

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

MEETING AGENDA

June 18, 2026
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/701543725>

You can also dial in using your phone.

Access Code:

701-543-725

United States (Toll Free):

1 877 309 2073

United States:

+1 (646) 749-3129

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. 4994

ITEMS OF BUSINESS

1. ROLL CALL
2. AGENDA AMENDMENTS

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Board of Commissioners
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3. CONSENT CALENDAR

3.1 Minutes for the meeting of May 21, 2026

3.2 Checks written for:

3.2.1	Accounts Payable (General) –	\$759,753.34
3.2.2	Landlords –	\$2,119,522.67
3.2.3	Payroll –	\$228,417.97

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

3.10 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 “Town to offer a preview of a plan to force noncitizens from public housing” Sunday May 17, 2026 Valerie Gonzalez, the Associated Press

4. CORRESPONDENCE

4.1 HUD Letter, May 6th, 2026, RE: CA043 Butte County SEMAP Confirmatory and Independent Assessment on-site Assessment Review June 15th – June 18th, 2026.

4.2 HUD Letter, May 15th, 2026, RE: Notification of PHARS On-Site Independent Assessment June 16th -17th, 2026.

5. REPORTS FROM EXECUTIVE DIRECTOR

5.1 Public Housing Admissions and Continued Occupancy Policy (ACOP) and Section 8 Administrative Plan (AP) – Receive Comments; adopt ACOP and AP.

Recommendation: Resolution No. 4994

5.2 Family Self-Sufficiency (FSS) – Approval of Family Self-Sufficiency Action Plan.

Recommendation: Resolution No. 4995

5.3 Agency Annual Plan and Five-Year Capital Fund Program – Receive comments; adopt Agency Plan.

Recommendation: Resolution No. 4996

5.4 Capital Fund – Acceptance of HUD Capital Fund Program Grant CA01P04350126.

Recommendation: Resolution No. 4997

5.5 Housing Authority of the County of Butte (HACB) Audit - Receive and Accept FYE 2025 Audit Report.

Recommendation: Presentation/Motion

6. MEETING OPEN FOR PUBLIC DISCUSSION

7. MATTERS CONTINUED FOR DISCUSSION

8. SPECIAL REPORTS

8.1 PSWRC-NAHRO – Annual Conference: May 27-29, 2026 Santa Barbara, CA – Report from Larry Guanzon, Executive Director; Tamra Young, Deputy Executive Director; Taylor Gonzalez, Project Manager; Marco Cruz, CFO Consultant and Robert Crowe, HACB Commissioner.

9. REPORTS FROM COMMISSIONERS

10. MATTERS INITIATED BY COMMISSIONERS

11. EXECUTIVE SESSION

11.1 Pursuant to California Government Code 54956.8: Conference with real estate negotiator.

Property located at: Evanswood Apartments, Oroville, CA

11.2 Pursuant to California Government Code 54957: Public Employment Performance Evaluation

One Matter: Executive Director Evaluation

12. COMMISSIONERS' CALENDAR

- **Next Meeting: July 16, 2026 - Revised Date**
- **Save the date: NAHRO National Conference, October 15 -17, 2026 Denver Colorado**

13. ADJOURNMENT

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

**MEETING MINUTES OF
May 21, 2026**

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 2:36 p.m.

1. ROLL CALL

Present for the Commissioners: Bob Crowe, Laurel Faulk, Tim Merrill, David Pittman, Sarah Richter, and Jean Snow; 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; Marco Cruz, CFO Consultant; and Tiffany Lee, Special Programs Coordinator (5.1); all attended in person.

Present for the Public: Theresa Volk, FSS Graduate attended in person for 5.1.

2. AGENDA AMENDMENTS

Commissioner Richter moved that item (5.1) Family Self-Sufficiency be moved to before (3.) Consent Calendar. The consensus in favor was unanimous.

- 5.1 Family Self-Sufficiency (FSS) Graduate – Family Self-Sufficiency Graduate Theresa Volk, and her child, were present for her recognition. Ms. Volk enrolled in the FSS program on December 1, 2025. During Ms. Volk’s enrollment in the FSS program, she has secured full-time employment and has consistently pushed herself toward self-sufficiency; She has completed her FSS Individual Training and Service Plan, as well as the FYI program. She graduates the FSS program having secured \$3,876.03 in escrow funds.

*Housing Authority of the County of Butte
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RESOLUTION NO. 4991

Commissioner Richter moved that Resolution No. 4991 be adopted by reading of title only: “RECOGNITION OF FSS GRADUATE THERESA VOLK”. Commissioner Crowe seconded. The vote in favor was unanimous.

3. CONSENT CALENDAR

3.1 Deputy Executive Director Young updated the Board on Ms. Garcia. She is in process of transitioning from Public Housing to Section 8. No further complaints from Ms. Garcia to date.

3.3 CFO Consultant Marco Cruz commented on the Financials:

- Audits: Continuing to work on 2025FYE audit. HACB has received the draft audit. Final audit will be submitted to HUD on time (by June 30th) and will be presented at the June or July Board meeting.
- Accounting procedures: CFO Consultant Cruz has added budget(s) in Yardi for tracking ease and a month-end checklist for Accounting staff. He has also assigned back-up payroll duties to one of the Accounting staff and conducted a deep analysis of both EHV and HCV, which determined that most of the cash of both programs is on the unrestricted side.
- Financials: Business activities include a \$1.3M pass-through grant and is close to budget for the quarter. In the HCV program, net income was close to budget. EHV and ROSS grant (FSS) are tracking to be close to zero at fiscal year-end. Both the 2026 Public Housing operation funds and capital fund grant also need to be expended fully or HUD will recapture.
- GASB 68 Revised Report: It was discovered that incorrect payroll amounts had been submitted to the actuaries for the September 30, 2025 GASB 68 report. The payroll amounts are included on the audit report but are informational only. The actuaries were given the new payroll amounts and HACB received an updated GASB 68 report. The revised report was presented to the Board for record. The restated payroll numbers are as follows: HACB-covered payroll was changed from \$4,059,661 to \$2,800,469, changing HACB’s proportionate share of the net pension liability from 112.16% to 162.59%.

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

*Housing Authority of the County of Butte
Board of Commissioners
Minutes – Meeting of May 21, 2026*

4. CORRESPONDENCE

4.1 Tim Merrill was introduced and welcomed as the new HACB Commissioner.

5. REPORTS FROM EXECUTIVE DIRECTOR

5.2 HACB Procurement Policy – The HACB has completed a comprehensive update to its Procurement Policy to ensure compliance with current federal procurement regulations, HUD guidance, and federal funding requirements. This is the first major overhaul of the HACB Procurement Policy since 2007. The policy utilizes the sample procurement policy template, as provided by HUD. The revised policy also incorporates requirements associated with Build America, Buy America (BABA) Act. The BABA amendment establishes domestic preference requirements for certain federally funded infrastructure and construction-related projects and is necessary to maintain compliance with certain funding requirements.

*** RESOLUTION NO. 4992***

Commissioner Richter moved that Resolution No. 4992 be adopted by reading of title only: “RESOLUTION ADOPTING A REVISED PROCUREMENT POLICY AND BUILD AMERICA, BUY AMERICA (BABA) AMENDMENT”. Commissioner Crowe seconded. The vote in favor was unanimous.

5.3 Employment Development Department (EDD) – The EDD contract renewal requires Board authorization. The contract will provide HACB access to employment information services for applicants and participants from July 1, 2026 through June 30, 2026. The contract terms as essentially the same as in previous years.

RESOLUTION NO. 4993

Commissioner Richter moved that Resolution No. 4993 be adopted by reading of title only: “AUTHORIZATION TO EXECUTE AGREEMENT WITH THE STATE OF CALIFORNIA EMPLOYMENT DEVELOPMENT DEPARTMENT FOR PURPOSES OF ACCESS TO APPLICANT AND CLIENT INFORMATION”. Commissioner Crowe seconded. The vote in favor was unanimous, except Commissioner Faulk who was out of the room for a moment (at the time of the vote).

5.4 Budgets – Annual budgeting cycle is about to commence. No more than three (3) commissioners are needed for budgeting process. Commissioner Crowe volunteered to be part of budgeting committee. Commissioner Richter recommended Commissioner Ober to be the other participant, with herself as alternate. Executive Director and CFO Consultant will coordinate meeting dates and times with the committee.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

None.

8. SPECIAL REPORTS

None.

9. REPORTS FROM COMMISSIONERS

Chair Pittman shared findings related to bus service issues from the BCAG meetings. He recommended that HACB consider transit turnaround areas related to any future development projects that we may become involved with.

10. MATTERS INITIATED BY COMMISSIONERS

None.

11. EXECUTIVE SESSION

Adjourn: 4:08 p.m.

Reconvene: 5:20 p.m.

11.1 Government Code 54956.8: Conference with real estate negotiator – Direction was provided to staff related to Evanswood Apartments, Oroville CA.

11.2 Government Code 54957: Public Employment Performance Evaluation – Board initiated discussion of annual performance evaluation with Executive Director Guanzon. Discussion continued at next meeting.

12. COMMISSIONERS' CALENDAR

- **PSWRC-NAHRO – Annual Conference: May 27-29, 2026, Santa Barbara CA**
- **Next Meeting: June 18, 2026**

13. ADJOURNMENT

The meeting was adjourned at 5:25 p.m.

Dated: May 21, 2026.

David Pittman, Board Chair

ATTEST:

Lawrence C. Guanzon, Secretary



HOUSING AUTHORITY of the County of Butte

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

3.2 Checks Written

May 2026

Sec - 8 HAP

Computer Checks	\$	18,037.26
Direct Deposits	\$	2,101,485.41
TOTAL	\$	2,119,522.67

PAYROLL

Employees:

5/1/2026	\$	75,929.88	
5/12/2026	\$	3,994.69	Final Pay for A.P.
5/15/2026	\$	74,001.03	
5/29/2026	\$	72,422.46	
TOTAL	\$	226,348.06	

Resident Managers:

5/1/2026	\$	689.97
5/15/2026	\$	689.97
5/29/2026	\$	689.97
TOTAL	\$	2,069.91

BANK ACCOUNTS SUMMARY

Business Activities	\$	724,956.25
Banyard	\$	8,834.75
BCAHDC	\$	25,962.34
TOTAL	\$	759,753.34



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



June 18, 2026

MEMO

To: Board of Commissioners
From: Marco Cruz, CFO Consultant
Larry Guanzon, Executive Director
Subject: 3.3 Finance Update

Audit Update, Fiscal Year Ending September 30, 2025

The Accounting team has finalized the FYE 2025 audit and is presenting it to the Board of Commissioners under agenda item 5.6.

FYE 2027 Budgets

The Accounting team is beginning the budget process for October 1, 2026 – September 30, 2027. This is a three-month process, working with the various HACB departments and 3rd party property managers to develop the projections. A Budget Committee has been selected from HACB staff and Commissioners. Gridley Farm Labor Housing (USDA) and Gridley Springs II’s budgets will be drafted in June and presented at July’s Board Meeting. Bond & HACB owned properties are drafted in July and presented to the Board in August. The main HACB budget (Public Housing, Section 8, Business Activities) is completed in August and presented to Board at the September board meeting.

The BCAHDC/LIHTC 2027 budgets are drafted by each 3rd party property management with input by HACB staff. They will be presented to board October thru December of 2026 for approval. These are calendar year budgets, with an effective date of January 1, 2027 through December 31, 2027.

April 2026-June 2026 Financials

Quarterly financials ending June 30, 2026 will be presented at August board meeting.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

HOUSING CHOICE VOUCHER (SECTION 8)

UTILIZATION SUMMARY REPORT

ROLLING 12 MONTH ANALYSIS

UNITS LEASED SUMMARY	JUN'26	MAY'26	APR'26	MAR'26	FEB'26	JAN'26	DEC'25	NOV'25	OCT'25	SEP'25	AUG'25	JUL'25
BUTTE												
ACC UNIT MONTHS	1983	1983	1983	1983	1983	1983	1983	1983	1983	1983	1983	1983
CURRENT LEASED	1837	1821	1837	1849	1855	1859	1867	1856	1870	1851	1851	1860
VOUCHER UTILIZATION %	92.64%	91.83%	92.64%	93.24%	93.55%	93.75%	94.15%	93.60%	94.30%	93.34%	93.34%	93.80%
GLENN												
ACC UNIT MONTHS	87	87	87	87	87	87	87	87	87	87	87	87
CURRENT LEASED	97	99	100	99	98	106	98	100	94	102	102	100
VOUCHER UTILIZATION %	111.49%	113.79%	114.94%	113.79%	112.64%	121.84%	112.64%	114.94%	108.05%	117.24%	117.24%	114.94%
VASH												
ACC UNIT MONTHS	214	214	214	214	214	214	214	214	214	214	214	214
CURRENT LEASED	186	190	193	195	189	189	188	188	187	189	187	184
VOUCHER UTILIZATION %	86.92%	88.79%	90.19%	91.12%	88.32%	88.32%	87.85%	87.85%	87.38%	88.32%	87.38%	85.98%
TOTAL												
ACC UNIT MONTHS	2284	2284	2284	2284	2284	2284	2284	2284	2284	2284	2284	2284
CURRENT LEASED	2120	2110	2130	2143	2142	2154	2153	2144	2151	2142	2140	2144
VOUCHER UTILIZATION %	92.82%	92.38%	93.26%	93.83%	93.78%	94.31%	94.26%	93.87%	94.18%	93.78%	93.70%	93.87%

HAP SUMMARY*	JUN'26	MAY'26	APR'26	MAR'26	FEB'26	JAN'26	DEC'25	NOV'25	OCT'25	SEP'25	AUG'25	JUL'25
ACC BUDGET	\$ 2,051,887	\$ 2,051,887	\$ 2,051,887	\$ 2,051,887	\$ 2,051,887	\$ 2,051,887	\$ 1,854,477	\$ 1,854,477	\$ 1,854,477	\$ 1,854,477	\$ 1,854,477	\$ 1,854,477
ACTUAL HAP	\$ 1,945,898	\$ 1,957,910	\$ 1,973,106	\$ 1,992,362	\$ 1,997,860	\$ 1,987,693	\$ 1,974,219	\$ 1,945,813	\$ 1,939,494	\$ 1,933,205	\$ 1,922,893	\$ 1,909,809
PER UNIT COST	\$ 918	\$ 928	\$ 926	\$ 930	\$ 933	\$ 923	\$ 917	\$ 908	\$ 902	\$ 903	\$ 899	\$ 891
BUDGET UTILIZATION %	94.83%	95.42%	96.16%	97.10%	97.37%	96.87%	106.46%	104.93%	104.58%	104.25%	103.69%	102.98%

