Administrative	\$ 5,495,468	\$ 4,413,133	1,082,335	24.53%
Tenant Services	287,582	477,222	(189,640)	-39.74%
Utilities	1,074,130	1,056,808	17,322	1.64%
Maintenance	3,181,047	2,693,989	487,058	18.08%
Protective Services	63,583	49,985	13,598	27.20%
Insurance and General Expense	1,775,021	1,253,148	521,873	41.64%
Interest Expense	571,496	566,538	4,958	0.88%
Housing Assistance Payments	22,387,578	18,464,153	3,923,425	21.25%
Depreciation Expense	2,462,906	2,384,885	78,021	3.27%
Total Expenses	<u>\$ 37,298,811</u>	<u>\$ 31,359,861</u>	<u>5,938,950</u>	<u>18.94%</u>
Change in net position	<u>\$ 1,071,335</u>	<u>\$ 898,560</u>	<u>172,775</u>	<u>19.23%</u>

- HCV and Emergency Housing Voucher revenue increased 12.86% and 20.21% respectively, representing increased federal awards and higher utilization.
- CFP grant shows a 231.85% increase as grant years 2019-2024 were utilized in the current fiscal year.
- ROSS grant shows a decrease of 16.71% due to timing of calendar year grant awards vs the fiscal year timing of usage.
- Blended Component Units and Business Activities show 37.87% and 12.89% growth respectively, demonstrating strong rental resiliency.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

ANALYSIS OF CAPITAL ASSET ACTIVITY

	2024	2023	Increase (Decrease)	Percentage Change
Land	\$ 4,187,381	\$ 4,187,381	--	0.00%
Buildings	77,966,152	76,447,190	1,518,962	1.99%
Infrastructure	288,979	2,889,796	--	0.00%
Furniture and equipment	3,108,769	2,880,798	227,971	7.91%
Construction in progress	8,737,107	6,902,128	1,834,979	26.59%
Total capital assets	96,889,205	93,307,293	3,581,912	3.84%
Accumulated Depreciation	(55,003,710)	(52,662,605)	(2,341,105)	4.45%
Net capital assets	\$ 41,885,495	\$ 40,644,688	1,240,807	3.05%

ANALYSIS OF LONG-TERM DEBT

	2024	2023	Increase (Decrease)	Percentage Change
Long-term debt	21,004,484.00	19,673,340.00	1,331,144	6.77%

CAPITAL ASSETS AND LONG-TERM DEBT

As of September 30, 2024, the Authority's Primary Government had \$41.9 million invested in Net capital assets. The components of long-term debt are itemized in Note 8 – Long-term Debt.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- U.S. Department of Housing and Urban Development is expected to continue a rapid change in budget, policies, and personnel. The Authority's operations are expected to be continually impacted, with diminished regulatory oversight offset by delays and ambiguity in daily operations. Future federal awards are expected to remain below housing inflationary rates.
- State of California continues to show anemic population growth over the last decade. While housing is currently lacking, if this trend continues, it will increase housing availability and decrease rents.
- U.S. Congress recently approved a lower bond cap, creating more available funding for 4% LIHTC developments. However, overall financing for new LIHTC developments continues to remain scarce and difficult to obtain.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

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: Larry Guanzon, Executive Director
2039 Forest Avenue, Chico, California 95928

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

STATEMENT OF NET POSITION

September 30, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Primary Government
CURRENT ASSETS	
Cash and cash equivalents	\$ 7,529,042
Prepaid expenses	192,056
Inventory	45,133
Accounts receivable, net	1,092,454
Total current assets	<u>8,858,685</u>
NON-CURRENT ASSETS	
Restricted cash	8,233,405
Investments	1,802,359
Notes receivable	775,886
Interest receivable	7,468
OPEB asset	160,606
Capital assets, net	41,885,495
Total non-current assets	<u>52,865,219</u>
Total assets	<u>61,723,904</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow of resources - pension	1,946,387
Deferred outflow of resources - OPEB	99,431
Total deferred outflows of resources	<u>2,045,818</u>
Total assets and deferred outflows of resources	<u>\$ 63,769,722</u>

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

STATEMENT OF NET POSITION (Cont.)

September 30, 2024

LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	Primary Government
CURRENT LIABILITIES	
Accounts payable	\$ 271,295
Accrued salaries and payroll taxes	119,747
Accrued compensated absences, current	43,107
Accrued interest payable	819,722
Current portion of long-term debt	396,382
Other current liabilities	417,710
Total current liabilities	<u>2,067,963</u>
TENANT SECURITY DEPOSITS	
Tenant security deposits	<u>450,706</u>
LONG-TERM LIABILITIES	
Accrued compensated absences, net of current portion	387,965
Long-term debt, net of current portion	20,608,102
Less unamortized debt issuance costs	(64,276)
Deferred revenue	98,537
Accrued pension liability	4,618,356
Other long-term liabilities	75,939
Total long-term liabilities	<u>25,724,623</u>
Total liabilities	<u>28,243,292</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow of resources - pension	130,232
Deferred inflow of resources - OPEB	453,571
Total deferred inflows of resources	<u>583,803</u>
NET POSITION	
Net investment in capital assets	20,881,011
Restricted net position	8,041,651
Unrestricted net position	6,019,965
Total net position	<u>34,942,627</u>
Total liabilities, deferred inflows and net position	<u>\$ 63,769,722</u>

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year Ended September 30, 2024

	Primary Government
REVENUE	
Tenant revenue	\$ 6,590,313
HUD operating grants	29,139,369
Tenant charges	166,312
Laundry income	28,513
Developer fee income	656,642
Miscellaneous income	1,365,146
Total revenue	<u>37,946,295</u>
OPERATING EXPENSES	
Administration	5,589,530
Tenant services	415,350
Housing assistance payments	22,397,828
Utilities	1,074,130
Maintenance and operations	3,182,038
Insurance	889,531
Other general expenses	715,993
Depreciation	2,462,906
Total operating expenses	<u>36,727,306</u>
Operating income	<u>1,218,989</u>
NON-OPERATING REVENUE (EXPENSES)	
Investment income - unrestricted	24,327
Investment income - restricted	99,445
Interest income	300,070
Mortgage interest expense and amortization	(571,496)
Total non-operating revenue (expenses)	<u>(147,654)</u>
Change in net position	1,071,335
Net position, beginning of year	<u>32,555,003</u>
Prior period adjustment	
Correction of errors	<u>1,316,289</u>
Net position, beginning of year, restated	<u>33,871,292</u>
Net position, end of year	<u>\$ 34,942,627</u>

See Notes to Financial Statements.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

STATEMENT OF CASH FLOWS

Year Ended September 30, 2024

	<u>Primary Government</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from tenants	\$ 6,214,552
Receipts from others	2,013,894
Receipts from grantors	29,035,876
Payments to suppliers for goods and services	(5,456,474)
Payments to employees for services	(5,978,423)
Housing assistance payments on behalf of tenants	(22,397,828)
Net cash provided by operating activities	<u>3,431,597</u>
CASH FLOWS FROM CAPITAL FINANCING	
Investment income	(108,240)
Payments on long term debt	(377,679)
Interest payments on long- term debt	(571,496)
Purchase of capital assets	(1,969,087)
Net cash used in capital financing activities	<u>(3,026,502)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Repayment of note receivable	(43,323)
Interest income	300,070
Net cash provided by investing activities	<u>256,747</u>
Increase in cash, cash equivalents and restricted cash	661,842
Cash, cash equivalents and restricted cash – beginning of year	<u>15,100,605</u>
Cash, cash equivalents and restricted cash – end of year	<u>\$ 15,762,447</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH SUMMARY	
Cash and cash equivalents	\$ 7,529,042
Cash - restricted - modernization and development	257,549
Tax and insurance impounds	183,438
Operating reserves	48,924
FSS escrow	189,802
Security deposits	341,965
Reserve for replacements	1,903,615
Cash - other restricted	21,063
Restricted - bond funds	5,287,049
	<u>\$ 15,762,447</u>

See Notes to Financial Statements.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

STATEMENT OF CASH FLOWS (Cont.) Year Ended September 30, 2024

	Primary Government
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Operating income before non-operating revenue	\$ 1,218,987
Adjustments to reconcile change in operating income	
net cash provided by (used in) operating activities:	
Depreciation and amortization	2,469,462
Changes in assets and liabilities:	
Decrease (increase) in:	
Accounts receivable - tenants	(570,586)
Accounts receivable - grantors	(103,493)
Interest receivable	(897)
Inventory	(27,589)
Prepaid expenses	278,569
Deferred outflow of resources - pension	(584,681)
Deferred outflow of resources - OPEB	17,379
Increase (decrease) in:	
Accounts payable	(381,123)
Tenant security deposits	10,276
Accrued other current liabilities	107,287
Accrued salaries and payroll taxes	27,795
Accrued compensated absences	238,072
Accrued interest payable	(70,495)
Accrued OPEB	(426,630)
Accrued pension liability	1,174,495
Deferred revenue	(6,997)
Deferred inflow of resources - pension	(316,513)
Deferred inflow of resources - OPEB	378,279
Net cash provided by operating activities	\$ <u><u>3,431,597</u></u>

SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

Purchase of capital assets with loan proceeds	\$ <u><u>1,734,628</u></u>
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HOUSING AUTHORITY OF THE COUNTY OF BUTTE

STATEMENT OF FIDUCIARY NET POSITION

September 30, 2024

	Other Post- Employment Benefit Trust Fund
ASSETS	
Cash and investment with fiscal agent	\$ <u>2,761,591</u>
Total assets	\$ <u><u>2,761,591</u></u>
NET POSITION	
Restricted for retiree benefits	\$ <u>2,761,591</u>
Total net position	\$ <u><u>2,761,591</u></u>

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended September 30, 2024

	Other Post- Employment Benefit Trust Fund
	<u> </u>
REVENUE	
Investment income	\$ 423,753
DEDUCTIONS	
Service fees and administrative expenses	<u>14,812</u>
Change in net position	408,941
Net position, beginning of year	<u>2,352,650</u>
Net position, end of year	\$ <u><u>2,761,591</u></u>

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

The Housing Authority of the County of Butte (the "Authority"), a public entity located in Chico, California and was established under Section 34200 of the California Health and Safety Code as a local agency with the Ralph M. Brown Act of 1937. Public Housing Authorities were authorized by the Federal Housing Act of 1937. Under that authority, the Authority 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 has entered into Annual Contributions Contracts with the U.S. Department of Housing and Urban Development (HUD) to operate assisted housing programs.

Reporting Entity:

The governmental reporting entity consists of the Government-Wide and Fiduciary Fund financial statements.

Government-Wide Financial Statements:

Under the government-wide financial statements, the Authority (primary government) and its blended component units are combined and reported together under the primary government column and intercompany transactions are eliminated, accordingly.

Component Units:

In accordance with GASB 61, The Financial Reporting Entity Omnibus, as amended, the Authority's financial statements include those of the Authority and any component units. Component units are legally separate organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based upon the application of the above criteria, this report includes all programs and activities operated by the Authority, including the following blended component units.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

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

Blended Component Units:

The Authority's operations include five blended component units, which are included in the basic financial statements and consist of legally separate entities for which the Authority is financial accountable. Generally, component units are required to have the same fiscal year end as the primary government. However, for practical reasons, the financial statements of Walker Commons, L.P., Chico Commons, L.P. and 1200 Park Avenue, L.P. are based on their audited fiscal year-end of December 31, 2023, which differs from the primary government's fiscal year-end of September 30, 2024.

The financial position and results of operations for Walker Commons, L.P., Chico Commons, L.P. and 1200 Park Avenue, L.P. as of December 31, 2023, are considered immaterial to the consolidated financial statements of the primary government. As such the use of the December 31, 2023 year-end audited financial statements are deemed appropriate and do not materially affect the presentation of the Authority's financial statements for the year ended September 30, 2024.

No significant transactions or events between December 31, 2023 and September 30, 2024, have been identified that would materially affect the financial position or results of operations of Walker Commons, L.P., Chico Commons, L.P. and 1200 Park Avenue, L.P. and, therefore, no adjustments to the component units' financial statements have been made.

The Authority's basic financial statements include the following blended component units.

Banyard Management, Inc. (Banyard), is a nonprofit and legally separate entity and is a general partner in Chico Commons, L.P.

Butte County Affordable Housing Development Corporation (BCAHDC), is a nonprofit and legally separate entity and is a general partner in the following California Limited Partnerships: 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 31st year ends.

Walker Common, L.P. (Walker Commons), is a California limited partnership, and was formed in May 1995, to own, maintain and operated a 56-unit senior and disabled households' apartment complex, known as Walker Commons Apartments in Chico, California. Walker Commons consists of a 1% general partner, Butte County Affordable Housing Development Corporation, and a 99% limited partner, the Authority.

Chico Commons, L.P. (Chico Commons), is a California limited partnership, and was formed in June 1991, to own, maintain and operate a 72-unit apartment complex, known as Chico Commons Apartments in Chico, California. Chico Commons consists of a 1% general partner, Banyard Management, and a 99% Limited Partner, the Authority.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

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

Blended Component Units (Cont.):

1200 Park Avenue, L.P. (Park Avenue), is a California limited partnership, and was formed in March 2003, to own, maintain and operate a 107-unit senior citizen apartment complex, known as Park Avenue Apartments in Chico, California. Park Avenue consists of a 0.00% administrative general partner, 1200 Park Avenue LLC; a 0.01% managing general partner, Butte County Affordable Housing Development Corporation; a 99.98% investor limited partner, the Authority, and a 0.001% special limited partner, the Authority.

Fiduciary Fund Financial Statements:

Fiduciary fund financial statements are included to provide information on the Authority's employees' pension plan. The Authority is the trustee, or fiduciary, of the employees' pension plan. The fiduciary activities are reported in the statement of fiduciary net position and statement of fiduciary net position. The assets of the fiduciary fund are not available to support the Authority's operations.

Summary of Significant Accounting Policies:

Basis of Accounting and Financial Statement Presentation:

The Authority's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Pursuant to the adoption of GASB No. 84, "Fiduciary Activities", the Authority is required to present Fiduciary Fund financial statements. These fiduciary activities do not support the Authority's business activities.

The Authority's basic financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The Fiduciary Fund basic financial statements are prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The programs of the Authority are organized as separate accounting entities. Each program is accounted for by a separate set of self-balancing accounts that compare its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The programs of the Authority are combined and considered an enterprise fund. An enterprise fund is used to account for activities that are operated in a manner similar to those found in the private sector.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

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

Summary of Significant Accounting Policies (Cont.):

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds' principal and ongoing operations. The principal operating revenues of the Authority's funds are rent and maintenance charges to residents, operating grants and subsidies from HUD, and administration fees earned.

Operating expenses for proprietary funds include the administrative costs of providing services to residents and the housing assistance payments to residents. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, Accounting and Financial Reporting for Non-exchange Transactions (GASB 33), grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or Authority has complied with the grant and subsidy requirements.

HUD requires that unused housing assistance payments (HAP) under proprietary fund reporting should be reported as restricted net position, with the associated cash and investments also being reported as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the financial data schedule as unrestricted.

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Section 8 Housing Choice Vouchers program is no longer a cost reimbursement grant; therefore, the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

In accordance with 2 CFR 200.305(b)(9), any investment income earned up to \$500 on these funds may be retained by the Authority. Amounts in excess of \$500 must be remitted annually to the Department of Health and Human Services, Payment Management System.

Description of Programs and Activities:

The Authority maintains its own accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Public and Indian Housing Program – This program is designed to provide low-cost housing. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

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

Description of Programs and Activities (Cont.):

Section 8 Housing Choice Vouchers Program (HCV) – The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rent on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating household.

State and Local Programs – Periodically, the Authority administers various grants from the State of California and/or the County of Butte. These activities as well as the Authority's internal service funds are reported in this fund.

Emergency Housing Vouchers – The purpose of these vouchers are to assist individuals and families who are experiencing homelessness; at risk of experiencing homelessness; fleeing, or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; or were recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.

Rural Rental Housing Loans – The purpose of these loans are to provide economically designed and constructed rental and cooperative housing and related facilities suited for rural residents.

Farm Labor Housing Loans and Grants – The purpose of the program is to provide decent, safe, and sanitary low-rent housing and related facilities for domestic farm laborers.

Business Activities – The Authority owns non-federal housing units and various interests in low income housing tax credit partnerships. Revenues earned from these activities are recorded in the Business Activities fund.

Cash, Cash Equivalents and Restricted Cash:

The Authority considers all highly liquid instruments purchased with an initial maturity of three months or less to be cash equivalents. For the purpose of reporting the Statement of Cash Flows, the Authority includes all cash, cash equivalents and restricted cash as cash. It is the Authority's policy to maintain collateralization in accordance with HUD requirements.

Restricted Deposits:

Restricted cash and cash equivalents represent deposits to lender required reserves for replacements, HUD's family self-sufficiency program, insurance reserves and security deposit accounts.

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificate of Deposit or an other federally insured investment.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

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

Restricted Deposits (Cont.):

HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

Accounts Receivable, Net:

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated units. An allowance for doubtful accounts is established to provide for accounts which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts. Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation. These charges usually consist of retroactive rent and other amounts that may be determined by a formal written agreement or by a court order.

The Authority recognizes a receivable from HUD and other governmental agencies for amounts billed but not received and for amounts unbilled but earned as of year-end.

The Authority periodically review all accounts receivable to determine the amount, if any that may be uncollectable. If it is determined that an account or accounts may be uncollectable, the Authority prepares an analysis of such accounts and records an appropriate allowance against such amounts.

Investments:

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.

Notes Receivable:

The Authority has utilized development funds in accordance with HUD guidelines to assist in the construction and redevelopment of numerous affordable housing developments through the issuance of mortgage notes. Management provides for probable uncollectible amounts, analyzes the value of the underlying mortgaged property, the property's ability to generate positive cash flow, and current economic trends and conditions. Management utilize these estimates and judgements in connection with establishing an adjustment to a valuation allowance during the accounting period.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

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

Capital Assets:

Capital assets are stated at cost. Major additions are capitalized and repair and maintenance costs are charged to expense as incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings and infrastructure	15 - 40
Furniture and equipment	5 - 10

It is the policy of the Authority to capitalize any addition in excess of \$5,000 and management reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the property may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying value amount exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. For the year September 30, 2024, there was no impairment loss recognized.

Inventory:

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Debt Issuance Costs:

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

Accounts Payable and Accrued Liabilities:

The Authority recognizes a liability for goods and services received but not paid for as of year-end. It also recognizes a liability for wages and fringe benefits related to services performed at year end but not yet paid to employees or taxing authorities.

Inter-Program Receivables and Payables:

Inter-program receivables and payables are classified as either current assets or current liabilities and are the result of the use of a concentrated account depository as the common paymaster for most of the programs of the Authority. Cash settlements are made monthly. All inter-program balances are reconciled, and inter-program receivables and payables balances net to zero. In accordance with GASB 34, inter-program receivables and payables are eliminated for financial statement purposes. Detailed balances by program are found in the Financial Data Schedule of this report.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

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

Deferred Revenue:

The Authority's deferred revenue primarily consists of the prepayment of rent by residents, and the receipt of HUD and other grant funding applicable to future periods prior to incurring the corresponding expense.

Operating Revenues:

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. The Authority receives annual operating subsidies from HUD, subject to limitations prescribed by HUD. Operating subsidies from HUD are recorded in accordance with GASB 33 and are accounted for as revenue. Other contributions from HUD that are for development and modernization of capital assets are reflected separately in the accompanying financial statements as capital grants. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classified all other revenues and expenses as non-operating.

Use of Restricted Assets:

When both restricted and unrestricted resources are available for a particular restricted use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as needed.

Income Tax Status:

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 the Memorandum of Understanding Agreements.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

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

Accrued Compensated Absences:

Compensated absences are those absences for which employees will be paid in accordance with the Authority's personnel policy. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such event takes place.

Regulated Leases:

The Authority is a lessor of residential dwelling units under regulated leases as defined by GASB 87 and as such recognizes rental revenue in accordance with the terms of the lease contract. Leases are generally twelve months in length and regulated by HUD as to rent, unit size, household composition and tenant income. For the year ended September 30, 2024, rental revenue earned under the aforementioned leases totaled \$6,590,313.

Pension:

The Authority participates in a cost-sharing multiple-employer defined benefit retirement plan that is administered by CalPERS. Contributions to CalPERS are made on a current basis as required by the plan and are charged to expenditures. The Authority used actuarial reports supplied by CalPERS for the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the plan.

Other Post Employment Benefits (OPEB):

The Authority provides a defined benefit health care program to its retired employees. Contributions for this plan are made on a pay-as-you-go basis. The Authority used actuarial reports supplied by OPEB consultants for the purpose of measuring the net OPEB liability, deferred outflows of resources, deferred inflows of resources, and expenses related to the plan.

Budgets and Budgetary Accounting:

The Authority adopts annual, appropriated operating budgets for all its programs receiving federal expenditure awards and are used as a management tool throughout the accounting cycle. All budgets are prepared on a HUD basis, which differs with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of the grant period.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

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

Net Position:

Net position is classified in the following categories:

Net Investment in Capital Assets – Consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position – Consists of resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other resources that do not meet the definition of “restricted” or “net investment in capital assets”

Deferred Outflows / Inflows of Resources:

In addition to assets, the Statement of Net 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 and so will not be recognized as an outflow of resources until that time.

In addition to liabilities, the Statement of Net 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 and so will not be recognized as an inflow of resources until that time.

Economic Dependency:

The Section 8 Housing Choice Vouchers program of the Authority is economically dependent on subsidies from HUD.

Risk Management:

The Authority is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Claim expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

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

Subsequent Events:

Management has evaluated subsequent events through August 15, 2025, the date on which the financial statements were available to be issued and determined no events or transactions have occurred that require recognition or disclosure in the financial statements.

Note 2. Cash, Cash Equivalents and Restricted Cash

At September 30, 2024, the Authority had funds on deposit in checking, savings, and money market accounts. The carrying amount of the Authority's cash and cash equivalents (including restricted cash) was \$15,762,447 and the bank balances approximated \$15,959,315.

<u>Cash Category</u>	<u>Amount</u>
Unrestricted	\$ 7,529,042
Restricted	<u>8,233,405</u>
Total cash, cash equivalents and restricted cash	<u>\$ 15,762,447</u>

Of the bank balances, \$2,676,356 was covered by federal depository insurance and the remaining was collateralized with the pledging financial institutions as of September 30, 2024.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of September 30, 2024, the Authority's bank balances were not exposed to custodial credit risk.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash, Cash Equivalents and Restricted Cash (Cont.)

The Authority's restricted cash and cash equivalents consisted of the following:

Family Self-Sufficiency (FSS) Escrow – The FSS Escrow Account is an interest-bearing account reported as part of restricted cash and cash equivalents and established by the Authority for each qualified Section 8 participant enrolled in the Section 8 Housing Choice FSS Program. The participants earn monthly escrow credits during their five-year Contract of Participation and the escrow credit is reported as a liability based on increases in earned income of the family. This escrow is credited to the account by the Authority during the term of the FSS contract. The Authority may make a portion of this escrow account available to the family during the term of the contract to enable the family to complete an interim goal such as education. If the family completes the contract and no member of the family is receiving welfare, the amount of the FSS account is paid to the head of the family. If the Authority terminates the contract, or if the family fails to complete the contract before its expiration, the family's FSS escrow account is forfeited. At September 30, 2024, the Authority held \$189,802 of FSS escrow funds in a Section 8 Housing Choice Voucher Program as restricted cash. A corresponding non-current liability is included in the accompanying financial statements.

Restricted Reserves – In accordance with the regulatory and operating agreements, the Authority maintains restricted deposits with restricted spending requirements. At September 30, 2024, the Authority's reserves totaled \$2,735,491 which are included in the accompanying financial statements and comprised of \$183,438 held for tax and insurance impounds, \$48,924 held for operating reserves, \$341,965 held for security deposits, \$1,903,615 held for replacement reserves and \$257,549 held for construction and modernization and development.

California Affordable Housing Agency – Series 2020A reserves consist of unspent proceeds from the Series 2020A Multifamily Housing Pool Revenue Bonds and are restricted for certain expenditures in accordance with the regulatory agreement. At September 30, 2024, the Authority's Series 2020A reserves totaled \$5,287,049.

Other Restricted Deposits - At September 30, 2024, the Authority maintained a restricted deposit in the amount of \$21,063 for 125 cafeteria plan expenses.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 3. Cash and Investments

Cash and investments for the Authority as of September 30, 2024 are classified as follows:

<u>Description</u>	<u>Amount</u>
Unrestricted	\$ 7,529,042
Restricted	8,233,405
Investments	<u>1,802,359</u>
 Total cash and investments	 \$ <u><u>17,564,806</u></u>
 <u>Composition</u>	
Cash	\$ 15,197,856
Money market funds	64,632
Certificate of deposits	<u>2,302,318</u>
	\$ <u><u>17,564,806</u></u>

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.

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 certificate of deposits, which may be drawn down as needed, subject to terms of the underlying debt indenture. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. All investments are in financial instruments in accordance with HUD regulations. The Authority does not have an investment policy that would further limit investment choices and place limits on the amount that can be invested with one issuer.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 4. Fair Value Measurements

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

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

Level 1—quoted prices in active markets for identical investments.