ACTIVITY SUMMARY	JUN'26	MAY'26	APR'26	MAR'26	FEB'26	JAN'26	DEC'25	NOV'25	OCT'25	SEP'25	AUG'25	JUL'25
# PORT IN BILLED	46	46	47	46	45	41	41	41	41	40	37	32
#PORT OUT UNDER CONTRACT	93	93	90	90	84	82	81	80	80	79	77	76
ZERO HAP	9	9	10	8	9	7	9	9	4	3	5	4
UTILITY ASSISTANCE PAYMENTS	122	123	124	136	129	135	136	136	130	132	111	125
NEW ADMISSIONS	**	3	1	9	12	3	12	23	6	31	26	30
INITIAL VOUCHERS SEARCHING	103	17	11	13	15	14	8	7	15	12	17	36
ACTUAL/ESTIMATED EOP	15	13	21	17	10	8	14	16	13	21	11	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
2025-2026**

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	%
Jun-26	11**	0	0****	0	0	0	1	0	1	1	0	3	98.4%
May-26	11**	0	0****	0	0	0	2	0	1	2	0	5	97.4%
Apr-26	11**	0	0****	0	0	0	0	2	2	0	0	4	97.9%
Mar-26	14**	0	0****	0	0	0	0	1	4	0	1	6	96.9%
Feb-26	12**	0	0****	0	2	1	1	0	4	0	2	10	94.8%
Jan-26	13**	0	0****	0	1	1	0	0	4	1	1	8	95.8%
Dec-25	13**	0	0****	1	0	2	0	0	5	0	2	10	94.8%
Nov-25	12**	0	0****	2	2	0	0	0	5	0	1	10	94.8%
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%

* 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	345	%
# of Units	50	20	100	60	45	20	50	345	%
Jun-26	1	0	2	2	1	1	1	8	97.7%
May-26	2	1	3	1	1	1	1	10	97.1%
Apr-26	2	0	1	0	6	0	2	11	96.8%
Mar-26	4	1	2	0	2	1	1	11	96.8%
Feb-26	2	0	3	0	2	1	1	9	97.4%
Jan-26	1	0	4	0	2	1	2	10	97.1%
Dec-25	1	0	8	0	1	1	2	13	96.2%
Nov-25	1	0	6	0	1	1	2	11	96.8%
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%

BANYARD MGMT	
Location	Chico Commons
# of Units	72
Jun-26	5
May-26	6
Apr-26	6
Mar-26	7
Feb-26	7
Jan-26	7
Dec-25	9
Nov-25	7
Oct-25	6
Sep-25	6
Aug-25	8
Jul-25	9

BCAHDC				
Location	1200 Park Ave	Gridley Springs I	Harvest Park	Walker Commons
# of Units	107	32	90	56
Jun-26	5	1	0	2
May-26	3	0	0	1
Apr-26	3	1	0	1
Mar-26	5	2	1	0
Feb-26	5	2	5	0
Jan-26	7	1	4	0
Dec-25	7	2	1	0
Nov-25	7	1	1	0
Oct-25	8	2	2	0
Sep-25	4	1	3	2
Aug-25	4	1	4	0
Jul-25	3	1	6	2

Public Housing

Waiting List: Number of Applicants

Bedroom Size	Chico	est wait	Oroville	est wait	Gridley/Biggs	est wait
1	16 Transfer list	6+	2186	6+	1708	6+
2	3603	3+			716	2+
3	546	2+	624	2+	405	2+
4	254	5+			84	4+
5					31	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	15	3	407	3	300	2
2	502	7			52	
3	21	2	14	6	13	
4	4	4+			1	
5					1	

MEMO

Date: June 12, 2026
To: HACB Board of Commissioners
From: Taylor Gonzalez, Project Manager
Subject: Status of HACB Construction Projects

As of June 12, 2026, the status of HACB construction activity follows:

2020A Bond – Activities:

- To date, **\$9,190,745** has been obligated, representing approximately **97%** 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.
- Following the inspections required by the Loan Agreement, HACB staff identified items notated in the reports which require repair (items recommended for completion within the next six months). Items flagged for repair include replacement of Sylvania breaker panels and asphalt parking lot repair. Therefore, projects are currently being planned to address these items, funded by remaining 2020A Bond Funds.

Mayer Commons (formerly Kathy Court Apartments), Paradise:

- In June, 2026 HACB staff submitted the final Town of Paradise CDBG-DR Loan Draw Request, which represents the Developer Fee due to the HACB.
- HACB staff, Town of Paradise staff, and RSC Associates, the third-party property manager, continue to collaborate on leasing activities.



Mayer Common, Paradise (Project Complete)



*June 12, 2026
HACB Construction Status Memo
pg. 1*

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

- Construction commenced in early March, 2026
- The project team met in early June to conduct a “punch list” walkthrough with only minor items requiring correction.
- HACB staff is currently coordinating with the US Postal Service to commission the new mailboxes.
- The City of Oroville Building Department has signed-off the permit and construction is now complete.



Park Place Apartments, Oroville – Site Improvements complete

*June 12, 2026
HACB Construction Status Memo
pg. 2*

Farm Labor Housing, Gridley: *State Water Board Backup Generator Funding Program includes the installation of a new 200kW natural gas generator and a 200A automatic transfer switch.*

- Construction commenced on-site in early June.
- Current work on-site includes placing the underground utilities and constructing the concrete foundation for the generator.
- The contractor ordered the generator in late May which has an expected 25 to 27-week lead time for delivery.



Farm Labor Housing, Gridley – Standby Generator installation commenced

*June 12, 2026
HACB Construction Status Memo
pg. 3*

645 Gardella Fire Restoration, Oroville: *Interior Rehabilitation of fire damaged Public Housing Unit*

- The fire restoration is nearly complete, with drywall, painting, window replacement and electrical work all complete.
- Due to the poor condition of the unit pre-fire, the flooring downstairs along with the kitchen cabinets are being replaced. Cabinet replacement will be complete mid-June with flooring replacement scheduled for late June.
- Restoration is expected to be fully complete in early July.



645 Gardella Avenue, Oroville – Fire restoration nearly complete

*June 12, 2026
HACB Construction Status Memo
pg. 4*

Lincoln Apartments, Chico: *Exterior Rehabilitation with emphasis on railing replacement, stair tread replacement, and exterior painting.*

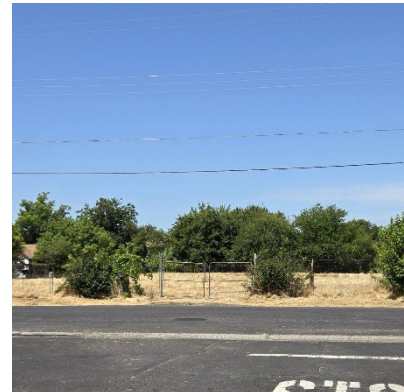
- In late May, the design team submitted 100% complete drawings to the City of Chico for plan review and permit approval.
- The design team expects to hear back from the City of Chico in late June regarding plan review.
- Construction is slated to begin Summer 2026.



Lincoln Apartments, Chico (prior to planned improvements)

Fogg Avenue Apartments, Oroville: *Development Initiative (Bare land, 1.32-acres)*

- 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.



Proposed Fogg Avenue Apartments, Oroville

12 Month HACB Construction Project Schedule - June, 2026

		Budgeted Amount	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27
Park Place Apartments, Oroville														
	Site Improvements Project	\$653,591	■	■										
Farm Labor Housing, Gridley														
	Well Backup Generator Project	\$500,000	■	■	■	■	■	■	■	■	■	■	■	■
HACB Main Office														
	Office Improvement Project (estimate)	\$59,850	■	■	■	■	■	■	■	■	■	■	■	■
Lincoln Apartments, Chico														
	Railing and Stair Replacement Project (estimate)	\$267,948	■	■	■	■	■	■	■	■	■	■	■	■
Fogg Avenue Apartments, Oroville														
	Design Development and Construction Drawings	\$450,000	■	■	■	■	■	■	■	■	■	■	■	■
	Seek Funding and Grant Application Preparation	\$50,000	■	■	■	■	■	■	■	■	■	■	■	■
Other Projects														
	645 Gardella Avenue Fire Restoration Project (Public Housing)	\$214,603	■	■										
	2020A Bond Property Parking Lot Repair Project	T.B.D.	■	■	■	■	■	■	■	■	■	■	■	■
	2020A Bond Property Electric Panel Replacement Project	T.B.D.	■	■	■	■	■	■	■	■	■	■	■	■
Total next 12 months:		\$2,195,992												

	Planning/Design/Bid Phase
	Construction Phase
	Completed

MEMO

Date: June 12, 2026

To: Board of Commissioners

From: Sheri Bouvier, Contracts Administrator

Subject: Capital Fund Construction Projects – Status Update

As of June 12, 2026, the following summarizes the status of current HACB Capital Fund construction activities:

2026 Capital Improvement Fund Grant Award

- On April 1, 2026 the Housing Authority of the County of Butte (HACB) received notification of the annual HUD Public Housing Capital Improvement Fund Grant award. The amount awarded to HACB for the 2026 Cap Fund year is \$1,137,513.00.

Monument Sign Replacement – Rhodes Terrace and Shelton Oaks

- ICE: \$20,000
- Contract Award: Visual Impact Signs for \$22,690.00
- Status: Plans approved. Permit Issued. Materials are on order. Estimated start date June 29, 2026.

Five-Year Environmental Review – All Sites

- RFP issued 8/27/24.
- Contract awarded to: E-Corp selected \$48,509.50
- Status: HUD – Waiting on HUD review and certification

Asbestos Floor Tile Abatement – All Sites

- Ongoing during unit turnover. 167 of 232 units completed

DETAILED CAPITAL FUND ACTIVITY BY CAPITAL FUND PROJECT

Capital Fund 2023, Funding Amount \$1,147,379.00 to be expended by February 16, 2027

This Capital Fund is 99.82% obligated and 99.82% 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. – project completed
- 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

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HUD Public Housing Capital Fund Report
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- 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 – project completed
- Roof Replacement – Replace 15 roofs which reached the end of their useful life – Chico PH – project complete

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

This Capital Fund is 90.89% obligated and 84.12% expended.

- HVAC Replacement Project– Select units, replace HVAC units which have reached the end of their useful life, in progress as needed
- Bathroom Tub/Shower Remodel – Select concrete block units, during unit turnover or as needed
- Kitchen Cabinet Replacements – 24 Natoma Ct and 1168 Humboldt Ave. Chico – projects complete
- Paint – at 43-10 in Oroville – Select units in phases, in planning
- New Monument Signs – replace monuments signs at Rhodes Terrance and Shelton Oaks, in progress
- Tree Trim and Removal Project – North County – project complete
- Barrier Free Shower System Installation – 7 Natoma Ct., Chico – project completed
- ADA Access Ramp – 7 La Leita Ct., Chico – project completed
- Roof Replacement – 1239 Ivy Street, Chico – project completed

Capital Fund 2025, Funding Amount \$1,115,592.00 to be expended by May 12, 2029

This Capital Fund is 30% obligated and 30% 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 – South County
- Kitchen Cabinet Replacements – Select units Amp wide replace kitchen cabinets which have reached the end of their useful life, in planning

Capital Fund Program - Summary by Capital Fund Project

Cash Available as of 06/12/2026													
Capital Funds CF-23, CF-24,CF-25													
		CF-23			CF-24			CF-25			Totals		
		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)	45,668.00	45,668.00	45,668.00	231,314.00	231,314.00	231,314.00	223,118.40	223,118.40	223,118.40	500,100.40	500,100.40	-
3	1408 Management Improvements				5,000.00	-	-	-	-	-	5,000.00	-	5,000.00
4	1410 Administration (10% Max)	91,336.00	91,336.00	91,336.00	115,657.00	115,657.00	115,657.00	111,559.20	111,559.20	111,559.20	318,552.20	318,552.20	-
14	1480 General Capital Fund Activity: Site Improvement, Dwelling Structures, Dwelling Equipment	1,010,375.00	1,008,274.44	1,008,274.44	807,449.00	706,866.97	628,383.63	780,914.40		-	2,598,738.40	1,636,658.07	962,080.33
		1,147,379.00	1,145,278.44	1,145,278.44	1,159,420.00	1,053,837.97	975,354.63	1,115,592.00	334,677.60	334,677.60	3,422,391.00	2,455,310.67	967,080.33
			99.82%	99.82%		90.89%	84.12%		30.00%	30.00%			

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 06/12/2026	-	-	5,000.00	-	962,080.33	967,080.33	
	CF-23, CF-24, CF-25 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					962,080.33	962,080.33	
							967,080.33	Total

0.00 0.00 0.00 0.00 0.00 0.00

MEMO

Date: June 12, 2026

To: HACB Board of Commissioners

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

Subject: Farm Labor Housing, Gridley – status report

As of June 1st, there's a total of (78) occupied units. There were no move-in's or move-out's during the month of May, 2026. 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 is one pending unlawful detainers or intent to vacate notices at this time. Unpaid rents – there are several and AWI is in the process of collecting.



AWI Staff Participating in the Dia del Niño Event in Gridley, CA

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 move-in specials along with referral incentives to attract qualified applicants. AWI is currently running an advertisement in the local Spanish radio station. AWI staff have also placed banners and balloons on the grounds to increase visibility.

Monthly rental income came in at \$2,983 less than budget at \$112,208. Monthly income is down due to vacancy loss being a little over \$3,301 more than what was budgeted for the month. YTD

income comes to \$26,931 less than budget at \$894,592. This reflects YTD vacancy loss being \$36,913 more than anticipated at \$199,064. YTD expenses are \$138,631 more than budget at \$760,900. Overages are reflected in admin, software and the majority for outside contracting, Our YTD NOI came to a \$133,692 or \$165,562 less than budget. After debt service, capital replacements, and asset management fees net income is \$13,192 less than budget at \$11,361.

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 after multiple follow up attempts. The current government shutdown has further delayed the resolution of this and other pending items. 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 provide landscaping services for the property. Although AWI staff had originally planned to repaint the exterior of the maintenance shops and install borders around the playground areas, both projects have been deferred and incorporated into the 2027 budget.



Unrenovated 1980's era Concrete-block Unit

Mi C.A.S.A.'s monthly food distribution was held on June 9, 2026. Mi C.A.S.A. have completed their classes for their Spring Session, and will be preparing their Summer School classes in the upcoming weeks. Mi C.A.S.A. staff submitted a total of (7) posters on behalf of their students to be considered for NAHRO's Poster Contest "What Home Means to Me". The posters were voted on by HACB staff & Board and one poster was chosen from each category (Elementary and Middle School). The (2) posters were submitted for consideration at the NAHRO NorCal/Nevada conference that was held in Napa on January 25th-27th, 2026, and our poster for the Elementary category was chosen to move on to Regional competition at the upcoming PSWRC conference that was held in Santa Barbara on May 27th, 2026 but unfortunately did not move on to National competition.