Level 2—observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted price for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3—unobservable inputs not corroborated by market data, therefore requiring the entity to use the best information available in the circumstances, including the Authority's own data.

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

Note 5. Accounts Receivable, Net

Accounts receivable, net consists of the following as of September 30, 2024:

<u>Description</u>	
Accounts receivable - HUD	\$ 112
Accounts receivable - PHA Projects	573,754
Accounts receivable - tenants, net	407,057
Accounts receivable - miscellaneous	<u>111,531</u>
Total accounts receivable, net	<u>\$ 1,092,454</u>

Accounts Receivable – HUD consisted of amounts due to the Authority for amounts expended under grant agreements that have not yet been reimbursed. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 5. Accounts Receivable, Net (Cont.)

Accounts Receivable – PHA Projects represents amounts owned to the Authority by other Public Housing Authorities for administrative fees and Port-in HAP expense under the portability provisions of the Section 8 Housing Choice Vouchers program. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable – tenants, net represents amounts owed to the Authority by tenants for outstanding rent. The balance is shown net of an allowance for doubtful accounts of \$31,352.

Note 6. Notes Receivable

Notes receivable as of September 30, 2024 for the Authority consisted of the following:

Note Receivable – Chico Harvest Park, L.P.:

On January 29, 2013, the Authority entered into a note receivable with Chico Harvest Park, L.P., a related party, in the amount of \$600,000. This note bears interest at an annual rate equal to the “long-term federal funds rate AFR” commencing on the date of the note, with an interest rate of 2.31%. Interest is compounded and added to the principal balance on May 1st of each year. Payments are due monthly and only subject to the extent of available cash flow. The note matures on February 28, 2068, at which time the entire principal and any outstanding interest are due, and the note is secured by a deed of trust on the property. As of September 30, 2024, accrued interest on the note was \$7,468. For the year ending September 30, 2024, the note receivable balance was \$775,886.

Note Receivable – 1200 Park Avenue L.P.:

In November 2004, the Authority entered into a note with 1200 Park Avenue L.P. (a blended component unit) in the amount of \$675,000. The loan is secured by land and building. The loan bears interest at a fixed rate of 4.84% compounding interest. The loan matures November 2054. Principal and interest payments are required to be paid from residual receipts as defined in the promissory note. As of September 30, 2024, accrued interest on the note was \$36,856. For the year ending September 30, 2024, the note receivable balance is \$1,305,419. This note was eliminated for reporting purposes

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 7. Schedule of Capital Assets

A schedule of changes in capital assets and depreciation for the fiscal year ended September 30, 2024, is shown below:

Description	Balance 09/30/2023	Additions	Dispositions	Balance 09/30/2024
Capital assets, not being depreciated:				
Land	\$ 4,187,381	\$ --	\$ --	\$ 4,187,381
Construction in progress	6,902,128	2,158,368	(323,389)	8,737,107
Total capital assets, not being depreciated	<u>\$ 11,089,509</u>	<u>\$ 2,158,368</u>	<u>\$ (323,389)</u>	<u>\$ 12,924,488</u>
Capital assets, being depreciated:				
Buildings	\$ 76,447,190	\$ 1,520,409	\$ (1,447)	\$ 77,966,152
Infrastructure	2,889,796	--	--	2,889,796
Furniture and equipment	2,880,798	348,325	(120,354)	3,108,769
Total capital assets, being depreciated	82,217,784	1,868,734	(121,801)	83,964,717
Accumulated depreciation	<u>(52,662,605)</u>	<u>(2,462,906)</u>	<u>121,801</u>	<u>(55,003,710)</u>
Net capital assets, being depreciated	<u>\$ 29,555,179</u>	<u>\$ (594,172)</u>	<u>\$ --</u>	<u>\$ 28,961,007</u>
Net capital assets	<u>\$ 40,644,688</u>	<u>\$ 1,564,196</u>	<u>\$ (323,389)</u>	<u>\$ 41,885,495</u>

Depreciation expense for the fiscal year ended September 30, 2024 was \$2,462,906.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-term Debt

Long-term debt of the primary government consisted of the following as of September 30, 2024:

<u>Description</u>	<u>Amount</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% annual interest rate and matures September 17, 2028. Annual payment, including interest, is \$2,518. As of September 30, 2024 accrued interest on the loan was \$98. The loan is secured by a deed of trust.	\$ 9,828
On December 1, 2020, the Authority obtained a loan with the California Affordable Housing Agency in the amount of \$9,350,000 from Series 2020A Bonds. The Authority was also loaned the bond premium in the amount of \$1,104,818. The loan is paid semi-annually per the debt service schedule, and matures on October 1, 2050. The loan bears interest at a rate of 4%. Annual payment during the year, including interest was \$518,700. The annual bond premium is amortized monthly in the amount of \$3,069. The loan is secured by a deed of trust.	9,766,718
On June 28, 2013, as part of the purchase of Gridley Springs II, the Authority assumed an existing Rural Housing Construction Program loan in the amount of \$218,032 from the State of California Housing and Community Development Program. The loan bears interest at a rate of 3%. The entire loan matures in March 2048. As of September 30, 2024 accrued interest on the loan was \$39,752. The loan is secured by a deed of trust.	218,032
On December 16, 2013, the Authority entered into two loan agreements with the United States Department of Agriculture for \$2,000,000 each. The loans were for overall rehabilitation of the property and units of Gridley Farm Labor Housing Project. The interest on the loans is 1%. Principal and interest are payable on an annual installment of \$75,351 each on the first of December until the maturity date of December 1, 2046. The loans are secured by a deed of trust on the real property.	2,875,998

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-term Debt (Cont.)

<u>Description</u>	<u>Amount</u>
On October 3, 2023, the Authority obtained a loan in the maximum amount of \$2,695,318 from the Town of Paradise. The loan does not bear any interest and matures 20 years from certificate of occupancy of Mayer Commons. The loan is secured by a deed of trust.	1,747,562
In July 1995, Walker Commons, L.P. (a blended component unit) entered into a note payable to the City of Chico in the amount of \$500,000. The loan is secured by a subordinate deed of trust. The loan bears interest at a rate of 3%, and requires annual interest only payments. The note matures in May 2051. Payments are deferred to the extent they exceed the residual receipts of Walker Commons. Interest expense for the year ended September 30, 2024 was \$15,000. As of September 30, 2024, accrued interest totaled \$12,706.	500,000
In July 1995, Chico Commons, L.P. (a blended component unit) entered into a note payable to the City of Chico in the amount of \$625,000. The loan is secured by land and buildings. The loan bears interest at a rate of 5% and requires annual interest only payments. The note matures in June 2050. Interest expense for the year ended September 30, 2024 was \$31,250. As of September 30, 2024, accrued interest totaled \$179,160.	625,000
In May 2003, 1200 Park Avenue, L.P. (a blended component unit) entered into a note payable with the City of Chico, acting as the successor agency to Chico Redevelopment Agency, in the amount of \$3,675,000. The loan is secured by land and building. The loan bears interest at a rate of 2.0%. The note matures May 29, 2058. Interest expenses for the year ended September 30, 2024 was \$73,500. At September 30, 2024, accrued interest amounted to \$588,769.	3,675,000

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-term Debt (Cont.)

<u>Description</u>	<u>Amount</u>
In June 2007, 1200 Park Avenue, L.P. (a blended component unit) entered into a note payable with Berkadia in the amount of \$2,261,000. The loan is secured by land and building. The loan bears interest at a rate of 7.1% with monthly principal and interest payments in the amount of \$15,195. The note matures in July of 2037. Interest expense for the year ended, September 30, 2024 was \$115,239.	1,586,346
In November 2004, 1200 Park Avenue, L.P. (a blended component unit) entered into a note payable with the Authority in the amount of \$675,000. The loan is secured by land and building. The loan bears interest at a fixed rate of 4.84% compounding interest. The loan matures in November 2054. Principal and interest payments are required to be paid from residual receipts as defined in the promissory note. This note was eliminated for reporting purposes.	<u>1,305,419</u>
Total long-term debt	22,309,903
Less: 1200 Park Avenue, L.P. (eliminated)	1,305,419
Less: current portion	<u>396,382</u>
Long-term debt, non-current portion	<u><u>\$ 20,608,102</u></u>

Annual debt service for principal and interest over the next five years is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 396,382	\$ 491,300
2026	406,689	477,312
2027	423,604	462,604
2028	442,191	447,074
2029	457,486	379,291
Thereafter	18,868,304	7,160,472
	<u><u>\$ 20,994,656</u></u>	<u><u>\$ 9,418,053</u></u>

As of September 30, 2024, accrued interest payable and interest expense for the Authority for the year then ended totaled \$819,722 and \$571,496, respectively.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-term Debt (Cont.)

The Authority has acquired bonds at a premium, which represents the amount by which the purchase price exceeds the face value of the bonds. The bond premium is amortized over the life of the bonds and included in interest expense. The unamortized premium is included in the carrying value of the bonds as of September 30, 2024.

As of September 30, 2024, debt issuance costs, net of accumulated amortization of \$6,556, are amortized using the straight-line method.

Note 9. Compensated Absences

It is the Authority's policy for vacation and related benefits to be fully vested as earned and are paid in full upon termination. If, upon retirement or termination in good standing, an employee has accrued more than 30 days of sick leave, the employee may be compensated for that portion over 30 days at one half of their base salary for up to a maximum of \$2,500. Vested vacation and sick obligations are recorded as accrued compensated absences until paid.

A summary of the primary government's accrued compensated absences as of September 30, 2024 is as follows:

<u>Description</u>	<u>Amount</u>
Beginning compensated absences	\$ 193,000
Compensated absences redeemed	(281,836)
Compensated absences earned	<u>519,908</u>
Ending compensated absences	431,072
Less: current portion	<u>(43,107)</u>
Compensated absences, net of current portion	\$ <u><u>387,965</u></u>

Note 10. Defined Benefit Plan

Plan Description – Eligible employees may retire and participate in the Authority's Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plan (the "Plans") administered by the California Public Employees' Retirement System ("CalPERS"). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS Website.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 10. Defined Benefit Plan (Cont.)

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Public Employees' Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. These PEPRA members in pooled plans are reflected in the new Miscellaneous and Safety risk pools created by the CalPERS Board in response to the passage of PEPRA, beginning with the June 30, 2013, risk-pool valuations.

The Plan's provisions and benefits, for miscellaneous employees, in effect at the valuation date are summarized as follows:

Hire Date	Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	2.0% at 55	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payment	Monthly for life	Monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.70% to 2.50%	1.00% to 2.50%
Required employee contribution rate	7.00%	7.75%
Required employer normal cost rate	12.47% + \$348,848	7.68%

Contributions - Section 20814(c) of the California Public Employees' Retirement Law (PERL) 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 Miscellaneous Plan are determined annually on an actuarial basis as of June 30 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.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 10. Defined Benefit Plan (Cont.)

Contributions to the pension plan from the Authority were \$598,746 for the measurement year ended June 30, 2023. District contributions after the measurement period were \$652,167.

Pension Liabilities - At June 30, 2024, the District reported a liability of \$4,618,356 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability was determined by an actuarial valuation as of June 30, 2022. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of the contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was 0.09236 percent, which was an increase of 0.00025 percent from its proportion measured as of June 30, 2022.

Pension Expense - For the year ended September 30, 2024, the Authority recognized a pension expense in the amount of \$853,192.

At September 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 278,831	\$ --
Differences between Expected and Actual Experience	235,931	36,598
Differences between Projected and Actual Investment Earnings	747,753	--
Differences between Employer's Contributions and Proportionate Share of Contributions	20,562	60,627
Change in Employer's Proportion	11,143	33,007
Pension Contributions Made Subsequent to Measurement Date	652,167	--
	<u>\$1,946,387</u>	<u>\$ 130,232</u>

Contributions subsequent to the measurement date, reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 10. Defined Benefit Plan (Cont.)

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

Reporting Fiscal Year Ended June 30:	Net Deferred outflows (Inflows) of Resources
2025	\$ 336,896
2026	231,969
2027	573,666
2028	21,456
2029	--
Thereafter	--
	<u>\$ 1,163,987</u>

Actuarial Assumptions – The total pension liability in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in measurement:

Inflation	2.30%
Salary increases	Varies by entry age and service
Investment Rate of Return	6.90%, net of pension plan investment expense, including inflation.
Post retirement benefit increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter.

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2000 to 2019. Pre-retirement and Postretirement mortality rates include generational improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 CalPERS Experience Study and Review of Actuarial Assumptions report that can be found on the CalPERS website.

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.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 10. Defined Benefit Plan (Cont.)

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are as follows:

Asset class	Assumed Asset Allocation	Real Return ^{1,2}
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	<u>100%</u>	

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate - The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that contributions from employers will be made at statutory required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 10. Defined Benefit Plan (Cont.)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Net Pension Liability/(Asset)	\$ 7,100,090	\$ 4,618,356	\$ 2,575,676

Note 11. Other Post Employment Benefits (OPEB)

OPEB Plan description – The Authority administers a single-employer OPEB plan (the “Plan”). This plan provides post-employment medical health care benefits to its retired employees and, in some instances, their spouses. Benefits include coverage in the CalPERS health plan. The majority of costs for this medical insurance is the responsibility of each retiree. No dental, vision, or other-retirement benefits are provided to retired employees. Benefit provisions and other requirements are established by management. This single-employer OPEB plan does not issue a stand-alone financial report.

Summary of Demographic information – The participant data used in the valuation was provided by the Authority as of June 30, 2023. It is assumed that this data is representative of the population as of June 30, 2024. While the participant data was checked for reasonableness, the data was not audited. The valuation results table below presents a summary of the basic participant information for the active and retired participants covered under the terms of the Plan.

Actives

Count total	16
Averages	
Age	53.5
Service	17.1

Retirees

Under age 65	3
Age 65 and over	0
Count total	3

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Post Employment Benefits (OPEB) (Cont.)

Averages	
Age	63.7
Inactive participants with deferred benefits	<u>0</u>
Total participants	<u>19</u>
Covered dependents of retirees	
Spouses/domestic partners	3
Children	<u>0</u>
Count total	<u>3</u>
Total participants and dependents	<u><u>22</u></u>

Eligibility and contribution requirements – Retired Authority employees are entitled to medical, dental and vision benefits if they:

- Were hired before October 1, 2013
- Retired at age 55 or older under CalPERS, and
- Have accumulated a minimum of 240 unused sick leave hours with the Authority.

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 Authority contribution amount is calculated at the time of retirement and is based on plan coverage at retirement, hours of unused sick leave, and the Authority contribution percentage on the date of retirement. The Authority contribution amount is calculated as a percentage of premiums: the Authority will cover 90% of 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 Authority 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.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Post Employment Benefits (OPEB) (Cont.)

Actuarial methods and assumptions –

Actuarial Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal
Amortization Methodology	Straight-line amortization
Actuarial Assumptions:	
Discount rate	6.10%
Net Investment Return	6.10%
Inflation	2.50%
Salary Increases	3.25%
Administrative Expenses	\$631
Health Care Trend	7.73%
Average per Capita Claims Cost	\$863.50 per month for retirees
(Baseline Cost)	\$837.50 per month for spouses
Health plan participation	100%
Medicare Coverage	All future retirees will be eligible for Medicare when they reach age 65.
Morbidity Factors	CalPERS 2021 study.
Population for Curving	CalPERS 2021 study.
Disability	None
Financial and Census Data	The Authority provided the participant data, financial information and plan descriptions used in this valuation. The actuary has checked the data for reasonableness, but has not independently audited the data. The actuary has no reason to believe the data is not complete and accurate, and knows of no further information that is essential to the preparation of the actuarial valuation.
Plan Fiduciary Net Position	Market value of assets as of the measurement date
Funding Policy	The Authority intends to contribute the full Actuarial Determined Contribution (ADC) to the Plan each year. Contributions would be made up of cash contributions made to the trust as well as any benefit payments (implicit and explicit) unreimbursed by the trust.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Post Employment Benefits (OPEB) (Cont.)

Long-term expected rate of return – As of June 30, 2024 valuation, 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>	Long-term Expected
		<u>Rate of Return</u> ¹
Equity	34.00%	7.12%
Fixed Income	41.00%	2.06%
REITs	22.00%	4.53%
Others	3.00%	1.98%

¹ JPMorgan arithmetic Long Term Capital Market assumptions and expected inflation of 2.50%

Discount rate - The discount rate is based on a blend of 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 the 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 2.50% 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 Fidelity 20-year Municipal General Obligation Index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

June 30, 2024

Discount Rate	6.10%
Fidelity 20yr GO Bond Index	3.97%

Sensitivity of the Net OPEB Liability (NOL) to changes in the discount rate - The following presents the Authority's NOL of the Plan if it were calculated using a discount rate that is 1% point lower (5.10%) or 1% point higher (7.10%) than the current rate:

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Post Employment Benefits (OPEB) (Cont.)

	1% Decrease	Current Discount Rate	1% Increase
	<u>5.10%</u>	<u>6.10%</u>	<u>7.10%</u>
Net OPEB liability (asset)	\$ <u>(199,067)</u>	\$ <u>(160,604)</u>	\$ <u>(119,397)</u>

Sensitivity of the Net OPEB Liability (NOL) to changes in the trend rate - The following presents the Authority's NOL of the Plan if it were calculated using a trend table that has rates that are 1% point lower or 1% point higher than the current set of rates:

	1% Decrease	Base Trend rate	1% Increase
Net OPEB liability (asset)	\$ <u>(112,182)</u>	\$ <u>(160,604)</u>	\$ <u>(203,838)</u>

Changes in Net OPEB Liability – Increase (Decrease):

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (asset)
Balance as of June 30, 2023	\$ 991,837	\$ 725,808	\$ 266,029
Changes for the year:			
Service cost	29,850	--	29,850
Interest	65,606	--	65,606
Difference between expected and actual experience	(455,305)	--	(455,305)
Changes in assumptions	17,142	--	17,142
Net investment income	--	59,819	(59,819)
Benefit payments	(24,738)	(24,738)	--
Contributions - employer	--	24,738	(24,738)
Administrative expenses	--	(631)	631
Net changes	<u>(367,445)</u>	<u>59,188</u>	<u>(426,633)</u>
Balance at June 30, 2024	\$ <u>624,392</u>	\$ <u>784,996</u>	\$ <u>(160,604)</u>

For the year ended September 30, 2024, the Authority recognized an OPEB income of \$593. At September 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources:

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Post Employment Benefits (OPEB) (Cont.)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Unrecognized Deferred Resources due to:		
Differences between expected and actual experience	\$ 70	\$ 453,571
Changes in assumptions	43,306	--
Net differences between expected and actual earnings	46,228	--
Contribution to OPEB plan after measurement date	<u>9,827</u>	<u>--</u>
Total	\$ <u>99,431</u>	\$ <u>453,571</u>

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

Years ending June 30:	Recognized Deferred Outflows/Inflows of Resources
2025	\$ (51,061)
2026	(33,913)
2027	(64,528)
2028	(72,578)
2029	(67,892)
Thereafter	<u>(73,996)</u>
	\$ <u>(363,968)</u>

The amounts reported as deferred outflows of resources related to OPEB, contributions made after the fiscal year ending September 30, 2024, should have the effect of reducing net OPEB liability during the next actuarial measurement period.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 12. Joint Powers Agreement – Workers’ Compensation Insurance

The Authority participates in a joint venture under a joint powers agreement (JPA) with the California Housing Workers' Compensation Authority (CHWCA). CHWCA was formed to provide workers' compensation insurance coverage for member housing authorities. At September 30, 2024, there were thirty four members. The relationship between the Authority and the CHWCA is such that CHWCA is not a component unit of the Authority for financial reporting purposes.

The Authority's share of year-end assets, liabilities, or unrestricted net position have not been calculated. The Authority's annual premium is based on covered payroll. Premiums paid for the year ended September 30, 2024 was \$105,712. CHWCA issues a separate comprehensive annual financial report. Copies of this report may be obtained by contacting Sedgwick, 1750 Creekside Oaks Drive, Suite 200, Sacramento, California, 95833.

Note 13. Condensed Financial Information – Blended Component Units

	<u>Banyard</u>	<u>BCAHDC</u>	<u>Walker Commons</u>	<u>Chico Commons</u>	<u>Park Avenue</u>	<u>Total</u>
Assets						
Current assets	\$ 181,249	\$ 1,839,465	\$ 352,972	\$ 675,480	\$ 239,609	\$ 3,288,775
Capital assets, net	--	--	1,544,087	2,330,716	11,021,025	14,895,828
Other non-current assets	--	--	615,331	122,655	480,172	1,218,158
Total assets	<u>\$ 181,249</u>	<u>\$ 1,839,465</u>	<u>\$ 2,512,390</u>	<u>\$ 3,128,851</u>	<u>\$ 11,740,806</u>	<u>\$ 19,402,761</u>
Liabilities						
Current	--	--	61,950	193,912	695,200	951,062
Non-current	--	--	500,000	625,000	6,567,476	7,692,476
Total liabilities	<u>--</u>	<u>--</u>	<u>561,950</u>	<u>818,912</u>	<u>7,262,676</u>	<u>8,643,538</u>
Net Position						
Net investment in capital assets	--	--	1,044,089	1,705,716	5,758,967	8,508,772
Restricted	--	--	615,331	122,655	480,172	1,218,158
Unrestricted	<u>181,249</u>	<u>1,839,465</u>	<u>291,020</u>	<u>481,568</u>	<u>(1,761,009)</u>	<u>1,032,293</u>
Total Net Position	<u>\$ 181,249</u>	<u>\$ 1,839,465</u>	<u>\$ 2,512,390</u>	<u>\$ 3,128,851</u>	<u>\$ 11,740,806</u>	<u>\$ 19,402,761</u>

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 13. Condensed Financial Information – Blended Component Units (Cont.)

	<u>Banyard</u>	<u>BCAHDC</u>	<u>Walker Commons</u>	<u>Chico Commons</u>	<u>Park Avenue</u>	<u>Total</u>
Operating Revenues						
Tenant revenues	\$ --	\$ --	\$ 492,313	\$ 836,800	\$ 1,033,077	\$ 2,362,190
Other revenues	48,503	908,793	4,095	21,607	17,117	1,000,115
Total operating revenues	48,503	908,793	496,408	858,407	1,050,194	3,362,305
Operating Expenses						
Administrative	51,781	236,127	115,133	82,650	151,545	637,236
Tenant services	--	--	14,878	27,184	39,475	81,537
Utilities	58	58	35,610	105,297	113,773	254,796
Maintenance and operations	143	143	129,269	251,697	264,133	645,385
Insurance	5,061	5,111	23,266	37,638	62,067	133,143
Office expense	--	6,250	7,541	32,795	25,658	72,244
Professional services	8	12	--	--	--	20
Mortgage interest	--	--	15,000	31,250	251,117	297,367
Total operating expenses	57,051	247,701	340,697	568,511	907,768	2,121,728
Other Income (Expense)						
Interest income	50	2,278	3,754	10,097	1,706	17,885
Interest expense	--	--	(530)	(5,071)	(955)	(6,556)
Depreciation	--	--	(75,203)	(169,178)	(460,292)	(704,673)
Reserve expense	--	--	--	--	(26,814)	(26,814)
Net other income (expense)	50	2,278	(71,979)	(164,152)	(486,355)	(720,158)
Net Income (Loss)	\$ <u>(8,498)</u>	\$ <u>663,370</u>	\$ <u>83,732</u>	\$ <u>125,744</u>	\$ <u>(343,929)</u>	\$ <u>520,419</u>

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

NOTES TO FINANCIAL STATEMENTS

Note 14. Commitments and Contingencies

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of September 30, 2024, the Authority estimates that no material liabilities will result from such audits.

Note 15. Prior Period Adjustments

During the fiscal year ended September 30, 2024, the Authority identified and prior period adjustments to correct errors in amounts reported in prior years. A pension valuation adjustment of \$1,174,495 was recorded to update the net pension liability and related deferred outflows and inflows of resources, based on the most current actuarial valuation data available, in accordance with GASB Statement No. 68. This adjustment resulted in a decrease to beginning net position. A second adjustment addressed discrepancies in cash balances due to prior year system entries, resulting in a net decrease of \$621,384 to beginning net position. Additionally, a \$303,495 adjustment was recorded to unrestricted net position to correct legacy balance misstatements. Lastly, a \$176,095 adjustment was made to correct revenue recognition timing for service fee revenue. The net effect of these adjustments was a \$1,316,289 increase to beginning net position as of October 1, 2023. These adjustments have been recorded retrospectively and are reflected in the financial statements for the year ended September 30, 2024.

Note 16. Accounting Pronouncements

The GASB has issued several new accounting pronouncements, which will be effective for the Authority in subsequent years. A description of the new accounting pronouncements and the fiscal year in which they are effective are described below.

Not yet adopted – The Authority plans to implement the following GASB pronouncements by the required implementation dates.