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 was approved as they will be using raised plantar beds. The location for community garden is 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 sent an initial response to HCD on September 19, 2025 and a partial clearance letter was received in November, 2025. AWI submitted the second response to HCD to resolve all findings. The final clearance letter from HCD dated February 18, 2026 was presented in the February Board **meeting**. The HCD inspection has triggered a letter from the California Department of Justice to ensure we are following Lead Safety requirements at the property. The HACB and AWI 3rd party property manager has submitted a response and has provided all documents requested to ensure compliance. We are currently awaiting a reply from DOJ.



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 (1478/1482 Ogden Ave.) last year and are nearing completion of (2) more cinderblock units (1464/1468 Ogden Ave.) this year. Both cinderblock units are 99% completed and only have electrical repairs pending.

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; following the passage of Resolution 4990 and execution of the construction contract, work has officially commenced on-site. Current work on-site includes placing the underground utilities and constructing the concrete foundation for the generator. PG&E has received payment for the new gas service construction and is awaiting the County's "green tag" before scheduling the connection. The contractor ordered the generator in late May which has an expected 25 to 27-week lead time for delivery. Please also see Taylor Gonzalez's construction report on the FLH Well Generator narrative.

Please find third party property manager AWI's May, 2026 report following.



Gridley Farm Labor Housing

May 2026

11 units available • 0 Move-in • 0 Move-out

Vacancy Advertising

- The property is offering move-in specials and referral incentives to attract qualified applicants
- Flyers have been placed in heavily trafficked areas
- Banners and balloons are displayed on the grounds to increase visibility
- Running another radio ad
- Staff have visited multiple employers in the area and supplied them with the fliers

Current Staffing

Staffing

Manager: Miriam Sainz
Assistant Manager: Ana Martinez
Maintenance: Eriberto Martinez
Assistant Maintenance: Hillary McClelland

Vacancy Overview

CURRENT

- #OG 1461-1103: **Unit is ready**, looking for qualifying applicants
- #Ern 863-0803: **Unit is ready**, looking for qualifying applicants
- #OG 1495-1114: **Unit is ready**, looking for qualifying applicants
- #SU 1517-0305: **Unit is ready**, looking for qualifying applicants

UPCOMING

#SU 1528-0311: Forbearance signed with a vacate date of 3/15/26. Failed to vacate. This unit is pre-leased once we get possession.

Capital Projects

Budgeted Items planned for 2026

- Rehab 2 more units:** Two units scheduled for completion in 2026.
- Pothole repairs:** Yearly pothole repairs
- Painting:** Paint the property shops if approved
- Playground upgrades:** Add a border around the playground so that ground cover can be added under the playground.

Current Status

- Rehab 2 more units:** Completed
- Pothole repairs:** This task will be done annually
- Painting:** This will need to be moved into 2027 budget.
- Playground upgrades:** This will need to be moved into 2027 budget.

Rehab units

In Progress

- #OG 1464-1105: **Unit is ready**, looking for qualifying applicants
- #OG 1468-1106: **Unit is ready**, looking for qualifying applicants
- #MC 1464-0503: Bids on hand for the 2027 Rehab
- #MC 1468-0504: Bids on hand for the 2027 Rehab

Current site breakdown

- 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

Additional Notes



Gridley Farm Labor Housing (p0645)

Budget Comparison

Period = May 2026

Book = Accrual ; Tree = ysl_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
4000-03 INCOME									
4110-00 Market/Contract Rent	64,295	138,710	-74,415	-54	513,799	1,109,680	-595,881	-54	1,664,520
4130-00 Rental Assistance-USDA-RD	74,482	0	74,482	N/A	600,657	0	600,657	N/A	0
4999-99 GROSS POTENTIAL RENT	138,777	138,710	67	0	1,114,456	1,109,680	4,776	0	1,664,520
5000-00 INCOME ADJUSTMENTS									
5110-00 Vacancy Loss	-23,570	-20,269	-3,301	-16	-199,064	-162,151	-36,913	-23	-243,227
5120-00 Admin Unit-Non Rev	-3,214	-3,584	370	10	-21,072	-28,672	7,600	27	-43,008
5190-00 Bad Debt Expense	0	0	0	N/A	-4,824	0	-4,824	N/A	0
5199-98 TOTAL INCOME ADJUSTMENTS	-26,784	-23,853	-2,931	-12	-224,960	-190,823	-34,137	-18	-286,235
5199-99 NET RENTAL INCOME	111,993	114,857	-2,864	-2	889,496	918,857	-29,361	-3	1,378,285
5200-00 REIMBURSEMENT INCOME									
5210-00 Utility Reimbursement	-235	0	-235	N/A	-1,387	0	-1,387	N/A	0
5299-99 TOTAL REIMBURSEMENT INCOME	-235	0	-235	N/A	-1,387	0	-1,387	N/A	0
5500-00 OTHER INCOME									
5510-00 Laundry Income	115	138	-23	-17	1,393	1,100	293	27	1,650
5590-00 Other Tenant Income	0	12	-12	-100	2,212	100	2,112	2,112	150
5600-00 Interest Income	229	183	46	25	2,133	1,467	666	45	2,200
5610-00 Interest Income-Restricted Reserve	106	0	106	N/A	745	0	745	N/A	0
5999-98 TOTAL OTHER INCOME	450	333	116	35	6,483	2,667	3,816	143	4,000
5999-99 TOTAL INCOME	112,208	115,190	-2,983	-3	894,592	921,523	-26,931	-3	1,382,285
6000-00 OPERATING EXPENSES									
6000-01 NON-CONTROLLABLE EXPENSES									
6000-02 TAXES AND INSURANCE									
6100-10 Real Estate Taxes-Special Assessments	2,500	2,500	0	0	20,000	20,000	0	0	30,000
6100-20 Real Estate Taxes-PILOT	1,559	1,559	0	0	12,469	12,469	0	0	18,704
6120-00 Other Taxes/Fees/Permits	1,510	417	-1,093	-262	4,079	3,333	-745	-22	5,000
6150-00 Property Insurance-GL	7,442	7,818	376	5	52,433	62,547	10,114	16	93,820
6170-00 Bond Premiums	0	106	106	100	0	848	848	100	1,272
6199-99 TOTAL TAXES AND INSURANCE	13,011	12,400	-611	-5	88,981	99,197	10,217	10	148,796
6200-00 UTILITIES									
6210-00 Electricity-Common Areas	5,088	3,157	-1,932	-61	22,200	25,255	3,054	12	37,882
6210-10 Electricity-Units	279	0	-279	N/A	1,458	0	-1,458	N/A	0
6220-00 Water-Domestic	257	2,917	2,660	91	15,416	23,333	7,917	34	35,000
6230-00 Sewer-Standard Billing	2,470	2,470	0	0	19,757	19,757	0	0	29,635
6240-00 Gas/Heating Fuel-Units	314	430	116	27	2,120	3,440	1,320	38	5,160
6240-10 Gas/Heating Fuel-Common Areas	227	0	-227	N/A	2,168	0	-2,168	N/A	0
6250-00 Trash-Standard Pickup	2,117	2,500	383	15	15,531	20,000	4,469	22	30,000
6250-10 Trash-Bulk Pickup	0	0	0	N/A	585	0	-585	N/A	0

Gridley Farm Labor Housing (p0645)

Budget Comparison

Period = May 2026

Book = Accrual ; Tree = ysl_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
6299-99 TOTAL UTILITIES	10,753	11,473	721	6	79,235	91,785	12,549	14	137,677
6300-00 PROPERTY MANAGEMENT FEES									
6320-00 Management Fees	8,500	8,500	0	0	68,510	68,000	-510	-1	102,000
6399-98 TOTAL PROPERTY MANAGEMENT FEES	8,500	8,500	0	0	68,510	68,000	-510	-1	102,000
6399-99 TOTAL NON-CONTROLLABLE EXPENSES	32,264	32,373	109	0	236,726	258,982	22,256	9	388,473
6400-00 CONTROLLABLE EXPENSES									
6400-01 PROFESSIONAL FEES									
6410-00 Audit Fees	708	708	0	0	5,667	5,667	0	0	8,500
6420-00 Bookkeeping Fees	2,800	350	-2,450	-700	2,800	2,800	0	0	4,200
6430-00 Legal-Evictions	342	208	-133	-64	3,026	1,667	-1,360	-82	2,500
6430-60 Legal-Other	480	0	-480	N/A	1,470	0	-1,470	N/A	0
6499-99 TOTAL PROFESSIONAL FEES	4,330	1,267	-3,063	-242	12,963	10,133	-2,830	-28	15,200
6500-00 PERSONNEL COSTS									
6510-00 Maintenance Wages-Base	11,166	8,966	-2,200	-25	65,974	71,728	5,754	8	107,592
6510-10 Maintenance Wages-Overtime	962	0	-962	N/A	2,423	0	-2,423	N/A	0
6510-30 Maintenance Wages-Vacation	395	0	-395	N/A	3,805	0	-3,805	N/A	0
6510-40 Maintenance Wages-PTO	284	0	-284	N/A	3,463	0	-3,463	N/A	0
6520-00 Manager Wages-Base	11,939	9,167	-2,773	-30	71,610	73,335	1,725	2	110,002
6520-10 Manager Wages-Overtime	613	0	-613	N/A	1,772	0	-1,772	N/A	0
6520-30 Manager Wages-Vacation	507	0	-507	N/A	3,735	0	-3,735	N/A	0
6520-40 Manager Wages-PTO	415	0	-415	N/A	4,381	0	-4,381	N/A	0
6540-00 Employer Social Security	1,616	1,546	-71	-5	9,367	12,367	3,000	24	18,550
6540-10 Employer Medicare	378	0	-378	N/A	2,191	0	-2,191	N/A	0
6540-20 FUTA (Federal Unemployment)	0	0	0	N/A	166	0	-166	N/A	0
6540-30 SUTA (State Unemployment)	0	0	0	N/A	1,225	0	-1,225	N/A	0
6540-40 401(k) Match (Employer)	2	0	-2	N/A	16	0	-16	N/A	0
6550-00 Workers Comp Insurance	1,373	802	-571	-71	7,154	6,412	-742	-12	9,618
6555-00 Personnel Medical Insurance	1,821	4,156	2,335	56	13,630	33,246	19,616	59	49,869
6560-00 Life Insurance	8	0	-8	N/A	65	0	-65	N/A	0
6599-99 TOTAL PERSONNEL COSTS	31,479	24,636	-6,843	-28	190,977	197,087	6,111	3	295,631
6600-00 MARKETING AND LEASING COSTS									
6610-00 Advertising	218	125	-93	-74	987	1,000	13	1	1,500
6699-99 TOTAL MARKETING AND LEASING COSTS	218	125	-93	-74	987	1,000	13	1	1,500
6700-00 GENERAL AND ADMINISTRATIVE									
6700-01 CONTRACT/RECURRING G/A									
6700-10 P/M IT	0	0	0	N/A	818	0	-818	N/A	0
6700-20 P/M Software	84	0	-84	N/A	2,170	0	-2,170	N/A	0
6700-30 P/M Software-Yardi	1,342	0	-1,342	N/A	10,166	0	-10,166	N/A	0
6710-00 Telephone	99	386	287	74	2,050	3,088	1,038	34	4,632
6710-10 Internet	912	140	-772	-551	1,797	1,120	-677	-60	1,680

Gridley Farm Labor Housing (p0645)

Budget Comparison

Period = May 2026

Book = Accrual ; Tree = ysl_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
6710-20 Cell Phone Reimbursement	240	0	-240	N/A	1,391	0	-1,391	N/A	0
6715-30 Toner/Copier Expense	37	26	-11	-41	298	211	-87	-41	316
6720-00 Postage/Freight	27	34	7	20	310	275	-35	-13	412
6730-00 Office Supplies/Expense	210	393	183	47	3,532	3,144	-388	-12	4,716
6740-00 Water/Coffee Service	0	5	5	100	5	37	32	86	55
6820-00 Tenant Services-General	0	42	42	100	0	333	333	100	500
6830-00 Resident Services-Supplies	0	0	0	N/A	299	0	-299	N/A	0
6860-00 Security-Svc Contract	2,051	2,000	-51	-3	16,853	16,000	-853	-5	24,000
6880-00 Pest Control-Svc Contract	490	250	-240	-96	2,450	2,000	-450	-22	3,000
6890-00 Fire/Alarm-Svc Contract	0	170	170	100	0	1,360	1,360	100	2,040
6895-00 Cable-Internet/TV Service	0	0	0	N/A	449	0	-449	N/A	0
6899-99 TOTAL CONTRACT/RECURRING G/A	5,492	3,446	-2,046	-59	42,586	27,567	-15,019	-54	41,351
6900-00 OTHER G/A									
6910-00 Other Admin-General	0	1,533	1,533	100	853	12,263	11,411	93	18,395
6910-10 Other Admin-UA Calc	0	0	0	N/A	1,308	0	-1,308	N/A	0
6910-20 Other Admin-Bank Fee	40	0	-40	N/A	200	0	-200	N/A	0
6930-00 Mileage	298	0	-298	N/A	520	0	-520	N/A	0
6940-00 Travel and Promotion	0	67	67	100	0	533	533	100	800
6950-00 Training Expense	0	105	105	100	827	840	13	1	1,260
6955-00 Employee Meals	0	10	10	100	35	83	48	58	124
6999-98 TOTAL OTHER G/A	338	1,715	1,377	80	3,743	13,719	9,976	73	20,579
6999-99 TOTAL GENERAL AND ADMINISTRATIVE	5,830	5,161	-669	-13	46,329	41,287	-5,043	-12	61,930
7000-00 REPAIRS AND MAINTENANCE									
7000-01 CONTRACT/RECURRING R/M									
7010-00 R/M Contract-General	9,438	831	-8,607	-1,036	160,262	6,645	-153,618	-2,312	9,967
7015-00 R/M Contract-Plumbing	1,060	620	-440	-71	3,583	4,959	1,375	28	7,438
7020-00 R/M Contract-Electrical	0	0	0	N/A	3,424	0	-3,424	N/A	0
7025-00 R/M Contract-HVAC	0	460	460	100	0	3,677	3,677	100	5,515
7065-00 Grounds-Svc Contract	18,595	10,230	-8,365	-82	84,012	81,840	-2,172	-3	122,760
7065-10 Grounds-Trees	0	0	0	N/A	6,190	0	-6,190	N/A	0
7099-99 TOTAL CONTRACT/RECURRING R/M	29,093	12,140	-16,953	-140	257,471	97,120	-160,351	-165	145,680
7100-00 OTHER R/M									
7110-00 Janitorial Supplies	237	101	-136	-135	1,094	807	-287	-36	1,211
7115-00 Painting and Decorating	370	208	-162	-78	2,713	1,667	-1,047	-63	2,500
7120-00 R/M Supplies-General	1,394	1,773	379	21	8,321	14,185	5,865	41	21,278
7125-00 R/M Supplies-Plumbing	31	0	-31	N/A	31	0	-31	N/A	0
7199-99 TOTAL OTHER R/M	2,033	2,082	50	2	12,159	16,659	4,501	27	24,989
7200-00 TURNOVER R/M									
7220-00 Unit Turn-Unit Cleaning-Vendor	1,638	0	-1,638	N/A	3,288	0	-3,288	N/A	0
7299-98 TOTAL TURNOVER R/M	1,638	0	-1,638	N/A	3,288	0	-3,288	N/A	0
7299-99 TOTAL REPAIRS AND MAINTENANCE	32,763	14,222	-18,541	-130	272,917	113,779	-159,138	-140	170,669