GASB No.	Title	Required Implementation Date (Period Beginning After)	Authority Fiscal Year
GASB 101	Compensated Absences	December 15, 2023	2025
GASB 102	Certain Risk Disclosures	June 15, 2024	2025
GASB 103	Financial Reporting Model Improvements	June 15, 2025	2026
GASB 104	Disclosure of Certain Capital Assets	June 15, 2025	2026



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

To the 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 fiduciary fund information of the Housing Authority of the County of Butte, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Housing Authority of the County of Butte's basic financial statements, and have issued our report thereon dated August 15, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the County of Butte's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the County of Butte's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2024-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

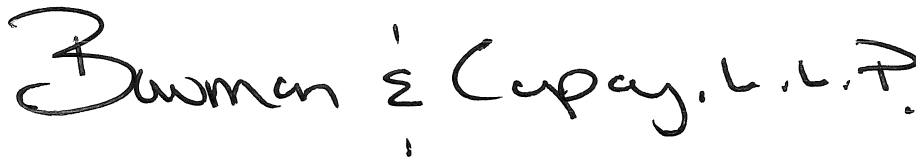
As part of obtaining reasonable assurance about whether the Housing Authority of the County of Butte's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding 2024-001.

Authority's Response to Findings

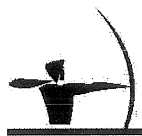
Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

A handwritten signature in black ink that reads "Bowman & Company, LLP". The signature is written in a cursive, stylized font.

Bowman & Company, LLP
Stockton, California
August 15, 2025



B O W M A N
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the County of Butte's (the Authority) compliance of the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2024. The Authority's major federal programs are identified in the summary of Auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority 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, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Finding 2024-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our compliance audit described in the accompany schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to material weaknesses.

However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2024-002, to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

A handwritten signature in black ink that reads "Bowman & Copay, L.L.P.". The signature is written in a cursive, flowing style.

Stockton, California
August 15, 2025

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2024

<u>Federal Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
Housing Voucher Cluster		
Department of Housing and Urban Development		
Section 8 Housing Choice Vouchers	14.871	\$ 22,647,934
Emergency Housing Vouchers	14.EHV	1,355,484
<i>Total Department of Housing and Urban Development</i>		<u>24,003,418</u>
Total Housing Voucher Cluster		<u>24,003,418</u>
 United States Department of Agriculture		
Rural Rental Assistant Payments	10.427	712,287
<i>Total United States Department of Agriculture</i>		<u>712,287</u>
 Department of Housing and Urban Development		
Public and Indian Housing	14.850	1,450,614
Public Housing Capital Fund	14.872	309,254
Family Self-Sufficiency Program	14.896	66,661
<i>Total Department of Housing and Urban Development</i>		<u>1,826,529</u>
Total Expenditures of Federal Awards		<u>\$ 26,542,234</u>

HOUSING AUTHORITY OF THE COUNTY OF BUTTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Cont.)
Year Ended September 30, 2024

The accompanying notes are an integral part of this schedule.

Note A – Basis of Presentation:

The schedule of expenditures of federal awards includes the federal grant activity of the Authority under programs of the federal government for the year ended September 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note B – Summary of Significant Accounting Policies:

Expenditures reported on the accompanying schedule are reported on the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements of the federal program. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate:

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

Note D – Loans Outstanding:

The Authority has an outstanding loan balance under the U.S. Department of Agriculture's Farm Labor Housing Loans and Grants program (Assistance Listing Number 10.405). The loan was received in a prior year. No new federal loan funds were received during the year, and the program had no continuing compliance requirements in the current year; therefore, no federal expenditures are reported for this program. The outstanding principal balance of the loan was \$2,875,998 as of September 30, 2024.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended September 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:	unmodified
Internal control over financial report:	
Material weakness identified?	__X__ yes __ no
Significant deficiency identified that is not considered to be material weakness?	_____ yes <u>X</u> none reported
Noncompliance material to financial statements noted?	_____ yes <u>X</u> no

Federal Awards

Internal control over major programs:	
Material weakness identified?	_____ yes <u>X</u> no
Significant deficiency identified that is not considered to be material weakness?	___X___ yes __ none reported
Type of auditor's report issued on compliance for major programs:	unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	_____ yes <u>X</u> no

Identification of major programs:
Assistance Listing Number(s)

Name of Federal Program or Cluster

<u>14.850</u>	<u>Public Housing Operating Fund</u>
<u>14.871</u>	<u>Housing Voucher Cluster</u>
<u>14.872</u>	<u>Public Housing Cap Fund</u>

Dollar threshold used to distinguish between type A and type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	_____ yes <u>X</u> no

HOUSING AUTHORITY OF THE COUNTY OF BUTTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Cont.)
Year Ended September 30, 2024

II. Financial Statement Findings

Finding 2024-001

Statement of condition: The account balances of cash and cash equivalents, investments, prepaid expenses, accounts receivable, inventory, capital assets, accounts payable, other current liabilities, accrued OPEB, accrued pension liability and long-term debt were misstated. In addition, there were numerous journal entries proposed during the audit.

Criteria: The Authority must ensure that proper internal controls are in place to initiate, authorize, record, process and report financial data reliability in accordance with generally accepted accounting principles.

Condition: There is a reasonable possibility that a misstatement of the Authority's financial statements will not be prevented or detected by the Authority's internal control.

Cause: Controls are not in place to ensure the Authority records and reports financial data reliably in accordance with generally accepted accounting principles.

Recommendation: The Authority should ensure proper internal controls are in place, including the monthly reconciliation of subsidiary ledgers to the financial statements of the Authority to prevent errors or irregularities from occurring and not being detected timely.

Authority Response: Auditee agrees with the auditor and management will be responsible for implementing the corrective action plan.

III. Federal Award Findings and Questioned Costs

Finding 2024-002

Statement of condition: The September 30, 2024 audit report was not submitted on or before its deadline.

Criteria: Code of Federal Regulations (CFR), Title 2, Part 300 Section 200.512(a)(1) requires Single Audit reports to be submitted within the earlier of 30 days after receipt of the audit by the agency, or nine months after the end of the audit period.

Cause: The delay in submitting the report was due to a lack of adequate internal controls to monitor the audit progress and ensure timely submission.

Effect: The Single Audit reporting package was not submitted to the Federal Audit Clearinghouse by the federally required deadline. Non-compliance with the reporting requirements is a violation of federal grants' terms and conditions.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Cont.)
Year Ended September 30, 2024

III. Federal Award Findings and Questioned Costs (Cont.)

Finding 2024-002 (Cont.)

Recommendations: We recommend that the Authority strengthen its internal controls and improve oversight of the audit process to ensure timely completion and submission of future reports. Additionally, the recipient should work closely with the audit firm to establish clearer timelines and ensure that any delays are addressed promptly

Authority Response: Leadership recognizes the federal award finding and questioned costs and is already moving forward with a systems change to ensure timeliness of completing the necessary processes with the annual audit.

IV. Schedule of Prior Year Audit Findings

Finding 2023-001

Observation: The prior audit revealed that the account balances for cash and cash equivalents, investments, prepaid expenses, accounts receivable, inventory, capital assets, accounts payable, other current liabilities, accrued OPEB, accrued pension liability, and long-term debt were misstated, and several journal entries were proposed to correct these errors. The Authority is required to maintain adequate internal controls to ensure the reliability of financial reporting in accordance with generally accepted accounting principles (GAAP). However, the Authority's internal controls were insufficient, increasing the risk that misstatements could go undetected. It is recommended that the Authority implement stronger internal controls, including monthly reconciliation of subsidiary ledgers to the financial statements, to detect and correct errors in a timely manner.

Status: The finding remains open. See Finding 2024-001

Finding 2023-002

Observation: The prior audit report was not submitted on or before its deadline. Code of Federal Regulations (CFR) requires Single Audit reports to be submitted within the earlier of 30 days after receipt of the audit by the agency, or nine months after the end of the audit period. However, the Authority's lacked adequate internal controls to monitor the audit progress and ensure timely submission. It is recommended that the Authority strengthens internal controls to improve oversight and work more closely with the audit firm to establish clearer timelines and ensure that delays are addressed properly.

Status: The finding remains open. See Finding 2024-002

HOUSING AUTHORITY OF THE COUNTY OF BUTTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Cont.)
Year Ended September 30, 2024

IV. Schedule of Prior Year Audit Findings (Cont.)

Finding 2022-001

Observation: The prior audit revealed that the account balances for cash, investments, prepaid expenses, other revenue, and net position were misstated, and several journal entries were proposed to correct these errors. The Authority is required to maintain adequate internal controls to ensure the reliability of financial reporting in accordance with generally accepted accounting principles (GAAP). However, the Authority's internal controls were insufficient, increasing the risk that misstatements could go undetected. It is recommended that the Authority implement stronger internal controls, including monthly reconciliation of subsidiary ledgers to the financial statements, to detect and correct errors in a timely manner.

Status: The finding remains open. See Finding 2024-001

Finding 2021-001

Observation: The financial statements and notes to the financial statements shall be prepared in accordance with accounting principles generally accepted in the United States of America. Good accounting practices require that bank reconciliations be performed monthly to ensure that cash receipts and cash disbursements are recorded in a correct and timely manner, and that differences or errors be followed up and corrected in a timely manner. During test work over cash, we noted a difference of \$142,873 between the reconciled bank balances from Umpqua Bank (Evanswood Apts) and the Authority's cash balance per the general ledger.

Status: The finding remains open. See finding 2024-001

Finding 2021-002

Observation: The Authority lacks an effective internal control structure over financial close and reporting to allow accurate financial reporting. During the FY21 audit, the following issue was noted related to the Authority's financial close and reporting process:

There were unsupported accounts receivables, accounts payable, tenant security deposits, and accrued liabilities balances of the Authority at year end. The Authority lacks controls to ensure all accounts receivable, accounts payable, tenant security deposits, and accrued liabilities are reconciled during the year or at year-end.