Gridley Farm Labor Housing (p0645)

Budget Comparison

Period = May 2026

Book = Accrual ; Tree = ysl_is

		PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
7399-97	TOTAL CONTROLLABLE EXPENSES	74,620	45,411	-29,209	-64	524,174	363,286	-160,887	-44	544,930
7399-98	TOTAL OPERATING EXPENSES	106,883	77,784	-29,100	-37	760,900	622,268	-138,631	-22	933,403
7399-99	NET OPERATING INCOME	5,325	37,407	-32,082	-86	133,692	299,255	-165,562	-55	448,882
7400-00	DEBT SERVICE									
7410-00	Interest-Mortgage USDA-RD	12,559	12,559	0	0	100,472	100,469	-3	0	150,703
7499-99	TOTAL DEBT SERVICE	12,559	12,559	0	0	100,472	100,469	-3	0	150,703
7500-00	REPLACEMENT COSTS/OTHER									
7500-01	REPLACEMENT COSTS - OPERATING									
7500-02	TURNOVER REPLACEMENT COSTS									
7510-00	R/M Replacement-General	27	17,225	17,198	100	247	137,800	137,553	100	206,700
7530-00	R/M Replacement-Window	0	0	0	N/A	16,073	0	-16,073	N/A	0
7545-10	R/M Flooring Replacement-1Bed	0	2,217	2,217	100	0	17,733	17,733	100	26,600
7550-00	R/M Replacement-Refrigerator	0	975	975	100	540	7,800	7,260	93	11,700
7570-00	R/M Replacement-HVAC Unit	0	438	438	100	0	3,500	3,500	100	5,250
7580-00	R/M Replacement-Water Heater	0	300	300	100	0	2,400	2,400	100	3,600
7599-97	TOTAL TURNOVER REPLACEMENT COSTS	27	21,154	21,127	100	16,860	169,233	152,373	90	253,850
7799-99	TOTAL REPLACEMENT COSTS - OPERATING	27	21,154	21,127	100	16,860	169,233	152,373	90	253,850
7800-00	OTHER NON-OPERATING COSTS									
7860-00	Asset Management Fees	625	625	0	0	5,000	5,000	0	0	7,500
7899-98	TOTAL OTHER NON-OPERATING COSTS	625	625	0	0	5,000	5,000	0	0	7,500
7899-99	TOTAL REPLACEMENT COSTS/OTHER	652	21,779	21,127	97	21,860	174,233	152,373	87	261,350
7999-99	NET INCOME (LOSS) BEFORE CAPEX	-7,887	3,069	-10,956	-357	11,361	24,553	-13,192	-54	36,829
9999-98	NET INCOME (LOSS)	-7,887	3,069	-10,956	-357	11,361	24,553	-13,192	-54	36,829

Date: June 12, 2026

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, Lincoln, Locust, Mayer Commons 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 narrative and financials for Gridley Springs II.

Alamont Apartments, Chico (30 units, family, RSC) – There was one (1) vacancy as of the first of the month. There is (1) one additional 30-day notices to vacate. Unpaid rents are in the process of being collected and this unpaid rental amount pertains to one unit. There is also a security deposit to be paid by a 3rd party local agency. Total YTD Income came in \$9,176 more than budget at \$273,764 due to rents collected and laundry income being higher than budget. Total YTD expenses are \$10,679 less than anticipated at \$93,409 bringing the YTD NOI to \$19,855 more than budget, at \$180,356. YTD Maintenance Expenses are higher due to Repairs-Labor, Pool Maintenance, & Service to HVAC units. Capital Improvements consisted of interior repairs due to a leak in a unit on turnover. YTD Capital Improvements come in under budget by \$19,731 at \$13,709.



Alamont Apartments, 811 West East Avenue, Chico

Cameo Apartments, Chico (20 units, family, RSC) - The property has zero (0) vacancies as of June 1st. There are no additional 30-day notices. There was one unpaid rent for the month which RSC is in the process of collecting. Total YTD income is slightly higher than budget by \$3,021 at \$157,661. YTD vacancy loss is higher than budget at \$8,163 or \$2,413 more than anticipated. Total YTD Operating Expenses are higher by \$11,518 at \$88,675. Operating Expense Overages are in Administrative, Utility, & Maintenance Expenses. The YTD NOI was lower at \$68,986 or \$8,497 less than budget, as overall income came in higher and overall expenses came in higher YTD as mentioned previously. YTD Capital Improvements are lower than budget due to less turnover; thus, not having to replace items like cabinets and flooring as unit's turnover for anticipated budget upgrades.



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 are no pending additional 30-day notices to vacate. There was also no unpaid rent for the month. Total YTD Income is \$9,494 more than anticipated, at \$348,676. The increased income compared to budget is due to vacancy loss being better than what was budgeted. Total YTD Operating Expenses is \$31,783 less than budget, at \$156,334. YTD NOI totals \$192,342 or \$41,277 more than budget. Capital Improvements for the month consisted of flooring replacement. YTD Capital Improvements comes in \$2,240 more than budget at \$15,040 not only due to the items previously mentioned but also the replacement of two water heaters, garage door, refrigerator all replaced earlier in the year.

Evanswood Estates Apartments, Oroville Units #21, 25, and 33, tracked separately, one unit #25 which vacated required renovation on turnover and has since been re-rented. There were no additional 30-day notices to vacate or unpaid rents. YTD Income is slightly above budget by \$1,316 at \$30,353. With YTD expenses being higher than budget at \$26,183 or \$12,032 more than anticipated, YTD NOI is \$10,715 less than budget, at \$4,171. The decrease in NOI again can be attributed by the Turnover Repairs to #25 previously mentioned as when this unit was purchased by the HACB it had a tenant who had lived in this unit for many years and upon move out the unit needed upgrading. The unit was re-rented at a higher rental amount for \$1,845 per month.



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 one (1) vacancy as of the first of the month. There were no additional thirty (30) day notice to vacate. All rents were collected for the month. Total YTD income is above budget by \$4,925 at \$137,332, as vacancy loss was lower than budget, as well as service income collected YTD came in higher than anticipated. YTD Expenses are under budget by \$12,275 at \$56,483 bringing NOI to \$17,201 more than budget at \$80,849.

Exterior Rehabilitation including repairs to the upper level walkway and staircases, and painting of the building exterior are continuing with the new contractor and set to be completed within the

next 120 days, as completion has been delayed. 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 2025. Again, weather permitting exterior painting of the buildings will occur as well as exterior railing, revamped exterior concrete stairs also to be replaced in the third and fourth quarter of 2026. Capital Improvements for the interior of two units consisted of new carpet and LVP Flooring as well as a new refrigerator.

Locust Apartments, Chico (10 units, family, RSC) – The property has zero (0) vacancy as of June 1st. with one (1) new 30-day notices to vacate. All rent was collected for the month. Total YTD Income came to \$73,062 or \$10 less than budget. Total YTD Expenses are \$35,653 bringing NOI YTD to \$37,409 or \$1,726 more than budget. 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 zero (0) vacancy loss. There are one (1) additional 30-day notices to vacate. Unpaid Rents for the month was (0) zero. YTD Income is \$6,616 more than budget at \$255,209. YTD Expenses comes to \$13,368 less than budget at \$99,662. YTD NOI is \$29,985 more than budget at \$155,547. 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 3rd quarter in 2026. We worked 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. Bids are in and approved and site concrete replacement has commenced. See Taylor Gonzalez’s Construction narrative for photos.

The 2020A BOND properties are required through the lender BNY Mellon to perform a five (5) year property condition assessment thru a neutral 3rd party vendor. The findings of the property assessment condition will require the HACB to perform repairs and capital improvements to ensure the BOND properties’ condition and useful life is stable and enhanced to ensure its “value” is upheld and sustained.

Other-Owned Properties

Gridley Springs II, Gridley (24 units, Family, Arrowhead Housing) The property has no (0) vacancy as of this memo. There are no additional 30-day notices. Property management has transitioned to Arrowhead Housing. YTD Income comes to \$157,407 or \$161 more than budget. The decrease in income is due to vacancy loss being \$2,285 more than budget at \$7,005. YTD Expenses is \$43,776 less than budget at \$105,525. This brought NOI to \$51,886 which is \$43,937 more than budget. Smoke & Carbon Monoxide Detectors are being replaced. Gutter cleaning, and tree trimming will occur once bids are received for approval. Secondly, a slab leak is being repaired which will be reflected once work is

completed. 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 has been closed out with the opening of a new operating account due to the complex's re-naming to Mayer Commons.

A total of eleven (11) units are occupied which leaves a total of one (1) unit to be rented. YTD income collected was \$45,208 or \$14,162 less than budget due to YTD vacancy loss being more than budget. YTD Expenses totaled \$30,608 which brought the YTD NOI to \$14,672 or \$18,512 less than budget. The leasing of the one remaining vacant unit should move faster as we were able to get the Town of Paradise & HCD to increase the 60% of AMI to 80% of AMI therefore, qualifying more applicants. The goal is to continue to decrease the vacancy loss by filling the remaining the one (1) bedroom unit. 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 report on construction.



June 10, 2026

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

RE: May 2026 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 May 2026. For additional details, please review the following comprehensive financial reports provided for each property.

- **May 1 — May Day**
A celebration of workers and labor movements worldwide.
- **May 5 — Cinco de Mayo**
Recognizes Mexican heritage and culture and is widely celebrated in communities across California.
- **May 10 — Mother’s Day**
A time to honor mothers and caregivers who play vital roles in families and communities.
- **May 16 — Armed Forces Day**
Recognizes the service and sacrifice of active-duty military members.
- **May 25 — Memorial Day**
A federal holiday honoring those who gave their lives in military service.
- **All Month — Affordable Housing Month**
Recognized nationally to highlight the importance of safe, stable, and affordable housing for all.

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

1519 Locust Street May 2026



Monthly Highlights:

Updates – As a reminder, rental income will vary from the budget this year due to two units, leased at the 30% AMI.

- ✓ Total Rental Income for May was \$8,514.00, under budget by -7.99%.

Occupancy -

- ✓ The community is 100% occupied, with Unit #3 to vacate in June.

Rent Collection -

- ✓ There were no delinquent rents for May.

Expense Variances -

- ✓ Total Operating Expenses of \$2,861.86. Expenses were under budget for the month at 18.87%.
- ✓ NOI totaled \$5,693.23, slightly under budget by -1.44%.

Capital Expenses –

- ✓ No capital improvements for May.

Owner Distributions -

- ✓ No owner distribution for May. The distribution year-to-date is \$19,236.00.

EXTERIOR OF PROPERTY



Alamont Apartments May 2026



Monthly Highlights:

Updates – Total Rental Income for May was \$31,691.61. Income higher than projected by \$656.61.

Occupancy -

- ✓ Occupancy totaled 96.7%. We ended May with unit #2 vacant.
- ✓ Unit #28 and #6 both moved in.
- ✓ Unit #10 gave notice to move out.

Rent Collection -

- ✓ Unit #22 has a balance of \$1,168.17. Unit #29 has a balance on the security deposit paid by a 3rd-party agency.

Expense Variances -

- ✓ Total Operating Expenses of \$6,797.87 improved by 50.83%.
- ✓ Net Operating Income for May surpassed the budget by 35.93%, totaling \$24,639.91.

Capital Expenses -

- ✓ No capital improvements for May.

Owner Distributions -

- ✓ The owner's distribution for the month was \$16,812.93. The distribution year-to-date is \$124,857.40.

MOVE OUT APARTMENT #22



Cameo Apartments May 2026



Monthly Highlights:

Updates – May Total Rental Income is \$20,145.00 or 7.33%, exceeding budget.

Occupancy –

- ✓ Occupancy totaled 100%.
- ✓ No new notices to vacate/move-out were given in May.

Rent Collection -

- ✓ Unit 37-2 owes a balance of \$370.00

Expense Variances -

- ✓ Total Operating reflected a favorable variance for the month by 1.41%.
- ✓ Net Operating Income had favorable income performance totaling \$9,994.09, or 18.59%.

Capital Expenses -

- ✓ No capital improvements for May.

Owner Distributions -

- ✓ No owner distribution for May. The distribution year-to-date is \$32,945.77.

EXTERIOR LANDSCAPING



Evanswood Estates Apartments May 2026



Monthly Highlights:

Updates – Total Rental Income exceeded budget projections by 4.96%, totaling \$43,728.00.

Occupancy –

- ✓ Occupancy remained at 100%.
- ✓ No new notices to move out.

Rent Collection -

- ✓ Unit #71 had delinquent rent of \$1,825.60. Was paid in June.
- ✓ Unit 368 had a balance due of \$1,556.38. Was paid in June.

Expense Variances -

- ✓ Total Operating Expenses totaled \$16,910.83 favorable to budget by 36.63%.
- ✓ Net Operating Income surpassed budget expectations by 71.13%, totaling \$27,168.34.

Capital Expenses -

- ✓ Carpet replacement \$494.31 unit #17.
- ✓ Flooring replacement with LVP \$4,715.01 for unit #17.

Owner Distributions –

- ✓ The owner's distribution for the month was \$15,840.24 and the distribution year-to-date is \$125,460.96.

Evanswood #21, #25, and #33 May 2026



Monthly Highlights:

Updates –

- ✓ Total Rental Income for May was \$4,422.00, exceeding budget by 19.71%.

Occupancy –

- ✓ The property is 100% occupied
- ✓ No new notices to vacate or move out have been received this month.

Rent Collection –

- ✓ There are no delinquent rents for May.

Expense Variances-

- ✓ Total Operating Expenses have a positive variance driven by reduced operating costs.
- ✓ NOI totaled \$3,000.16; effective rent management led to increased income.

Capital Expenses -

- ✓ No capital improvements for May.

Distributions –

- ✓ No owner distribution for May. The distribution year-to-date is \$1,109.52.