Status: The finding remains open. See finding 2024-001

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

FINANCIAL DATA SCHEDULE

September 30, 2024

FDS Line Item	Description	Project Total	PHCap	Business Activities	14 871 Housing Choice Vouchers	EHV-Emergency Housing Voucher	10 427 Rural Rental Assistance Payments	10 405 Farm Labor Housing Loans and Grants	14 870 Resident Opportunity and Supportive Services	Blended Component Units	Elimination	Total	Fiduciary
111	Cash - Unrestricted	\$ 224,555	\$ 376,364	\$ 1,225,420	\$ 2,119,420	\$ 1,952	\$ 259,572	\$ 279,197	\$ --	\$ 3,044,514	\$ --	\$ 7,529,042	\$ --
112	Cash - Restricted - Modernization and Development	\$ --	\$ --	\$ 5,711,267	\$ 84,083	\$ --	\$ 616,687	\$ --	\$ --	\$ 1,116,089	\$ --	\$ 257,595	\$ --
113	Cash - Other Restricted	\$ 176,979	\$ --	\$ 13,577	\$ --	\$ --	\$ 49,340	\$ --	\$ --	\$ 102,069	\$ --	\$ 7,528,126	\$ 2,761,591
114	Cash - Tenant Security Deposits	\$ --	\$ --	\$ 105,719	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 341,965	\$ --
115	Cash - Restricted for Payment of Current Liabilities	\$ 401,534	\$ 376,364	\$ 6,950,264	\$ 2,311,174	\$ 259,572	\$ 1,200,867	\$ --	\$ --	\$ 4,262,672	\$ --	\$ 15,762,447	\$ 2,761,591
100	Total Cash	\$ --	\$ --	\$ --	\$ 573,754	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 573,754	\$ --
121	Accounts Receivable - PHA Projects	\$ 112	\$ --	\$ 32,918	\$ --	\$ --	\$ 45,775	\$ --	\$ --	\$ 57,500	\$ (7,500)	\$ 128,693	\$ --
122	Accounts Receivable - HUD Other Projects	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
124	Accounts Receivable - Other Government	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
125	Other	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
125	Accounts Receivable - Miscellaneous	\$ --	\$ --	\$ 201,216	\$ --	\$ --	\$ 2,593	\$ --	\$ --	\$ 22,624	\$ --	\$ 413,042	\$ --
126	Accounts Receivable - Tenants	\$ 186,609	\$ --	\$ (5,925)	\$ --	\$ --	\$ (60)	\$ --	\$ --	\$ --	\$ --	\$ (5,985)	\$ --
126.1	Allowance for Doubtful Accounts - Tenants	\$ (22,123)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ (22,123)	\$ --
126.2	Allowance for Doubtful Accounts - Other	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
127	Notes, Loans, & Mortgages Receivable - Current	\$ --	\$ --	\$ --	\$ --	\$ 8,205	\$ (3,244)	\$ --	\$ --	\$ --	\$ --	\$ 8,205	\$ --
128	Fraud Recovery	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
128.1	Allowance for Doubtful Accounts - Fraud	\$ --	\$ --	\$ 44,324	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ (36,856)	\$ --
129	Accrued Interest Receivable	\$ 164,598	\$ --	\$ 272,533	\$ 573,754	\$ 4,961	\$ 48,308	\$ --	\$ --	\$ 80,124	\$ (44,356)	\$ 1,099,922	\$ --
120	Total Receivables, Net of Allowances for Doubtful Accounts	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
131	Investments - Unrestricted	\$ 1,226,335	\$ --	\$ 116,024	\$ 460,000	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,802,359	\$ --
132	Investments - Restricted	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
135	Investments - Restricted for Payment of Current Liability	\$ 8,843	\$ 214	\$ 3,942	\$ 11,122	\$ 358	\$ 3,440	\$ --	\$ --	\$ 164,137	\$ --	\$ 192,056	\$ --
142	Prepaid Expenses and Other Assets	\$ 45,133	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 45,133	\$ --
143	Inventories	\$ --	\$ --	\$ 38,677	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ (38,677)	\$ --
143.1	Allowance for Obsolete Inventories	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
144	Inter Program Due From	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
145	Assets Held for Sale	\$ 1,846,443	\$ 376,578	\$ 7,381,440	\$ 3,356,050	\$ 264,891	\$ 1,252,615	\$ --	\$ --	\$ 4,506,933	\$ (83,033)	\$ 18,901,917	\$ 2,761,591
150	Total Current Assets	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
161	Land	\$ 484,396	\$ --	\$ 1,568,660	\$ --	\$ --	\$ 297,326	\$ --	\$ --	\$ 1,836,999	\$ --	\$ 4,187,381	\$ --
162	Buildings	\$ 28,388,693	\$ 1,586,132	\$ 9,057,054	\$ 406,523	\$ --	\$ 11,705,177	\$ --	\$ --	\$ 26,822,573	\$ --	\$ 77,966,152	\$ --
163	Furniture, Equipment & Machinery - Dwellings	\$ 1,145,487	\$ 490,550	\$ 247,364	\$ 74,556	\$ --	\$ 7,543	\$ --	\$ --	\$ 454,380	\$ --	\$ 2,345,324	\$ --
164	Furniture, Equipment & Machinery - Administration	\$ 490,439	\$ --	\$ 198,450	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 763,445	\$ --
165	Leasehold Improvements	\$ --	\$ --	\$ --	\$ --	\$ --	\$ (9,047,452)	\$ --	\$ --	\$ (14,218,124)	\$ --	\$ (55,003,710)	\$ --
166	Accumulated Depreciation	\$ (26,071,841)	\$ (111,250)	\$ (5,141,374)	\$ (413,669)	\$ --	\$ 5,957,269	\$ 289,292	\$ --	\$ 8,737,107	\$ --	\$ 8,737,107	\$ --
167	Construction in Progress	\$ --	\$ --	\$ 2,490,346	\$ --	\$ --	\$ 2,889,796	\$ --	\$ --	\$ --	\$ --	\$ 2,889,796	\$ --
168	Infrastructure	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
160	Total Capital Assets, Net of Accumulated Depreciation	\$ 4,437,174	\$ 1,965,432	\$ 8,420,700	\$ 67,410	\$ --	\$ 11,809,659	\$ 289,292	\$ --	\$ 14,895,828	\$ --	\$ 41,885,495	\$ --
171	Notes, Loans and Mortgages Receivable - Non-Current	\$ --	\$ --	\$ 2,081,305	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ (1,305,419)	\$ 775,886	\$ --
172	Notes, Loans & Mortgages Receivable - Non-Current - Past Due	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
173	Grants Receivable - Non Current	\$ --	\$ --	\$ 160,606	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 64,276	\$ --	\$ 226,682	\$ --
174	Other Assets	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
176	Investments in Joint Ventures	\$ 4,437,174	\$ 1,965,432	\$ 10,662,611	\$ 67,410	\$ --	\$ 11,809,659	\$ 289,292	\$ 1,800	\$ 14,966,104	\$ (1,305,419)	\$ 42,888,063	\$ --
180	Total Non-Current Assets	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
190	Total Assets	\$ 6,283,617	\$ 2,342,010	\$ 18,044,051	\$ 3,423,460	\$ 264,891	\$ 13,062,274	\$ 289,292	\$ 1,800	\$ 19,467,037	\$ (1,388,452)	\$ 61,789,980	\$ 2,761,591
200	Deferred Outflow of Resources	\$ 653,742	\$ (5,324)	\$ 977,825	\$ 419,575	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,045,818	\$ --
290	Total Assets and Deferred Outflow of Resources	\$ 6,937,359	\$ 2,336,686	\$ 19,021,876	\$ 3,843,035	\$ 264,891	\$ 13,062,274	\$ 289,292	\$ 1,800	\$ 19,467,037	\$ (1,388,452)	\$ 63,835,798	\$ 2,761,591

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

FINANCIAL DATA SCHEDULE (Cont.)

September 30, 2024

FDS Line Item	Description	Project Total	PHCap	Business Activities	14,871 Housing Choice Vouchers	EHV-Emergency Housing Voucher	10,427 Rural Rental Assistance Payments	10,405 Farm Labor Housing Loans and Grants	14,870 Resident Opportunity and Supportive Services	Blended Component Units	Elimination	Total	Fiduciary
311	Bank Overdraft	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
312	Accounts Payable <= 90 Days	4,435	--	39,695	8,140	--	160,834	16	--	54,642	--	267,762	--
313	Accounts Payable >90 Days Past Due	--	--	--	--	--	--	--	--	--	--	--	--
321	Accrued Wage/Payroll Taxes Payable	--	--	119,746	1,801	--	--	--	--	--	--	121,547	--
322	Accrued Compensated Absences - Current Portion	17,851	3,230	10,857	11,169	--	--	--	--	--	--	43,107	--
324	Accrued Contingency Liability	--	--	40,025	--	--	--	--	--	816,553	(36,856)	819,722	--
325	Accrued Interest Payable	--	--	--	--	--	--	--	--	--	--	--	--
331	Accounts Payable - HUD PHA Programs	--	--	--	--	--	--	--	--	--	--	--	--
332	Accounts Payable - PHA Projects	--	--	--	--	--	--	--	--	--	--	--	--
333	Accounts Payable - PHA Government	2,084	--	--	--	--	--	--	--	92,954	--	2,084	--
341	Tenant Security Deposits	176,978	--	134,961	1,086	--	44,727	--	--	450,706	--	450,706	--
342	Deferred Revenues	7,144	--	5,634	4,869	--	80,890	--	--	98,537	--	98,537	--
343	Current Portion of Long-term Debt - Capital Projects/Mortgage	--	--	202,420	--	--	121,943	--	--	72,019	--	396,382	--
344	Current Portion of Long-term Debt - Operating Borrowings	--	--	--	--	--	--	--	--	--	--	--	--
345	Other Current Liabilities	214	19	19,532	105,719	230,034	20,036	--	16	51,189	(7,500)	419,259	--
346	Accrued Liabilities - Other	--	--	--	--	--	--	--	--	--	--	--	--
347	Inter Program - Due To	--	--	--	--	--	--	--	38,677	--	(38,677)	--	--
348	Loan Liability - Current	--	--	--	--	--	--	--	--	--	--	--	--
310	Total Current Liabilities	\$ 208,706	\$ 3,249	\$ 572,870	\$ 132,784	\$ 230,034	\$ 428,430	\$ 16	\$ 38,693	\$ 1,087,357	\$ (83,033)	\$ 2,619,106	\$ --
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$ --	\$ --	\$ 11,539,009	\$ --	\$ --	\$ 2,754,055	\$ --	\$ --	\$ 7,620,457	\$ (1,305,419)	\$ 20,608,102	\$ --
352	Long-term Debt, Net of Current - Operating Borrowings	--	--	--	--	--	--	--	--	--	--	--	--
353	Non-current Liabilities - Other	--	--	--	75,839	--	--	--	--	--	--	75,839	--
354	Accrued Compensated Absences - Non Current	276,443	38,531	211,111	195,803	9,595	--	--	11,386	--	--	742,869	--
355	Loan Liability - Non Current	--	--	--	--	--	--	--	--	--	--	--	--
356	FASB 5 Liabilities	1,941,336	--	706,340	1,615,776	--	--	--	--	--	--	4,263,452	--
357	Accrued Pension and OPEB Liabilities	\$ 2,217,779	\$ 38,531	\$ 12,456,460	\$ 1,887,418	\$ 9,595	\$ 2,754,055	\$ --	\$ 11,386	\$ 7,620,457	\$ (1,305,419)	\$ 25,690,262	\$ --
350	Total Non-Current Liabilities	\$ 2,426,485	\$ 41,780	\$ 13,029,330	\$ 2,020,202	\$ 239,629	\$ 3,182,485	\$ 16	\$ 50,079	\$ 8,707,814	\$ (1,388,452)	\$ 28,309,368	\$ --
300	Total Liabilities	\$ 78,029	\$ --	\$ 499,723	\$ 6,051	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 583,803	\$ --
400	Deferred Inflow of Resources	--	--	--	--	--	--	--	--	--	--	--	--
508.4	Net Investment in Capital Assets	\$ 4,437,174	\$ 1,965,432	\$ (3,320,730)	\$ 67,410	\$ --	\$ 8,953,661	\$ 289,292	\$ --	\$ 8,508,772	\$ --	\$ 20,881,011	\$ --
511.4	Restricted Net Position	176,979	--	5,724,844	--	--	921,670	--	--	1,218,158	--	8,041,651	2,761,591
512.4	Unrestricted Net Position	(181,308)	329,474	3,088,709	1,749,372	25,262	24,458	(16)	(48,279)	10,759,223	--	6,019,965	--
513	Total Equity/Net Assets - Position	\$ 4,432,845	\$ 2,294,906	\$ 5,492,823	\$ 1,816,782	\$ 25,262	\$ 9,879,789	\$ 289,276	\$ (48,279)	\$ 10,759,223	\$ --	\$ 34,942,627	\$ 2,761,591
600	Total Liabilities and Equity/Net Assets	\$ 6,937,359	\$ 2,336,686	\$ 19,021,876	\$ 3,843,035	\$ 264,891	\$ 13,062,274	\$ 289,292	\$ 1,800	\$ 19,467,037	\$ (1,388,452)	\$ 63,835,798	\$ 2,761,591

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

FINANCIAL DATA SCHEDULE (Cont.)