Mayer Commons May 2026



Monthly Highlights:

Updates - Total Rental Income for May was \$7,462.40, which did not meet budgeted expectations by -9.48%. Unfavorably affected by vacancy loss.

- ✓ We are researching the \$10.50 Liability to Landlord Insurance.

Occupancy -

- ✓ Occupancy remained at 91.7%.
- ✓ One unit remains to be leased. The Town of Paradise has agreed to change the designation to an 80% AMI.
- ✓ We have given out 6 applications.

Rent Collection -

- ✓ Unit G owes a \$50.00 late fee for May.
- ✓ Unit H owes \$25.00 for the NSF fee.

Expense Variances -

- ✓ Total Operating Expenses totaled \$2,771.24; expenses were below budget expectations by -18.74%.
- ✓ NOI was affected by vacancy loss below budget at \$4,851.66 variance -17.91%.
- ✓ Replacement Reserves are accruing, totaling \$33,500.00.

Capital Expenses -

- ✓ No capital improvements for May.

Distributions -

- ✓ No owner distribution for May. There was no distribution year-to-date.

Lincoln Apartments May 2026



Monthly Highlights:

Updates - Total Rental Income for May is \$16,038.68. Favorable by 1.70% or \$267.68.

Occupancy -

- ✓ We concluded May at 94.4% occupancy.
- ✓ Unit #7 moved in May.
- ✓ Unit #9 is currently being marketed.
- ✓ No new notices to vacate or move out have been received this month.

Rent Collection -

- ✓ There are no delinquent rents for May 2026

Expense Variances -

- ✓ Total Operating Expenses \$11,791.91 greater than anticipated.
- ✓ NOI totaled \$5,380.69 above budget expectations by \$846.50, or 18.67%.

Capital Improvements -

- ✓ Flooring LVP #9 totaled \$1,994.35.

Owner Distributions -

- ✓ No owner distribution for May. The distribution year-to-date is \$44,726.32

MOVE OUT PICTURES FOR UNIT #7



Park Place Apartments May 2026



Monthly Highlights:

Updates - Total Rental Income for May was \$32,416.00, exceeding budget by \$2,712.00 or 9.13%.

Occupancy -

- ✓ We concluded May with 100% occupancy.
- ✓ We received a notice to vacate from unit #21.

Rent Collection -

- ✓ There are no delinquent rents for May 2026

Expense Variances -

- ✓ Total Budgeted Operating monthly expenses are favorable to the budget, 39.89% at \$11,121.48.
- ✓ Net Operating Income for May exceeded budget by 81.73%, totaling \$21,711.33.

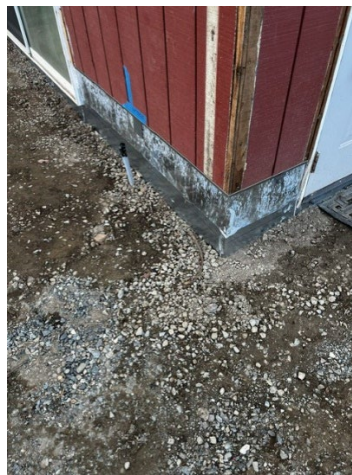
Capital Improvements -

- ✓ Sidewalk repairs \$1,824.45

Owner Distributions -

- ✓ The owner's distribution for the month was \$11,231.35. The distribution year-to-date is \$49,181.02.

CONCRETE CONSTRUCTION PROJECT – REMOVAL OF CONCRETE



Property Update – June 1, 2026

Gridley Springs 1 (GS1)

Occupancy 96.88%

Move-Ins

Maintenance

- Preventative Maintenance inspection completed
 - Fire extinguisher update 4/2026
 - Pending tree trimming and gutter cleaning
 - Pending updated bid to include downspout fixture
-

Gridley Springs 2 (GS2)

Occupancy 100%

Move-Ins

Maintenance

- Preventative Maintenance completed
 - Need to replace all smoke and carbon monoxide detectors, at the end-of-life expectancy (\$1,100.00)
 - Garbage Can Repairs (pending bids)
- Fire extinguisher update 4/2026
- Working with WASH to update contract
- Pending tree trimming and gutter cleaning, Slab leak unit 23
 - Pending updated bid to include downspout fixture
 - Approved slab leak repairs – pending completion

Regional Manager

Lisa Macdonald in Place

Community Manager

Michelle Vargas in Place

Maintenance Tech

Taylor Mader in Place

Gridley Springs 2 Budget Comparison May 31, 2026

	Month Ending 05/31/2026				Year to Date 05/31/2026			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Rental Income								
5120 - Rent Revenue -- Gross Potential	19,651.00	19,651.50	(0.50)	0.00	167,348.00	157,212.00	10,136.00	6.44
5180 - Local Section 8 Subsidy Revenue	422.00	500.00	(78.00)	(15.60)	4,000.00	4,000.00	0.00	0.00
5195 - Leases Less than Market	38.00	0.00	38.00	100.00	(9,933.00)	0.00	(9,933.00)	(100.00)
Total Rental Income	20,111.00	20,151.50	(40.50)	(0.20)	161,415.00	161,212.00	203.00	0.12
Vacancy, Losses & Concessions								
5220 - Vacancy Loss - Apartments	0.00	(589.89)	589.89	100.00	(7,005.00)	(4,719.12)	(2,285.88)	(48.43)
Total Vacancy, Losses & Concessions	0.00	(589.89)	589.89	100.00	(7,005.00)	(4,719.12)	(2,285.88)	(48.43)
Net Rental Income	20,111.00	19,561.61	549.39	2.80	154,410.00	156,492.88	(2,082.88)	(1.33)
Financial Income								
5440 - Interest Revenue -- Replacement Reserve	2.41	0.00	2.41	100.00	18.55	0.00	18.55	100.00
Total Financial Income	2.41	0.00	2.41	100.00	18.55	0.00	18.55	100.00
Other Income								
5910 - Laundry Revenue	0.00	10.83	(10.83)	(100.00)	108.17	86.64	21.53	24.84
5920 - Tenant Charges (Late Fees, Damages)	0.00	83.33	(83.33)	(100.00)	0.00	666.64	(666.64)	(100.00)
5950 - Utility Bill Back Revenue	0.00	0.00	0.00	0.00	2,870.44	0.00	2,870.44	100.00
Total Other Income	0.00	94.16	(94.16)	(100.00)	2,978.61	753.28	2,225.33	295.41
Total Income	20,113.41	19,655.77	457.64	2.32	157,407.16	157,246.16	161.00	0.10
Expenses								
Administrative Expenses								
6203 - Conventions and Meeting	23.28	29.17	5.89	20.19	276.20	233.36	(42.84)	(18.35)
6311 - Office Supplies	596.85	791.67	194.82	24.60	6,096.38	6,333.36	236.98	3.74
6320 - Management Fee Expense	1,035.00	1,080.00	45.00	4.16	8,055.00	8,640.00	585.00	6.77
6340 - Legal Expense - Project	0.00	100.00	100.00	100.00	0.00	800.00	800.00	100.00
6350 - Audit Expense	0.00	1,083.33	1,083.33	100.00	0.00	8,666.64	8,666.64	100.00
6351 - Bookkeeping Fees/Accounting Services	0.00	200.00	200.00	100.00	0.00	1,600.00	1,600.00	100.00
6352 - Bank Fees	0.00	0.00	0.00	0.00	1.50	0.00	(1.50)	(100.00)
6390 - Misc. Administrative Expenses	0.00	253.00	253.00	100.00	854.49	2,024.00	1,169.51	57.78
Total Administrative Expenses	1,655.13	3,537.17	1,882.04	53.20	15,283.57	28,297.36	13,013.79	45.98
Marketing Expenses								
6210 - Advertising and Marketing	55.00	54.17	(0.83)	(1.53)	495.00	433.36	(61.64)	(14.22)
Total Marketing Expenses	55.00	54.17	(0.83)	(1.53)	495.00	433.36	(61.64)	(14.22)
Payroll Expenses								
6330 - Manager Salaries	1,973.18	1,961.25	(11.93)	(0.60)	17,428.85	15,690.00	(1,738.85)	(11.08)
6512 - Maintenance Salaries	1,855.70	1,968.67	112.97	5.73	16,342.96	15,749.36	(593.60)	(3.76)
6711 - Payroll Taxes	292.91	418.75	125.84	30.05	3,150.24	3,350.00	199.76	5.96
6722 - Workers Compensation Ins	364.45	339.58	(24.87)	(7.32)	3,050.20	2,716.64	(333.56)	(12.27)
6723 - Health Insurance and Other Employee Benefits	167.83	838.25	670.42	79.97	1,562.50	6,706.00	5,143.50	76.69
Total Payroll Expenses	4,654.07	5,526.50	872.43	15.78	41,534.75	44,212.00	2,677.25	6.05
Utilities								
6449 - Utilities - Vacant	0.00	0.00	0.00	0.00	2,009.03	0.00	(2,009.03)	(100.00)
6450 - Electricity	763.14	254.17	(508.97)	(200.24)	6,143.51	2,033.36	(4,110.15)	(202.13)
6451 - Water	206.05	574.17	368.12	64.11	2,588.79	4,593.36	2,004.57	43.64

Gridley Springs 2 Budget Comparison May 31, 2026

	Month Ending 05/31/2026				Year to Date 05/31/2026			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
6452 - Gas	0.00	102.08	102.08	100.00	1,305.31	816.64	(488.67)	(59.83)
6453 - Sewer	887.28	1,033.33	146.05	14.13	6,173.18	8,266.64	2,093.46	25.32
6525 - Garbage & Trash Removal	489.26	533.33	44.07	8.26	3,960.66	4,266.64	305.98	7.17
Total Utilities	2,345.73	2,497.08	151.35	6.06	22,180.48	19,976.64	(2,203.84)	(11.03)
Operating & Maintenance Expenses								
6515 - Supplies - Maint. & Repairs	617.33	1,000.00	382.67	38.26	2,684.98	8,000.00	5,315.02	66.43
6520 - Contracts - Maint. & Repairs	308.74	3,658.33	3,349.59	91.56	13,500.91	29,266.64	15,765.73	53.86
6546 - Repairs - HVAC Repairs & Maintenance	0.00	141.67	141.67	100.00	935.23	1,133.36	198.13	17.48
6590 - Misc. Operating & Maint Expenses	13.76	958.33	944.57	98.56	2,484.73	7,666.64	5,181.91	67.59
Total Operating & Maintenance Expenses	939.83	5,758.33	4,818.50	83.67	19,605.85	46,066.64	26,460.79	57.44
Taxes & Insurance								
6720 - Property & Liability Insurance (Hazard)	0.00	0.00	0.00	0.00	6,230.54	10,149.96	3,919.42	38.61
6790 - Miscellaneous Taxes / Licenses / Permits / Insurance	0.00	0.00	0.00	0.00	195.12	165.00	(30.12)	(18.25)
Total Taxes & Insurance	0.00	0.00	0.00	0.00	6,425.66	10,314.96	3,889.30	37.70
Total Expenses	9,649.76	17,373.25	7,723.49	44.45	105,525.31	149,300.96	43,775.65	29.32
Net Operating Income (Loss)	10,463.65	2,282.52	8,181.13	358.42	51,881.85	7,945.20	43,936.65	552.99
Net Income (Loss)	10,463.65	2,282.52	8,181.13	358.42	51,881.85	7,945.20	43,936.65	552.99

MEMO

Date: June 12, 2026

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 (5) vacancies as of this memo’s date. 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 vacancy 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 zero (0) notices to vacate. Exterior Painting has been completed. New building signage has also been installed. Parking lot bids to repair/replace sections of asphalt are being updated and work will be completed in the next quarter. Total YTD income is below budget by \$7,271 at \$351,871. Budgeted rental income is less and bad debt expense attributed to the decrease in income previously mentioned. YTD Total expenses are over budget by \$44,148 at \$397,230. This brought Net Profit/Income YTD to -\$45,358 or \$51,419 less than budget. Maintenance & Administrative Expenses both come in over budget YTD, thus the decrease in NOI YTD. 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 two (2) vacancies as of June 1st. There is no additional 30-day notices to vacate. Residents and staff have continued to partner to create monthly activities supporting all residents, such as donut and ice cream socials, resident birthday cake celebrations, bingo nights monthly, and weekly card games. YTD income is higher than budget by approximately \$3,061 at \$242,252 with overall YTD expenses lower than anticipated by \$29,126 at \$199,270. This brought the property's Net Profit Income to \$32,187 more than budget, at \$42,982. Exterior fascia repairs, gutter replacement and exterior painting of wood areas, as well as window replacement are being performed, as needed. The property is subject to repositioning, involving refinance, capital improvements and replacements. Rebecca Meyer 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 five (5) vacancies as of this memo. AWI reviews the turnover and market ready status of these 5 units in their report, following. There is (1) 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-Painting & Landscaping needs are being addressed. Roofing repairs, common area flooring, stairwell carpet replacement are also being bid and planned. 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 YTD income is lower by \$25,492, at \$487,787. Gross rents collected have been less contributing to the decrease in projected income. Total YTD expenses come in at \$331,978 or \$11,514 less than budget. This brought the YTD NOI to \$155,809 or \$13,977 less than budget. *AWI, 3rd party property management is re-organizing the office to accommodate more space for ADA accessible wheelchairs, looking at removing a desk located in front of main office for clearance, these changes will streamline entry for potential residents and current residents. The computer room will remain the same to accommodate use of the computer room and not lose this complex amenity. Lastly, the office staff has numerous meeting spaces for privacy to accommodate any resident meetings.* 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

May 2026

5 units available • 3 Move-in • 2 Move-out

Vacancy Advertising

- The property is offering move-in specials and referral incentives to attract qualified applicants
- Staff has been coordinating with the Housing Authorities and VA to encourage Section 8 move-ins
- Flyers have been placed in heavily trafficked areas
- Banners and balloons are displayed on the grounds to increase visibility

Current Staffing

Staffing

Manager: Caitlen Murray

Maintenance: Carl Perry

Assistant Maintenance: David Moreland

Vacancy Overview

CURRENT

#65 3BD (60%): (Personal) *Rent Ready*

#07 3BD (60%): (Personal) *Rent Ready*

#51 1BD (60%): (Personal) *Rent Ready*

#67 2BD (60%): (Personal) Major Repairs

#03 3BD (60%): (Non-Payment) Major Repairs

UPCOMING

No Pending notices

Capital Projects

Budgeted Items planned for 2026

Asphalt: The site has multiple areas that need filled

Painting: Walked with vendor, finishing touches underway

HVAC Cleaning: Semi-Annually

Current Status

Asphalt: New Manager is working on gathering more bids.

Painting: Completed

HVAC Cleaning: Scheduling before summer

Additional Notes

We are exploring a potential manager transfer to Chico Commons. The recent exterior painting has generated renewed interest in the property and contributed to growth in the waiting list. Income qualification requirements remain the most significant challenge in placing residents at this site. The office leasing sign has now been installed. The staff have been contacted by VASH about potential voucher holders looking for housing soon.

Chico Commons (p0549)
Budget Comparison
 Period = May 2026
 Book = Accrual ; Tree = awl_cf

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual	
TENANT RENT										
	Gross Rents	76,766	79,759	-2,993	-4	379,183	398,795	-19,612	-5	957,108
4190-00	Gain/Loss to Lease	1,587	0	1,587	N/A	7,448	0	7,448	N/A	0
5110-00	Vacancies	-7,699	-7,976	277	3	-35,296	-39,880	4,584	11	-95,711
5130-00	Rent Adjustments	0	-135	135	100	0	-674	674	100	-1,618
5120-00	Admin Unit-Non Rev	-1,101	-1,101	0	0	-5,505	-5,507	2	0	-13,217
	TOTAL TENANT RENT	69,553	70,547	-994	-1	345,830	352,734	-6,904	-2	846,562
PROJECT INCOME										
5510-00	Laundry Income	1,835	477	1,357	284	3,754	2,386	1,368	57	5,727
5520-00	Late Charges	0	271	-271	-100	25	1,355	-1,330	-98	3,253
5590-00	Other Tenant Income	104	495	-391	-79	-1,170	2,476	-3,645	-147	5,942
5600-00	Interest Income	149	38	111	291	926	190	736	386	457
5610-00	Interest Income-Restricted Reserve	274	0	274	N/A	2,097	0	2,097	N/A	0
5690-00	Miscellaneous Income	0	0	0	N/A	409	0	409	N/A	0
	TOTAL OTHER PROJECT INCOME	2,362	1,282	1,081	84	6,041	6,408	-366	-6	15,379
	TOTAL PROJECT INCOME	71,915	71,828	87	0	351,871	359,142	-7,271	-2	861,941
PROJECT EXPENSES										
	Maint and Oper Exp	33,522	26,306	-7,216	-27	189,347	131,532	-57,815	-44	315,678
	Utilities	7,034	9,986	2,951	30	37,096	49,929	12,834	26	119,830
	Administrative	12,446	17,637	5,191	29	94,540	88,186	-6,354	-7	211,646
6520-40	Maintenance Wages-PTO	274	0	-274	N/A	2,451	0	-2,451	N/A	0
6520-30	Manager Wages-Vacation	335	0	-335	N/A	2,376	0	-2,376	N/A	0
6510-40	Maintenance Wages-PTO	188	0	-188	N/A	2,817	0	-2,817	N/A	0
	Taxes and Insurance	4,111	4,289	178	4	21,248	21,443	195	1	51,464
	Other Taxes and Insurance	1,763	4,514	2,750	61	9,753	22,569	12,816	57	54,166
	Other Project Expenses	1,586	1,700	115	7	6,681	8,501	1,820	21	20,402
	TOTAL O/M EXPENSES	61,259	64,432	3,173	5	366,309	322,161	-44,148	-14	773,186
MORTGAGE AND OWNERS EXPENSE										
	Interest Expense	2,604	2,604	0	0	13,021	13,021	0	0	31,250
7815-00	Administrative General Partner Fees	1,080	1,080	0	0	5,400	5,400	0	0	12,960
1290-00	Reserve Transfers	2,500	2,500	0	0	12,500	12,500	0	0	30,000
	TOTAL MORTGAGE AND OWNERS EXP	6,184	6,184	0	0	30,921	30,921	0	0	74,210
	TOTAL PROJECT EXPENSES	67,443	70,616	3,173	4	397,230	353,082	-44,148	-13	847,396
	NET PROFIT (LOSS)	4,472	1,212	3,260	269	-45,358	6,060	-51,419	-848	14,545
OTHER CASH FLOW ITEMS:										
	Reserve Transfers	-274	0	-274	N/A	83,116	0	83,116	N/A	0
	T and I Transfers	-4,360	0	-4,360	N/A	-21,174	0	-21,174	N/A	0
	Other Cash Changes	0	0	0	N/A	175	0	175	N/A	0
1220-00	Cash-Security Deposits 1	-38	0	-38	N/A	-223	0	-223	N/A	0
1310-00	Receivable-Tenant	-13,770	0	-13,770	N/A	-12,346	0	-12,346	N/A	0

Chico Commons (p0549)

Budget Comparison

Period = May 2026

Book = Accrual ; Tree = awl_cf

		PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
2320-00	Security Deposits	-650	0	-650	N/A	-13	0	-13	N/A	0
8100-00	Authorized Reserve-Other	0	-6,500	6,500	100	-85,213	-32,500	-52,713	-162	-78,000
8110-00	Authorized Reserve-Flooring	0	-2,550	2,550	100	0	-12,750	12,750	100	-30,600
8130-00	Authorized Reserve-HVAC	0	-3,333	3,333	100	0	-16,667	16,667	100	-40,000
8140-00	Authorized Reserve-Water Heaters	0	-583	583	100	0	-2,917	2,917	100	-7,000
	Other Receivables	-3,348	0	-3,348	N/A	17,262	0	17,262	N/A	0
2010-00	AP-Trade Vendors	269	0	269	N/A	-59,152	0	-59,152	N/A	0
2150-00	Short Term Payable	0	0	0	N/A	17,866	0	17,866	N/A	0
2200-15	Accrued PTO	-52	0	-52	N/A	3,000	0	3,000	N/A	0
2120-00	AP-Other	1,564	0	1,564	N/A	4,748	0	4,748	N/A	0
2222-00	Accrued Audit Fees	8,500	0	8,500	N/A	8,500	0	8,500	N/A	0
	TOTAL OTHER CASH FLOW ITEMS	-12,160	-12,967	807	6	-43,456	-64,833	21,378	33	-155,600
	NET OPERATING CASH CHANGE	-7,688	-11,755	4,067	35	-88,814	-58,773	-30,041	-51	-141,055



Walker Commons

May 2026

2 units available • 0 Move-in • 1 Move-out

Vacancy Advertising

- The site is not currently running advertising.
- Working off a healthy waiting list when needed.

Current Staffing

Staffing

Manager: Rebecca Meyer

Maintenance: Gregory Ramirez

Vacancy Overview

CURRENT

#30 (60%): (Medical) - **Rent Ready**, Three applicants in progress.

#32 (50%): (Medical) - Full Flooring, Painting, appliance replacement underway.

UPCOMING

Capital Projects

Budgeted Items planned for 2026

Windows: Replace as needed

Siding: Several fascia repairs are needed around the site

Painting: Full complex painting

Gutter Replacement: Continue the replacement of the front of the site

Current Status

Windows: Replace as needed

Siding: Identifying the areas that need replaced in more detail.

Painting: Per HA this is on hold until further notice.

Gutter Replacement: Bids on hand, Narrowing the scope of work to necessary areas. Two additional vendors requested for fascia/gutter repairs per HA.

Community Events

ONGOING

Monthly Bingo Games

Wednesday the community holds card games

HIGHLIGHT

No events scheduled for April

Additional Notes

The site welcomed a new property manager, Rebecca Meyer.

Walker Commons (p0550)
Budget Comparison
 Period = May 2026
 Book = Accrual ; Tree = awl_cf

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual	
TENANT RENT										
	Gross Rents	44,102	49,723	-5,621	-11	217,673	248,616	-30,943	-12	596,679
4190-00	Gain/Loss to Lease	3,894	0	3,894	N/A	24,510	0	24,510	N/A	0
5110-00	Vacancies	-818	-1,243	425	34	-2,608	-6,215	3,607	58	-14,917
5120-00	Admin Unit-Non Rev	-906	-933	27	3	-4,530	-4,666	136	3	-11,198
	TOTAL TENANT RENT	46,272	47,547	-1,275	-3	235,045	237,735	-2,690	-1	570,564
PROJECT INCOME										
5510-00	Laundry Income	213	272	-59	-22	1,993	1,359	634	47	3,262
5520-00	Late Charges	0	4	-4	-100	39	21	18	87	50
5590-00	Other Tenant Income	286	9	277	3,019	346	46	300	655	110
5600-00	Interest Income	274	6	268	4,407	1,500	30	1,469	4,833	73
5610-00	Interest Income-Restricted Reserve	529	0	529	N/A	3,329	0	3,329	N/A	0
	TOTAL OTHER PROJECT INCOME	1,303	291	1,011	347	7,207	1,456	5,751	395	3,495
	TOTAL PROJECT INCOME	47,575	47,838	-264	-1	242,252	239,191	3,061	1	574,059
PROJECT EXPENSES										
	Maint and Oper Exp	23,458	18,487	-4,971	-27	80,555	92,435	11,880	13	221,845
	Utilities	3,259	3,741	483	13	21,804	18,706	-3,098	-17	44,894
	Administrative	10,798	12,190	1,392	11	50,881	60,951	10,070	17	146,282
6520-40	Maintenance Wages-PTO	213	0	-213	N/A	2,158	0	-2,158	N/A	0
6520-30	Manager Wages-Vacation	260	0	-260	N/A	1,746	0	-1,746	N/A	0
6510-40	Maintenance Wages-PTO	146	0	-146	N/A	1,420	0	-1,420	N/A	0
	Taxes and Insurance	2,102	2,616	514	20	10,593	13,082	2,489	19	31,397
	Other Taxes and Insurance	1,984	4,672	2,688	58	9,023	23,358	14,334	61	56,058
	Other Project Expenses	1,180	1,164	-15	-1	7,049	5,822	-1,227	-21	13,974
	TOTAL O/M EXPENSES	43,400	42,871	-529	-1	185,229	214,354	29,126	14	514,450
MORTGAGE AND OWNERS EXPENSE										
	Interest Expense	1,250	1,250	0	0	6,250	6,250	0	0	15,000
7815-00	Administrative General Partner Fees	625	625	0	0	3,125	3,125	0	0	7,500
1290-00	Reserve Transfers	933	933	0	0	4,667	4,667	0	0	11,200
	TOTAL MORTGAGE AND OWNERS EXP	2,808	2,808	0	0	14,042	14,042	0	0	33,700
	TOTAL PROJECT EXPENSES	46,208	45,679	-529	-1	199,270	228,396	29,126	13	548,150
	NET PROFIT (LOSS)	1,366	2,159	-793	-37	42,982	10,795	32,187	298	25,909
OTHER CASH FLOW ITEMS:										
	Reserve Transfers	-529	0	-529	N/A	-3,329	0	-3,329	N/A	0
	T and I Transfers	-2,681	0	-2,681	N/A	-13,359	0	-13,359	N/A	0
	Other Cash Changes	0	0	0	N/A	342	0	342	N/A	0
1220-00	Cash-Security Deposits 1	-18	0	-18	N/A	-106	0	-106	N/A	0
1310-00	Receivable-Tenant	806	0	806	N/A	1,686	0	1,686	N/A	0
2320-00	Security Deposits	-340	0	-340	N/A	-340	0	-340	N/A	0
8100-00	Authorized Reserve-Other	0	-13,750	13,750	100	0	-68,750	68,750	100	-165,000

Walker Commons (p0550)

Budget Comparison

Period = May 2026

Book = Accrual ; Tree = awl_cf

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
Other Receivables	-4,731	0	-4,731	N/A	7,844	0	7,844	N/A	0
2010-00 AP-Trade Vendors	0	0	0	N/A	-53,011	0	-53,011	N/A	0
2200-15 Accrued PTO	-41	0	-41	N/A	2,304	0	2,304	N/A	0
2120-00 AP-Other	1,298	0	1,298	N/A	418	0	418	N/A	0
2232-00 Accrued Interest-ROA	1,250	0	1,250	N/A	6,250	0	6,250	N/A	0
2222-00 Accrued Audit Fees	7,875	0	7,875	N/A	7,875	0	7,875	N/A	0
2210-00 Accrued Managing General Partner Fees	625	0	625	N/A	3,125	0	3,125	N/A	0
TOTAL OTHER CASH FLOW ITEMS	3,514	-13,750	17,264	126	-40,301	-68,750	28,449	41	-165,000
NET OPERATING CASH CHANGE	4,880	-11,591	16,471	142	2,681	-57,955	60,636	105	-139,091



1200 Park Avenue

May 2026

5 units available • 1 Move-in • 3 Move-out

Vacancy Advertising

- The property is offering move-in specials and referral incentives to attract qualified applicants
- Staff has been coordinating with the Housing Authorities and VA to encourage Section 8 move-ins
- Flyers have been placed in heavily trafficked areas
- Banners and balloons are displayed on the grounds to increase visibility
- Staff have redistributed resident referrals

Current Staffing

Staffing

Manager: Cindi Weber
Assistant Manager: Crystal Bickford
Maintenance: John Rainger
Assistant Maintenance: Sergio Valdez

Vacancy Overview

CURRENT

- #239 (60%):** (Eviction) - Major repairs, Applicant in progress.
- #245 (45%):** (Transfer) - Cabinets delivered, pending qualifying applicant.
- #228 (50%):** (Moved to a home) - **Rent Ready** by 6/11, Move-in scheduled for 6/26/26 with a VASH voucher.
- #237 (60%):** (Transfer) - **Rent Ready** by 6/17, Move-in scheduled for 6/19/26 with a VASH voucher.
- #246 (45%):** (Relocating) – Minor repairs

UPCOMING

- #334 (60%):** (Eviction) Forbearance signed, Vacate date is 5/31/26

Capital Projects

Budgeted Items planned for 2026

- Roofing:** Identifying roofing that needs replacement/repairs.
- Stucco Repairs (Office Exterior Wall):** Gather updated bids for the siding.
- Painting:** Gather bids to follow the office repairs.
- Trash Chute Cleaning:** Semi-Annually
- Dryer Vent Cleaning:** Semi-Annually

Current Status

- Roofing:** 1 Bid on hand, Pending other quotes
- Stucco Repairs (Office Exterior Wall):** Updated bids on hand.
- Painting:** This will follow the Stucco repairs
- Trash Chute Cleaning:** March & September unless more is needed
- Dryer Vent Cleaning:** March & September unless more is needed

Community Events

ONGOING

- Monthly Bingo Games
- Birthday Cake Celebrations

HIGHLIGHT

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Additional Notes

The site welcomed a new assistant manager, Crystal Bickford.