September 30, 2024

FDS Line Item	Description	Project Total	PHCap	Business Activities	14 871 Housing Choice Vouchers	EHV-Emergency Housing Voucher	10 427 Rural Rental Assistance Payments	10 405 Farm Labor Housing Loans and Grants	14 870 Resident Opportunity and Supportive Services	Blended Component Units	Elimination	Total	Fiduciary
70500	Net Tenant Rental Revenue	\$ 1,534,244	\$ --	\$ 1,934,538	\$ --	\$ --	\$ 431,358	\$ --	\$ --	\$ 2,362,190	\$ --	\$ 6,262,330	\$ --
70400	Tenant Revenue - Other	\$ 85,396	\$ --	\$ 39,571	\$ --	\$ --	\$ 2,924	\$ --	\$ --	\$ 42,819	\$ --	\$ 170,910	\$ --
70500	Total Tenant Revenue	\$ 1,619,640	\$ --	\$ 1,974,109	\$ --	\$ --	\$ 434,282	\$ --	\$ --	\$ 2,405,009	\$ --	\$ 6,433,240	\$ --
70600	HUD PHA Operating Grants	\$ 1,450,614	\$ 2,282,553	\$ --	\$ 23,198,334	\$ 1,428,920	\$ --	\$ --	\$ 66,661	\$ --	\$ --	\$ 28,427,082	\$ --
70610	Capital Grants	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
70710	Management Fee	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
70720	Asset Management Fee	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
70730	Book Keeping Fee	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
70740	Front Line Service Fee	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
70750	Other Fees	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
70700	Total Fee Revenue	\$ 1,450,614	\$ 2,282,553	\$ --	\$ 23,198,334	\$ 1,428,920	\$ --	\$ --	\$ 66,661	\$ --	\$ --	\$ 28,427,082	\$ --
70800	Other Government Grants	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 712,287	\$ --	\$ --	\$ --	\$ --	\$ 712,287	\$ --
71100	Investment Income - Unrestricted	\$ --	\$ --	\$ 4,718	\$ --	\$ --	\$ 1,724	\$ --	\$ --	\$ 17,885	\$ --	\$ 24,327	\$ --
71200	Mortgage Interest Income	\$ --	\$ --	\$ 80,189	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ (62,378)	\$ 17,811	\$ --
71300	Proceeds from Disposition of Assets Held for Sale	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
71310	Cost of Sale of Assets	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
71400	Fraud Recovery	\$ 16,962	\$ --	\$ --	\$ 279,321	\$ 2,723	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 299,006	\$ --
71500	Other Revenue	\$ 16,095	\$ --	\$ 1,423,076	\$ 54,155	\$ --	\$ 1,077	\$ --	\$ 10,922	\$ 833,792	\$ (264,428)	\$ 2,074,689	\$ --
71600	Gain or Loss on Sale of Capital Assets	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
72000	Investment Income - Restricted	\$ 49,591	\$ --	\$ 331,850	\$ --	\$ --	\$ 250	\$ --	\$ 13	\$ --	\$ --	\$ 381,704	\$ 423,753
70000	Total Revenue	\$ 3,153,102	\$ 2,282,553	\$ 3,813,942	\$ 23,531,810	\$ 1,431,643	\$ 1,149,620	\$ --	\$ 77,796	\$ 3,256,686	\$ (326,806)	\$ 38,370,146	\$ 423,753
91100	Administrative Salaries	\$ 658,152	\$ 82,575	\$ 1,187,874	\$ 734,981	\$ 69,126	\$ 83,312	\$ --	\$ 102,116	\$ 145,936	\$ --	\$ 3,064,092	\$ 62
91200	Auditing Fees	\$ --	\$ --	\$ 75,869	\$ --	\$ --	\$ 23,714	\$ --	\$ --	\$ 23,250	\$ --	\$ 122,833	\$ --
91300	Management Fee	\$ --	\$ --	\$ 20,021	\$ --	\$ --	\$ 7,500	\$ --	\$ --	\$ 264,427	\$ (271,928)	\$ 20,020	\$ --
91310	Book-keeping Fee	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 468	\$ --	\$ --	\$ --	\$ --	\$ 124,564	\$ --
91400	Advertising and Marketing	\$ 3,624	\$ 371	\$ 112,257	\$ 7,844	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
91500	Employee Benefit Contributions - Administrative	\$ 31,343	\$ 11,612	\$ 790,574	\$ 160,987	\$ 3,368	\$ 14,766	\$ --	\$ 1,735	\$ 46,859	\$ --	\$ 1,061,244	\$ --
91600	Office Expenses	\$ 44,493	\$ 103	\$ 115,728	\$ 33,658	\$ 262	\$ 9,913	\$ --	\$ 20	\$ 1,374	\$ --	\$ 205,551	\$ --
91700	Tenant Services - Other	\$ 14,620	\$ --	\$ 16,400	\$ 40,961	\$ 495	\$ 80	\$ --	\$ --	\$ 28,646	\$ --	\$ 101,202	\$ --
91800	Legal Expense	\$ 17,414	\$ --	\$ 23,067	\$ 4,594	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 45,075	\$ --
91810	Travel	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
91810	Allocated Overhead	\$ 283,323	\$ 13,239	\$ --	\$ 403,878	\$ 36,982	\$ 2,745	\$ --	\$ --	\$ 3,220	\$ 7,500	\$ 750,887	\$ --
91900	Other	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
91000	Total Operating - Administrative	\$ 1,052,969	\$ 107,900	\$ 2,341,790	\$ 1,386,903	\$ 110,233	\$ 142,498	\$ --	\$ 103,871	\$ 513,752	\$ (264,428)	\$ 5,495,468	\$ --
92000	Asset Management Fee	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
92100	Tenant Services - Salaries	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 140	\$ --	\$ --	\$ 140	\$ --
92200	Relocation Costs	\$ 900	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 900	\$ --
92300	Employee Benefit Contributions - Tenant Services	\$ 120,011	\$ 6,395	\$ (2,165)	\$ --	\$ 918	\$ --	\$ --	\$ 22,291	\$ --	\$ --	\$ 147,450	\$ --
92400	Tenant Services - Other	\$ 6,505	\$ --	\$ 28,187	\$ 22,825	\$ 38	\$ --	\$ --	\$ 81,537	\$ --	\$ --	\$ 139,592	\$ --
92500	Total Tenant Services	\$ 127,416	\$ 6,395	\$ 26,022	\$ 22,825	\$ 956	\$ --	\$ --	\$ 22,431	\$ --	\$ --	\$ 287,582	\$ --
93100	Water	\$ 126,483	\$ --	\$ 65,301	\$ 350	\$ --	\$ 23,374	\$ --	\$ --	\$ 254,692	\$ --	\$ 470,200	\$ --
93200	Electricity	\$ 22,316	\$ --	\$ 108,985	\$ 2,903	\$ --	\$ 30,685	\$ --	\$ --	\$ 100	\$ --	\$ 164,989	\$ --
93300	Gas	\$ 7,581	\$ --	\$ 12,473	\$ 17	\$ --	\$ 3,662	\$ --	\$ --	\$ --	\$ --	\$ 23,733	\$ --
93400	Fuel	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
93500	Labor	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
93600	Sewer	\$ 121,942	\$ --	\$ 142,308	\$ 39	\$ --	\$ 12,123	\$ --	\$ --	\$ 2	\$ --	\$ 276,414	\$ --
93700	Employee Benefit Contributions - Utilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
93800	Other Utilities Expense	\$ 73,178	\$ --	\$ 39,943	\$ 33	\$ --	\$ 25,638	\$ --	\$ --	\$ 2	\$ --	\$ 138,794	\$ --
93000	Total Utilities	\$ 351,500	\$ --	\$ 369,010	\$ 3,442	\$ --	\$ 95,482	\$ --	\$ --	\$ 254,796	\$ --	\$ 1,074,130	\$ --

HOUSING AUTHORITY OF THE COUNTY OF BUTTE
FINANCIAL DATA SCHEDULE (Cont.)
September 30, 2024

FDS Line Item	Description	Project Total	PHCap	Business Activities	14 871 Housing Choice Vouchers	EHV-Emergency Housing Voucher	10 427 Rural Rental Assistance Payments	10 405 Farm Labor Housing Loans and Grants	14 870 Resident Opportunity and Supportive Services	Blended Component Units	Elimination	Total	Fiduciary
94100	Ordinary Maintenance and Operations - Labor	\$ 477,840	\$ --	\$ 61,566	\$ --	\$ --	\$ 89,340	\$ --	\$ --	\$ 162,214	\$ --	\$ 790,960	\$ --
94200	Ordinary Maintenance and Operations - Materials and Other	218,232	--	136,326	--	--	82,739	--	--	64,990	--	503,955	--
94300	Ordinary Maintenance and Operations - Contracts	325,545	61,100	741,142	22,092	348	230,960	--	--	444,995	--	1,826,182	--
94500	Employee Benefit Contributions - Ordinary Maintenance	58,480	--	1,470	--	--	--	--	--	--	--	59,950	--
94000	Total Maintenance	\$ 1,080,097	\$ 61,100	\$ 940,504	\$ 23,760	\$ 348	\$ 403,039	\$ --	\$ --	\$ 672,199	\$ --	\$ 3,181,047	\$ --
95100	Protective Services - Labor	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
95200	Protective Services - Other Contract Costs	33,457	2,377	4,019	677	--	23,033	--	--	20	--	63,583	--
95300	Protective Services - Other	--	--	--	--	--	--	--	--	--	--	--	--
95500	Employee Benefit Contributions - Protective Services	--	--	--	--	--	23,033	--	--	20	--	63,583	--
95000	Total Protective Services	\$ 33,457	\$ 2,377	\$ 4,019	\$ 677	\$ --	\$ 23,033	\$ --	\$ --	\$ 20	\$ --	\$ 63,583	\$ --
96110	Property Insurance	\$ 115,745	\$ 1,599	\$ 181,534	\$ 83,211	\$ 2,677	\$ 74,898	\$ --	\$ --	\$ 111,816	\$ --	\$ 571,480	\$ --
96120	Liability Insurance	--	--	--	--	--	--	--	--	--	--	--	--
96130	Workmen's Compensation	14,659	796	43,256	34,936	1,212	6,841	--	5,779	12,848	--	120,327	--
96140	All Other Insurance	--	--	6,541	4,798	--	37,192	--	--	8,479	--	57,010	--
96100	Total Insurance Premiums	\$ 130,404	\$ 2,395	\$ 231,331	\$ 122,945	\$ 3,889	\$ 118,931	\$ --	\$ 5,779	\$ 133,143	\$ --	\$ 748,817	\$ --
96200	Other General Expenses	\$ 1,289	\$ --	\$ 566,946	\$ 121	\$ --	\$ --	\$ --	\$ --	\$ 47,789	\$ --	\$ 616,145	\$ 14,812
96210	Compensated Absences	98,588	17,837	59,961	61,686	--	--	--	--	--	--	238,072	--
96300	Payments in Lieu of Taxes	122,737	--	17,977	--	--	--	--	--	--	--	140,714	--
96400	Bad debt - Tenant Rents	--	--	5,748	--	--	1,070	--	--	--	--	6,818	--
96500	Bad debt - Mortgages	--	--	--	--	--	--	--	--	24,455	--	24,455	--
96600	Bad debt - Other	--	--	--	--	--	--	--	--	--	--	--	--
96800	Severance Expense	--	--	--	--	--	--	--	--	--	--	--	--
96000	Total Other General Expenses	\$ 222,614	\$ 17,837	\$ 650,632	\$ 61,807	\$ --	\$ 1,070	\$ --	\$ --	\$ 72,244	\$ --	\$ 1,026,204	\$ 14,812
96710	Interest on Mortgage (or Bonds) Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
96720	Interest on Notes Payable (Short and Long Term)	--	--	299,341	--	--	30,610	--	--	297,367	(62,378)	564,940	--
96730	Amortization of Bond Issue Costs	--	--	--	--	--	--	--	--	6,556	--	6,556	--
96700	Total Interest Expense and Amortization Cost	\$ --	\$ --	\$ 299,341	\$ --	\$ --	\$ 30,610	\$ --	\$ --	\$ 303,923	\$ (62,378)	\$ 571,496	\$ --
96900	Total Operating Expenses	\$ 2,998,457	\$ 198,004	\$ 4,862,649	\$ 1,622,259	\$ 115,426	\$ 814,663	\$ --	\$ 132,081	\$ 2,031,594	\$ (326,806)	\$ 12,448,327	\$ 14,812
97000	Excess of Operating Revenue over Operating Expenses	\$ 154,645	\$ 2,084,549	\$ (1,048,707)	\$ 21,909,551	\$ 1,316,217	\$ 334,957	\$ --	\$ (34,483)	\$ 1,225,092	\$ --	\$ 25,921,819	\$ 408,941
97100	Extraordinary Maintenance	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
97200	Casualty Losses - Non-capitalized	--	--	--	--	--	--	--	--	--	--	--	--
97300	Housing Assistance Payments	23,525	--	106,035	20,987,808	1,240,058	--	--	--	--	--	22,357,426	--
97350	HAP Portability-In	--	--	--	30,143	--	--	--	--	--	--	30,143	--
97400	Depreciation Expense	602,296	111,250	322,057	7,724	--	714,906	--	--	704,673	--	2,462,906	--
97500	Fraud Losses	--	--	--	--	--	--	--	--	--	--	--	--
97600	Capital Outlays - Governmental Funds	--	--	--	--	--	--	--	--	--	--	--	--
97700	Debt Principal Payment - Governmental Funds	--	--	--	--	--	--	--	--	--	--	--	--
97800	Dwelling Units Rent Expense	--	--	--	--	--	--	--	--	--	--	--	--
90000	Total Expenses	\$ 3,624,278	\$ 309,254	\$ 5,290,741	\$ 22,647,934	\$ 1,355,484	\$ 1,529,569	\$ --	\$ 132,081	\$ 2,736,267	\$ (326,806)	\$ 37,298,802	\$ 14,812