Park Avenue (p0569)
Budget Comparison

Period = May 2026

Book = Accrual ; Tree = ysl_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
4000-03 INCOME									
4110-00 Market/Contract Rent	101,068	106,457	-5,389	-5	506,012	532,286	-26,274	-5	1,277,487
4999-99 GROSS POTENTIAL RENT	101,068	106,457	-5,389	-5	506,012	532,286	-26,274	-5	1,277,487
5000-00 INCOME ADJUSTMENTS									
5110-00 Vacancy Loss	-3,599	-3,726	127	3	-18,142	-18,630	488	3	-44,712
5120-00 Admin Unit-Non Rev	-1,197	-1,196	-1	0	-5,985	-5,980	-5	0	-14,352
5190-00 Bad Debt Expense	0	0	0	N/A	114	0	114	N/A	0
5199-98 TOTAL INCOME ADJUSTMENTS	-4,796	-4,922	126	3	-24,013	-24,610	597	2	-59,064
5199-99 NET RENTAL INCOME	96,272	101,535	-5,263	-5	481,999	507,676	-25,677	-5	1,218,423
5500-00 OTHER INCOME									
5510-00 Laundry Income	4,000	667	3,333	500	4,000	3,333	667	20	8,000
5520-00 Late Charges	25	68	-44	-64	65	342	-278	-81	822
5530-00 Application Fees	0	14	-14	-100	0	70	-70	-100	167
5590-00 Other Tenant Income	250	333	-83	-25	1,063	1,667	-604	-36	4,000
5600-00 Interest Income	56	18	38	210	358	91	268	294	218
5610-00 Interest Income-Restricted Reserve	19	0	19	N/A	117	0	117	N/A	0
5690-00 Miscellaneous Income	-16	20	-35	-178	184	99	85	86	238
5999-98 TOTAL OTHER INCOME	4,335	1,120	3,214	287	5,788	5,602	185	3	13,445
5999-99 TOTAL INCOME	100,607	102,656	-2,049	-2	487,787	513,278	-25,492	-5	1,231,868
6000-00 OPERATING EXPENSES									
6000-01 NON-CONTROLLABLE EXPENSES									
6000-02 TAXES AND INSURANCE									
6100-10 Real Estate Taxes-Special Assessments	0	28	28	100	198	139	-59	-43	333
6120-00 Other Taxes/Fees/Permits	0	167	167	100	100	833	733	88	2,000
6120-10 Other Taxes/Fees/Permits-FTB Fee	0	67	67	100	1,600	333	-1,267	-380	800
6150-00 Property Insurance-GL	7,112	6,947	-165	-2	35,560	34,734	-826	-2	83,362
6150-20 Property Insurance-Flood	157	300	143	48	787	1,500	713	48	3,599
6170-00 Bond Premiums	0	58	58	100	0	292	292	100	700
6199-99 TOTAL TAXES AND INSURANCE	7,269	7,566	297	4	38,245	37,831	-415	-1	90,794
6200-00 UTILITIES									
6210-00 Electricity-Common Areas	3,588	7,060	3,472	49	23,250	35,302	12,052	34	84,726
6210-10 Electricity-Units	210	0	-210	N/A	851	0	-851	N/A	0
6220-00 Water-Domestic	2,798	1,522	-1,276	-84	8,322	7,608	-714	-9	18,259
6220-10 Water-Irrigation	0	0	0	N/A	138	0	-138	N/A	0
6230-00 Sewer-Standard Billing	3,994	1,964	-2,031	-103	12,167	9,818	-2,349	-24	23,563
6240-00 Gas/Heating Fuel-Units	48	629	581	92	286	3,144	2,858	91	7,545
6240-10 Gas/Heating Fuel-Common Areas	185	0	-185	N/A	4,779	0	-4,779	N/A	0
6250-00 Trash-Standard Pickup	0	1,129	1,129	100	2,694	5,644	2,950	52	13,546
6250-10 Trash-Bulk Pickup	310	0	-310	N/A	930	0	-930	N/A	0

Park Avenue (p0569)
Budget Comparison

Period = May 2026

Book = Accrual ; Tree = ysl_is

	PTD Actual	PTD Budget	Variance	% Var	10	YTD Actual	YTD Budget	Variance	% Var	13	Annual
6299-99 TOTAL UTILITIES	11,133	12,303	1,170		10	53,418	61,516	8,099		13	147,639
6300-00 PROPERTY MANAGEMENT FEES											
6320-00 Management Fees	6,202	6,202	0	0		31,009	31,009	0	0		74,421
6399-98 TOTAL PROPERTY MANAGEMENT FEES	6,202	6,202	0	0		31,009	31,009	0	0		74,421
6399-99 TOTAL NON-CONTROLLABLE EXPENSES	24,604	26,071	1,467	6		122,672	130,356	7,684	6		312,854
6400-00 CONTROLLABLE EXPENSES											
6400-01 PROFESSIONAL FEES											
6410-00 Audit Fees	1,042	1,042	0	0		5,208	5,208	0	0		12,500
6430-00 Legal-Evictions	3,448	407	-3,041	-747		9,402	2,036	-7,366	-362		4,886
6499-99 TOTAL PROFESSIONAL FEES	4,490	1,449	-3,041	-210		14,610	7,244	-7,366	-102		17,386
6500-00 PERSONNEL COSTS											
6510-00 Maintenance Wages-Base	8,775	10,683	1,908	18		29,739	53,417	23,678	44		128,200
6510-10 Maintenance Wages-Overtime	452	0	-452	N/A		1,564	0	-1,564	N/A		0
6510-30 Maintenance Wages-Vacation	387	0	-387	N/A		3,825	0	-3,825	N/A		0
6510-40 Maintenance Wages-PTO	279	0	-279	N/A		3,335	0	-3,335	N/A		0
6510-90 Maintenance Wages-Other	0	0	0	N/A		164	0	-164	N/A		0
6520-00 Manager Wages-Base	7,519	9,018	1,499	17		32,283	45,090	12,807	28		108,216
6520-10 Manager Wages-Overtime	112	0	-112	N/A		561	0	-561	N/A		0
6520-30 Manager Wages-Vacation	497	0	-497	N/A		2,875	0	-2,875	N/A		0
6520-40 Manager Wages-PTO	407	0	-407	N/A		4,387	0	-4,387	N/A		0
6540-00 Employer Social Security	1,084	1,916	832	43		4,349	9,582	5,232	55		22,996
6540-10 Employer Medicare	254	0	-254	N/A		1,017	0	-1,017	N/A		0
6540-20 FUTA (Federal Unemployment)	9	0	-9	N/A		165	0	-165	N/A		0
6540-30 SUTA (State Unemployment)	67	0	-67	N/A		1,209	0	-1,209	N/A		0
6540-40 401(k) Match (Employer)	8	0	-8	N/A		36	0	-36	N/A		0
6550-00 Workers Comp Insurance	891	839	-52	-6		3,778	4,195	417	10		10,068
6555-00 Personnel Medical Insurance	1,814	1,667	-147	-9		8,688	8,333	-355	-4		20,000
6560-00 Life Insurance	5	0	-5	N/A		30	0	-30	N/A		0
6599-99 TOTAL PERSONNEL COSTS	22,562	24,123	1,561	6		98,007	120,617	22,610	19		289,480
6600-00 MARKETING AND LEASING COSTS											
6610-00 Advertising	124	40	-84	-212		124	199	75	38		477
6620-00 Credit Checking	0	29	29	100		0	146	146	100		350
6699-99 TOTAL MARKETING AND LEASING COSTS	124	69	-55	-80		124	345	221	64		827
6700-00 GENERAL AND ADMINISTRATIVE											
6700-01 CONTRACT/RECURRING G/A											
6700-10 P/M IT	0	227	227	100		468	1,137	668	59		2,728
6700-20 P/M Software	0	102	102	100		2,007	508	-1,499	-295		1,219
6700-30 P/M Software-Yardi	1,428	1,776	348	20		7,310	8,881	1,571	18		21,314
6710-00 Telephone	1,219	713	-506	-71		6,308	3,565	-2,743	-77		8,555
6710-10 Internet	312	625	313	50		1,380	3,124	1,744	56		7,498

Park Avenue (p0569)
Budget Comparison

Period = May 2026

Book = Accrual ; Tree = ysl_is

		PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
6710-20	Cell Phone Reimbursement	180	164	-16	-10	960	821	-139	-17	1,971
6715-10	Copier Expenses	0	0	0	N/A	-220	0	220	N/A	0
6715-30	Toner/Copier Expense	828	125	-703	-563	1,205	625	-580	-93	1,500
6720-00	Postage/Freight	303	88	-216	-246	397	438	41	9	1,052
6730-00	Office Supplies/Expense	431	505	75	15	1,987	2,527	540	21	6,065
6735-00	Office Furniture and Equipment	0	0	0	N/A	-87	0	87	N/A	0
6740-00	Water/Coffee Service	151	111	-40	-36	601	556	-44	-8	1,335
6820-00	Tenant Services-General	0	127	127	100	0	635	635	100	1,525
6820-30	Tenant Services-Other	497	0	-497	N/A	2,369	0	-2,369	N/A	0
6830-00	Resident Services-Supplies	0	0	0	N/A	665	0	-665	N/A	0
6855-00	Resident Services-Other	0	0	0	N/A	168	0	-168	N/A	0
6860-00	Security-Svc Contract	1,870	711	-1,159	-163	4,304	3,555	-749	-21	8,532
6870-00	Elevator-Svc Contract	2,190	1,188	-1,002	-84	7,534	5,939	-1,596	-27	14,253
6880-00	Pest Control-Svc Contract	400	1,182	782	66	-620	5,910	6,530	110	14,185
6890-00	Fire/Alarm-Svc Contract	1,463	1,524	61	4	4,138	7,620	3,481	46	18,287
6899-99	TOTAL CONTRACT/RECURRING G/A	11,272	9,168	-2,103	-23	40,876	45,841	4,965	11	110,019
6900-00	OTHER G/A									
6910-00	Other Admin-General	5	156	151	97	476	778	302	39	1,868
6910-20	Other Admin-Bank Fee	40	0	-40	N/A	200	0	-200	N/A	0
6930-00	Mileage	223	0	-223	N/A	1,004	0	-1,004	N/A	0
6940-00	Travel and Promotion	0	144	144	100	555	722	167	23	1,733
6950-00	Training Expense	147	64	-83	-130	967	320	-647	-202	767
6955-00	Employee Meals	0	8	8	100	0	42	42	100	100
6999-98	TOTAL OTHER G/A	415	372	-42	-11	3,202	1,862	-1,340	-72	4,468
6999-99	TOTAL GENERAL AND ADMINISTRATIVE	11,686	9,541	-2,146	-22	44,078	47,703	3,625	8	114,487
7000-00	REPAIRS AND MAINTENANCE									
7000-01	CONTRACT/RECURRING R/M									
7010-00	R/M Contract-General	6,597	2,250	-4,347	-193	28,267	11,250	-17,017	-151	27,000
7015-00	R/M Contract-Plumbing	3,030	220	-2,810	-1,279	3,724	1,099	-2,625	-239	2,637
7020-00	R/M Contract-Electrical	0	0	0	N/A	189	0	-189	N/A	0
7025-00	R/M Contract-HVAC	-95	167	262	157	99	833	734	88	2,000
7030-00	R/M Contract-Carpet Cleaning-Non Unit Turn	499	688	189	27	499	3,438	2,939	85	8,252
7035-00	R/M Contract-Appliances	240	0	-240	N/A	360	0	-360	N/A	0
7065-00	Grounds-Svc Contract	1,995	2,032	37	2	9,010	10,158	1,148	11	24,380
7099-99	TOTAL CONTRACT/RECURRING R/M	12,266	5,356	-6,910	-129	42,148	26,779	-15,369	-57	64,269
7100-00	OTHER R/M									
7110-00	Janitorial Supplies	0	318	318	100	636	1,591	955	60	3,819
7115-00	Painting and Decorating	0	224	224	100	2,091	1,119	-972	-87	2,686
7120-00	R/M Supplies-General	1,981	1,548	-433	-28	2,449	7,739	5,290	68	18,573
7135-00	R/M Supplies-HVAC	0	0	0	N/A	1,005	0	-1,005	N/A	0
7199-99	TOTAL OTHER R/M	1,981	2,090	109	5	6,181	10,449	4,269	41	25,078
7200-00	TURNOVER R/M									

Park Avenue (p0569)
Budget Comparison

Period = May 2026

Book = Accrual ; Tree = ysl_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
7210-90 Unit Turn-Carpet Cleaning-Other	185	0	-185	N/A	435	0	-435	N/A	0
7220-00 Unit Turn-Unit Cleaning-Vendor	499	0	-499	N/A	3,723	0	-3,723	N/A	0
7299-98 TOTAL TURNOVER R/M	684	0	-684	N/A	4,158	0	-4,158	N/A	0
7299-99 TOTAL REPAIRS AND MAINTENANCE	14,931	7,446	-7,486	-101	52,487	37,228	-15,259	-41	89,347
7399-97 TOTAL CONTROLLABLE EXPENSES	53,793	42,627	-11,166	-26	209,306	213,136	3,830	2	511,527
7399-98 TOTAL OPERATING EXPENSES	78,398	68,698	-9,699	-14	331,978	343,492	11,514	3	824,381
7399-99 NET OPERATING INCOME	22,209	33,957	-11,748	-35	155,809	169,786	-13,977	-8	407,487
7400-00 DEBT SERVICE									
7411-00 Interest-Perm Loan 1	8,343	8,463	120	1	42,114	42,315	201	0	101,556
7430-00 Interest-Local Agency	6,125	8,189	2,064	25	30,625	40,945	10,320	25	98,269
7435-00 Interest-Other	2,917	2,917	0	0	14,585	14,583	-2	0	35,000
7499-99 TOTAL DEBT SERVICE	17,385	19,569	2,184	11	87,324	97,844	10,520	11	234,825
7500-00 REPLACEMENT COSTS/OTHER									
7500-01 REPLACEMENT COSTS - OPERATING									
7500-02 TURNOVER REPLACEMENT COSTS									
7510-00 R/M Replacement-General	840	3,043	2,203	72	3,498	15,217	11,719	77	36,520
7525-00 R/M Replacement-Door	0	217	217	100	313	1,083	771	71	2,600
7530-00 R/M Replacement-Window	0	0	0	N/A	263	0	-263	N/A	0
7535-00 R/M Replacement-Cabinet	7,058	0	-7,058	N/A	16,232	0	-16,232	N/A	0
7545-10 R/M Flooring Replacement-1Bed	547	0	-547	N/A	36,672	0	-36,672	N/A	0
7545-20 R/M Flooring Replacement-2Bed	0	0	0	N/A	5,675	0	-5,675	N/A	0
7545-30 R/M Flooring Replacement-3Bed	2,747	0	-2,747	N/A	2,747	0	-2,747	N/A	0
7545-90 R/M Flooring Replacement-Other	0	0	0	N/A	310	0	-310	N/A	0
7550-00 R/M Replacement-Refrigerator	1,457	275	-1,182	-430	4,372	1,375	-2,997	-218	3,300
7560-00 R/M Replacement-Range	0	225	225	100	771	1,125	354	31	2,700
7560-10 R/M Replacement-Range Hood	0	8	8	100	0	42	42	100	100
7580-00 R/M Replacement-Water Heater	0	0	0	N/A	1,678	0	-1,678	N/A	0
7599-97 TOTAL TURNOVER REPLACEMENT COSTS	12,649	3,768	-8,881	-236	72,531	18,842	-53,690	-285	45,220
7799-99 TOTAL REPLACEMENT COSTS - OPERATING	12,649	3,768	-8,881	-236	72,531	18,842	-53,690	-285	45,220
7800-00 OTHER NON-OPERATING COSTS									
7810-00 Managing General Partner Fees	1,086	1,106	20	2	5,428	5,528	100	2	13,266
7899-98 TOTAL OTHER NON-OPERATING COSTS	1,086	1,106	20	2	5,428	5,528	100	2	13,266
7899-99 TOTAL REPLACEMENT COSTS/OTHER	13,734	4,874	-8,861	-182	77,959	24,369	-53,590	-220	58,486
7999-99 NET INCOME (LOSS) BEFORE CAPEX	-8,910	9,515	-18,425	-194	-9,474	47,573	-57,047	-120	114,176
8000-00 CAPEX/REPLACEMENT RESERVE									
8100-00 Authorized Reserve-Other	0	15,550	15,550	100	0	77,750	77,750	100	186,600
8110-00 Authorized Reserve-Flooring	0	5,175	5,175	100	0	25,875	25,875	100	62,100
8130-00 Authorized Reserve-HVAC	0	800	800	100	0	4,000	4,000	100	9,600