HOUSING AUTHORITY OF THE COUNTY OF BUTTE
FINANCIAL DATA SCHEDULE (Cont.)
September 30, 2024

FDS Line Item	Description	Project Total	PHCap	Business Activities	14 871 Housing Choice Vouchers	EHV-Emergency Housing Voucher	10 427 Rural Rental Assistance Payments	10 405 Farm Labor Housing Loans and Grants	14 870 Resident Opportunity and Supportive Services	Blended Component Units	Elimination	Total	Fiduciary
10010	Operating Transfer In	\$ --	\$ --	--	\$ --	--	--	--	--	--	--	\$ 1,971,418	\$ --
10020	Operating Transfer Out	--	(1,971,427)	--	--	--	--	--	--	--	--	(1,971,427)	--
10030	Operating Transfers from/to Primary Government	--	--	--	--	--	--	--	--	--	--	--	--
10040	Operating Transfers from/to Component Unit	--	--	--	--	--	--	--	--	--	--	--	--
10050	Proceeds from Notes, Loans and Bonds	--	--	--	--	--	--	--	--	--	--	--	--
10060	Proceeds from Property Sales	--	--	--	--	--	--	--	--	--	--	--	--
10070	Extraordinary Items, Net Gain/Loss	--	--	--	--	--	--	--	--	--	--	--	--
10080	Special Items (Net Gain/Loss)	--	--	--	--	--	--	--	--	--	--	--	--
10091	Inter Project Excess Cash Transfer In	--	--	--	--	--	--	--	--	--	--	--	--
10092	Inter Project Excess Cash Transfer Out	--	--	--	--	--	--	--	--	--	--	--	--
10093	Transfers between Program and Project - In	--	--	--	--	--	--	--	--	--	--	--	--
10094	Transfers between Project and Program - Out	--	--	--	--	--	--	--	--	--	--	--	--
10100	Total Other financing Sources (Uses)	\$ 3,624,278	\$ 309,263	\$ 5,290,741	\$ 22,647,934	\$ 1,355,484	\$ 1,529,569	--	\$ 132,081	\$ 2,736,267	\$ (326,806)	\$ 37,298,811	\$ 14,812
	Total Expenses	--	--	--	--	--	--	--	--	--	--	(9)	--
	Excess (Deficiency) of Total Revenue Over (Under) Total	\$ (471,176)	\$ 1,973,290	\$ (1,476,799)	\$ 883,876	\$ 76,159	\$ (379,949)	--	\$ (54,485)	\$ 520,419	\$ --	\$ 1,071,335	\$ 408,941
11020	Required Annual Debt Principal Payments	\$ --	--	--	\$ --	--	--	--	--	\$ --	--	\$ --	\$ --
11030	Beginning Equity	5,294,263	321,616	3,922,092	2,097,810	125,198	10,259,738	289,276	6,206	10,238,804	--	32,555,003	2,352,650
11040	Prior Period Adjustments, Equity Transfers and Correction of	(390,242)	--	3,047,530	(1,164,904)	(176,095)	--	--	--	--	--	1,316,289	--
11050	Changes in Compensated Absence Balance	--	--	--	--	--	--	--	--	--	--	--	--
11060	Changes in Contingent Liability Balance	--	--	--	--	--	--	--	--	--	--	--	--
11070	Changes in Unrecognized Pension Transition Liability	--	--	--	--	--	--	--	--	--	--	--	--
11080	Changes in Special Term/Severance Benefits Liability	--	--	--	--	--	--	--	--	--	--	--	--
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents	--	--	--	--	--	--	--	--	--	--	--	--
11100	Changes in Allowance for Doubtful Accounts - Other	--	--	--	--	--	--	--	--	--	--	--	--
11170	Administrative Fee Equity	--	--	--	--	--	--	--	--	--	--	1,816,782	--
11180	Housing Assistance Payments Equity	--	--	--	--	--	--	--	--	--	--	--	--
11190	Unit Months Available	4,140	--	--	2,424	1,392	1,224	--	--	2,820	--	39,078	--
11210	Number of Unit Months Leased	3,912	--	2,160	26,677	1,341	876	--	--	2,628	--	37,594	--

October 16, 2025

MEMO

To: Board of Commissioners

From: Marco Cruz, CFO Consultant
Larry Guanzon, Executive Director

Subject: Resolution No. 4974 - HACB Capitalization Policy

On October 1, 2024, the United States Office of Management and Budget (OMB) revised OMB Guidance for Grants and Agreements, which is now called the OMB Guidance for Federal Financial Assistance.

In this update, there have been significant changes made to 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly known as the “Uniform Guidance”. For the purposes of this policy, the capitalization threshold was raised from \$5,000 to \$10,000.

As the Housing Authority of the County of Butte (HACB) is primarily federally funded, it’s capitalization thresholds should follow Uniform Guidance. The policy would be retroactively effective for expenditures dated from October 1, 2024, the beginning of the fiscal year. Classes of Capital Assets and the Expendable Property threshold has also been updated to better match HACB operations.

Staff recommends adoption of Resolution No. 4974.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE CAPITALIZATION POLICY

This policy is established for the purpose of identifying and accounting for the acquisition and disposition of tangible property owned by the Housing Authority of the County of Butte. Tangible property is divided into two categories: Expendable Property and Capital Assets.

EXPENDABLE PROPERTY: Tangible property with a useful life of greater than one (1) year and a value less than \$5,000 shall be expensed on the financial statements. Inventory listings shall be maintained for Expendable Property valued at greater than \$50. Accounting shall maintain the office and computer equipment inventory. The Housing Director, or designee, shall maintain the maintenance tools and equipment inventory. On a quarterly basis, the Housing Director shall provide a copy of the maintenance tools and equipment inventory to Accounting. Both inventories shall include the following information: vendor, make, model, serial number, date acquired, date disposed, location, value, and funding source.

Annually, each employee shall complete an inventory of the small office equipment and furniture in their office or cubicle. This inventory will be maintained in Accounting.

CAPITAL ASSETS: Tangible property with a useful life greater than one (1) year with a cost to place into service greater than or equal to \$5,000 shall be capitalized and accounted for accordingly. These items shall be added to the Capital Asset Inventory and depreciated over the useful life. Capital Assets may be acquired through donation, purchase, or constructed. The asset value for donations shall be the fair market value at the time of donation. The asset value, when purchased, will be the initial cost plus the trade-in value of any replaced asset, plus all costs related to placing the asset into service. The cost of constructed assets shall be the total cost of construction including permits, architectural fees, engineering fees, etc.

Replacement property shall not be capitalized unless the original item is currently listed on the Capital Asset inventory. Once replaced the original item shall be removed from the Capital Asset inventory.

Classes of Capital Assets and Depreciable Lives, in years, shall conform to IRS guidelines currently as follows:

<u>Years</u>	<u>Description</u>
	Infrastructure
40	Buildings
20	Municipal Water Treatment and Distribution

- 20 Municipal Sewer
- 15 Municipal Wastewater Treatment Plant
- 15 Building improvements/rehab
- 15 HVAC, hot water heaters & Appliances
- 15 Land Improvements (new fences, new sidewalks, new parking lots)
- 7 Maintenance Equipment
- 7 Office Furniture, Fixtures and Equipment
- 5 Data Handling Equipment (copiers, scanners)
- 5 Computer Based Telephone Equipment
- 5 Information Systems (computers & peripherals)
- 5 Vehicles (including accessories)

DISPOSITION OF PROPERTY:

1. Tangible property may not be destroyed, abandoned or donated until a reasonable effort has been made to sell it. Tangible property to be replaced shall first be offered in trade as part of the purchase of the replacement property.
2. Every effort shall be made to maximize the price realized from the sale of tangible property. Media appropriate to the property shall be used to advertise its availability for purchase.
3. Disposition of land and buildings, regardless of value, and other property valued at greater than \$50,000 shall require Board of Commissioner approval.
4. A Disposition Form must be completed and returned to Accounting for all disposed property.
5. Property disposition shall be noted in the appropriate inventory by the responsible party.
6. Sales to employees or related parties (as defined in the HACB Code of Conduct) are strictly forbidden.
7. Authority for disposition of Capital Assets and Expendable Equipment rests with the Executive Director or designee.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

RESOLUTION NO. 4974

ADOPTION OF CAPITALIZATION POLICY

WHEREAS, the Housing Authority of the County of Butte (HACB) conducts a variety of business activities, administers a number of programs, and operates real property, all of which involve accounting for tangible assets and their capitalization; and

WHEREAS, as a public agency operating programs and projects requiring accounting of tangible assets, their depreciation and disposition, the HACB seeks to establish and maintain an appropriate Capitalization Policy such that property can be acquired, inventoried, maintained, tracked, depreciated and disposed in accordance with OMB Uniform Guidance, Government Accounting Standards Board, and HACB policy; and

WHEREAS, the HACB has reviewed its existing Capitalization Policy and determined it to be in the best interest of the HACB to establish a new Capitalization Policy reflective of OMB current Uniform Guidance (2 CFR Part 200); and

WHEREAS, the HACB has drafted a Capitalization Policy which has been determined to be in the best interest of the HACB;

WHEREAS, the Board of Commissioner of the Housing Authority of the County of Butte resolves to adopt its Capitalization Policy, attached to and made a part of this Resolution, such policy to become retroactively effective on October 1, 2024 upon the adoption of this Resolution Number 4974.

Dated: October 16, 2025.

ATTEST:

David Pittman, Board Chair

Lawrence C. Guanzon, Secretary

HOUSING AUTHORITY OF THE COUNTY OF BUTTE CAPITALIZATION POLICY

This policy is established for the purpose of identifying and accounting for the acquisition and disposition of tangible property owned by the Housing Authority of the County of Butte. Tangible property is divided into two categories: Expendable Property and Capital Assets.

EXPENDABLE PROPERTY: Tangible property with a useful life of greater than one (1) year and a value less than \$10,000 shall be expensed on the financial statements. Inventory listings shall be maintained for Expendable Property valued at greater than \$100. Accounting shall maintain the office and computer equipment inventory. The Housing Director, or designee, shall maintain the maintenance tools and equipment inventory. On an annual basis, the Housing Director shall provide a copy of the maintenance tools and equipment inventory to Accounting. Both inventories shall include the following information: vendor, make, model, serial number, date acquired, date disposed, location, value, and funding source.

Annually, each employee shall complete an inventory of the small office equipment and furniture in their office or cubicle. This inventory will be maintained in Accounting.

CAPITAL ASSETS: Tangible property with a useful life greater than one (1) year with a cost to place into service greater than or equal to \$10,000 shall be capitalized and accounted for accordingly. These items shall be added to the Capital Asset Inventory and depreciated over the useful life. Capital Assets may be acquired through donation, purchase, or constructed. The asset value for donations shall be the fair market value at the time of donation. The asset value, when purchased, will be the initial cost plus the trade-in value of any replaced asset, plus all costs related to placing the asset into service. The cost of constructed assets shall be the total cost of construction including permits, architectural fees, engineering fees, etc.

Replacement property shall not be capitalized unless the original item is currently listed on the Capital Asset inventory. Once replaced the original item shall be removed from the Capital Asset inventory.

Classes of Capital Assets and Depreciable Lives, in years, shall conform to IRS guidelines currently as follows:

<u>Years</u>	<u>Description</u>
40	Infrastructure
40	Buildings

- 15 Building improvements/rehab
- 15 HVAC, hot water heaters & Appliances
- 15 Land Improvements (new fences, new sidewalks, new parking lots)
- 5 Maintenance Equipment
- 5 Office Furniture, Fixtures and Equipment
- 5 Data Handling Equipment (copiers, scanners)
- 5 Computer Based Telephone Equipment
- 5 Information Systems (computers & peripherals)
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3. Disposition of land and buildings, regardless of value, and other property valued at greater than \$50,000 shall require Board of Commissioner approval.
4. A Disposition Form must be completed and returned to Accounting for all disposed property.
5. Property disposition shall be noted in the appropriate inventory by the responsible party.
6. Sales to employees or related parties (as defined in the HACB Code of Conduct) are strictly forbidden.
7. Authority for disposition of Capital Assets and Expendable Equipment rests with the Executive Director or designee.

MEMO

Date: October 9, 2025
To: HACB Board of Commissioners
From: Tiffany Lee, Special Programs Coordinator
Angie Little, Rental Assistance Programs Manager
Subject: Resolution No. 4975
Section 8 FSS Graduate – Vicki Smith

Vicki Smith joined the FSS Program on October 1, 2018 as a participant under the HUD-VASH program. From the outset, Vicki articulated a clear vision for her future, encompassing several key objectives. Her primary aspirations included the development of essential professional tools, such as a compelling cover letter and a polished resume, with the ultimate goal of securing stable and meaningful employment. Beyond professional milestones, she also sought to cultivate a supportive and motivating environment conducive to her personal and professional growth and well-being.

Remarkably, Vicki has demonstrated significant progress towards these goals, successfully securing and maintaining employment as an Uber driver. This achievement stands as a testament to her dedication and proactive approach. While this role has undeniably provided a crucial measure of financial stability, significantly alleviating some of the immediate pressures associated with managing her household expenses and staying afloat, Vicki continues to navigate ongoing challenges. Consequently, her continued engagement with and support from the HUD-VASH program remains vital as she progresses further on her journey towards comprehensive self-sufficiency and long-term stability.

Recommendation: Adoption of Resolution No. 4975

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

RESOLUTION NO. 4975

RECOGNITION OF FSS GRADUATE

VICKI SMITH

WHEREAS, the Board of Commissioners of the Housing Authority of the County of Butte wishes to recognize the graduates of its HUD Section 8 Housing Choice Voucher Family Self-Sufficiency Program (FSS); and

WHEREAS, VICKI SMITH entered the FSS program in October 1, 2018; and

WHEREAS, VICKI SMITH successfully completed her FSS Contract of Participation, effective September 30, 2025, by fulfilling all of her responsibilities under the terms of the Contract of Participation; and

WHEREAS, VICKI SMITH obtained and maintained suitable employment and has been free of welfare assistance for over one year; and

WHEREAS, VICKI SMITH in completing her Contract of Participation, has accrued an FSS escrow balance of \$11,945.28;

NOW, THEREFORE, BE IT KNOWN that the Board of Commissioners of the Housing Authority of the County of Butte congratulates and presents this Resolution in recognition of VICKI SMITH'S successful completion of its HUD Section 8 Housing Choice Voucher Family Self-Sufficiency Program.

Dated: October 16, 2025

David Pittman, Board Chair

ATTEST:

Lawrence C Guanzon, Secretary