Park Avenue (p0569)

Budget Comparison

Period = May 2026

Book = Accrual ; Tree = ysl_is

		PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
8140-00	Authorized Reserve-Water Heaters	0	333	333	100	0	1,667	1,667	100	4,000
8999-99	TOTAL CAPEX/REPLACEMENT RESERVE	0	21,858	21,858	100	0	109,292	109,292	100	262,300
9999-98	NET INCOME (LOSS)	-8,910	-12,344	3,434	28	-9,474	-61,718	52,245	85	-148,124

MEMO

Date: June 11, 2026

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 May 2026

Program Statistics for Period Ending	May 2026	May 2025
Number of participants as of last day of the month	51	26
Number of Orientation Briefings	1	5
Number of signed contracts	1	5
Number of Port-In's	0	0
Number of Port-Out's	0	0
Number of Graduates	1	1
Contract Expired	0	3
Number of Terminations	0	0
Number of Voluntary Exits	0	0
Number of Families on FSS Waiting List	0	4
Number of participants with annual income increases (YTD)	4	5
Number of participants with new employment (YTD)	9	2
Number of participants with escrow accounts	23	11
Number of participants currently escrowing	19	9
Amount disbursed from escrow account	\$3,876.03	\$5,877.09
Balance of Forfeiture account	\$89,085.93	\$23,616.14
Balance of Escrow Account	\$111,169.84	\$98,614.81

FSS FY 2025 HUD Grant Program Tracking Data

Program Management Questions:	2026 Calendar Year
PHA mandatory program size (Initial 50)	N/A
PHA voluntary program size (50)	51
Number of FSS participants identified as a person with disabilities	16
Number of FSS participants employed	32
Number of FSS participants in training programs	1
Number of FSS participants enrolled in higher/adult education	13
Number of FSS participants enrolled in school and employed	9
Number of FSS families receiving cash assistance	15
Number of FSS families experiencing a reduction in cash assistance	5
Number of FSS families who have ceased receiving cash assistance	1
How many new FSS escrow accounts were established	5
Number of FSS families moved to non-subsidized housing	2
Number of FSS families moved to home-ownership ⁶⁸	0

HACB CoC Programs: A Report to the Board of Commissioners for the Month of May 2026

Grant	Funding Period	Amount Funded	Grantee	Sponsor	Units	Eligibility Criteria	Service Area	05/2026 Enrollment	05/2026 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	1	\$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	13	\$12,600.00	\$15,610.00
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	1	\$0.00	\$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	1	\$269.00	\$3,016.65
Totals		\$172,610.00			35			16	\$12,869.00	\$27,626.65

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:06/08/2026

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

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

Town to offer a preview of a plan to force noncitizens from public housing



A pile of furniture is piled in a public housing subdivision in Port Isabel, Texas, on April 13. Valerie Gonzalez — The Associated Press

BY VALERIE GONZALEZ

THE ASSOCIATED PRESS

PORT ISABEL, Texas — Until recently, young children ran in and out of their public housing homes in this Gulf Coast town, playing on sun-dappled lawns as mothers looked over their shoulders for the school bus to drop off their older kids. Suddenly, couches, dressers and refrigerators started appearing curbside for movers or garbage collectors.

Within weeks, the neighborhood was a ghost town and the playground was empty.

What prompted the mass exodus was a bungled message from the housing authority in Port Isabel, a South Texas community of 5,000 people, many of whom are immigrants working at hotels and restaurants on the beaches of nearby South Padre Island. The Port Isabel Housing Authority indicated a Trump administration proposal was about to take effect that would end housing assistance to families with at least one member in the country illegally. The events that followed provided a glimpse of what could happen in communities across the U.S. if the proposed rule is actually finalized.

“The impact was not limited to undocumented immigrants, but really to immigrants who are here legally as well as people within their families who are citizens,” Marie Claire Tran-Leung, senior staff attorney at National Housing Law Project, said.

For decades, families with at least one legal or eligible resident have been allowed to live in public housing provided those who are here illegally or are otherwise ineligible due to their immigration status pay a full, unsubsidized share of rent. The U.S. Department of Housing and Urban Development wants to reverse that.

Advocates estimate up to 80,000 people would be kicked out of their homes nationwide under the measure that is part of President Donald Trump’s immigration crackdown. They include U.S. citizens, many of them children born in this country but whose parents were not.

A message from the Port Isabel Housing Authority

On Feb. 3, the Port Isabel Housing Authority sent residents a letter saying that the Trump administration wanted every household member to prove legal status within 30 days or face eviction. Three weeks later, the agency sent a note of “clarification” that no such proof was required.

It was already too late.

Half of residents living in Port Isabel public housing left within a month of receiving the first letter. The occupancy rate plunged from 91% in January to 43% in May, far below the national average of 94%.

The proposed rule from HUD still has not taken effect.

The housing authority gave no explanation for the initial misunderstanding and officials did not respond to repeated requests for comment from The Associated Press.

Rumors and panic

Fears about eviction and rumors that U.S. Immigration and Customs Enforcement might get involved prompted panic among some residents.

“My kids and I spoke and wondered what we were going to do, but then we said it’s better to leave and avoid any retaliation,” a single mother from Mexico raising two teenagers who are U.S. citizens told The Associated Press. She, like other former residents, spoke on condition of anonymity due to fears of being deported.

She turned to legal service organizations that told her and others they could stay in public housing. But she and her children decided it was too risky and left their home of nearly a decade, finding an apartment within the same school district that costs about \$500 more per month.

The move also added about 10 minutes to the commute to the island, where both the mother and her daughter work. The 18-year-old gets home from school at 4:30 p.m. and grabs a quick dinner before her mom drives her to a job that starts at 5 p.m. The daughter is a top student in her senior class and plans to go to college in the fall with help from scholarship offers, but she worries how her family will make ends meet. Her brother was laid off, and their mom underwent cancer treatment last year, depleting her energy and straining their finances.

Other families face even greater challenges.

A mother of three said she moved her family into a one-bedroom trailer home illegally parked between two other trailer homes. Her oldest son sleeps in the living room.

Another family of three sold beds and other furniture so they could squeeze into a small trailer home, only to find out the landlord wouldn’t let them use the mailing address, affecting her children’s school and health insurance.

“Since we got the letter, everything changed from one day to the next. It wasn’t the same anymore. Before the letter, the kids were happy, playing outside,” the mother of two said.

A preview of a Trump administration proposal

The Trump administration proposed in February that any household with one ineligible resident would disqualify an entire family, estimating that 24,000 recipients were ineligible in 20,000 households.

“We have zero tolerance for pushing aside hardworking U.S. citizens while enabling others to exploit decades-old loopholes,” HUD Secretary Scott Turner said at the time.

The Center on Budget and Policy Priorities, which advocates for low-income families, estimates that 79,600 people could be forced to leave their homes, with a disproportionate impact on children and Latinos.

The rule drew more than 16,000 public comments, many of them critical, including from city leaders across the U.S.

For example, the New York City Council told HUD that an estimated 12% of city of households have at least one member who lacks legal status. Some 240,000 children are in those homes.

“This proposed rule will unequivocally lead to increased displacement, homelessness, poverty, and decreased educational and health outcomes,” the council wrote.

HUD is expected to publish a final version of the rule after considering public comments.

It is almost certain to face legal challenges.



U.S. Department of Housing and Urban Development
San Francisco Regional Office - Region IX
One Sansome Street, Suite 1200
San Francisco, California 94104-4430
www.hud.gov
espanol.hud.gov

May 6, 2026

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

Dear Mr. Guanzon:

The San Francisco Field Office (FO) will be conducting an on-site Assessment Review at the Housing Authority of the County of Butte (HACB) during **June 15th to June 18th, 2026**. An entrance meeting will be conducted at **3 p.m. on June 15th, 2026**. The FO has tentatively scheduled the exit meeting for **4 p.m. on June 17th, 2026**. The HUD review team will consist of **Chad Trepinski** and **Allyson Weiyong Tang**. We ask that key staff members responsible for finance, budgeting, as well as the Housing Choice Voucher program be available to coordinate with the review team and participate in the entrance and exit meeting. The following Indicators will be covered in this review:

- # 1 – Selection from the Waiting List
- # 2 – Rent Reasonableness
- # 3 – Determination of Adjusted Income
- # 4 – Utility Allowance Schedule
- # 5 – Housing Quality Standards (HQS) Quality Control Inspections
- # 6 – HQS Enforcement
- # 7 – Expanding Housing Opportunities (if applicable)
- # 8 – FMR Limits and Payment Standards

For those self-certified Indicators above that are determined through a PHA QC sample, this review will determine if the:

- SEMAP QC samples were taken in an unbiased manner in a size meeting the minimum level required;
- methodology of the QC testing reflected the SEMAP Indicator criteria being tested; and
- HA's certification is consistent with the QC sample results.

As noted in Section 985.3,

“the method for selecting the PHA's quality control sample under paragraphs, (a), (b), (c), (e), and (f), of Section 985.3 must leave a clear audit trail that can be used to verify that the PHA's quality control sample was drawn in an unbiased manner.”

A questionnaire, along with a brief set of instructions, will be emailed to you. This spreadsheet questionnaire also allows the HA to attach other documents that are identified as required in the questions listed. Ensure that any lists sent do not include social security numbers. Please answer the questions and return the completed spreadsheet along with attachments by **May 20, 2026**. If you have questions, please contact Allyson Weiyong Tang at (415) 489-6428 or via email at Weiyong.tang@hud.gov.

Sincerely,

A handwritten signature in black ink that reads "Rudy Rodriguez". The signature is written in a cursive style with a large, prominent "R" and "z".

Rudy Rodriguez, Acting Director
Office of Public Housing



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

1003 Bishop Street, Suite 2100
Honolulu, HI 96813

OFFICE OF PUBLIC HOUSING

May 15, 2026

Larry Guanzon, Executive Director
County of Butte Housing Authority
2039 Forest Ave, Suite #10
Chico, CA 95928

RE: Notification of PHARS On-Site Independent Assessment

Dear Mr. Guanzon:

As referenced in our May 29, 2025 correspondence, the U.S. Department of Housing and Urban Development (HUD) designated the County of Butte Housing Authority (HACB) as "Troubled" based on its fiscal year (FY) 2023 Public Housing Assessment System (PHAS) score. To support the development of a binding Recovery Agreement, a PHARS assessment team from the Office of Public Housing (PIH) will conduct an on-site review of HACB's financial, physical, management, and governance operations.

Purpose of the Assessment

The primary purpose of this assessment is to identify and document the underlying causes of HACB's substandard performance and provide information for the development of a formal Recovery Agreement and Action Plan designed to return the agency to standard performance.

Assessment Schedule

The on-site assessment is scheduled for **June 16-17, 2026**. The team will conduct an entrance conference at 9:00 a.m. on the first day and conclude with an exit conference at 2:30 p.m. on the final day. We respectfully request a dedicated workspace with appropriate access for up to four team members for the duration of the visit.

Scope and Preparation

The assessment will cover HACB's operations from FY2023 to the present and include interviews with agency management, Board members, and residents. As part of the assessment, the HUD Team, consisting of HUD PIH staff, will conduct interviews with key stakeholders, such as management staff, the Board Chairman and residents.

To facilitate our review prior to arrival, **please submit the listed documentation by June 5, 2026.** Please notify us of your preferred secure transmission method for these materials.

- 1 Copy of the most recent Organizational Chart with job titles, roles and responsibilities
- 1 Copy of current HUD grants and regulatory agreements
- 1 List of program for which HUD funds are received, (e.g. Operating Fund, Capital Fund, Recovery Act Capital Fund (ARRA), HCV, ROSS Grants)
- 1 List of developments owned (in whole or in part) and /or management by the agency, including but not limited to Public Housing, Project Based Voucher, Moderate Rehabilitation, Low Income Tax Credits, Farm Labor Housing, Migrant Housing, market rate housing etc.
- 1 List of agency Affiliates and Instrumentalities
- 1 Copy of Board minutes for the past 12 months
- 1 Copy of HACB policies and procedures, including:
 - u General accounting policies
 - u Internal control policies
 - u Indirect costs and cost allocation policies/plan
 - u Fraud recovery policies and procedures
 - u Maintenance and Work Order policies and procedures
 - u Vacant unit turnaround procedures
 - u PHA Procurement policy
- 1 Corrective Action plan and current status on progress made toward resolving audit FY2023 findings
- 1 FY2021, FY2022, and FY2023 Audit Contracts
- 1 FY2021, FY2022, and FY2023 Board approved budgets (Public Housing and COCC
- 1 FYE 09/30/21, FYE 09/30/22, and FYE 09/30/23 Board package that includes financial information
- 1 FYE 09/30/21, FYE 09/30/22, and FYE 09/30/23 financial statements that include balance sheet and income statements (with actual vs budgeted data) (Public Housing and COCC
- 1 All Board approved financial policies and procedures (e.g. Tenant write-offs, accounts payable and receivable , petty cash, internal controls, financial management, depreciation, check writing, capitalization, disposition, bank reconciliation, etc.)

In addition, we will contact you for your assistance in pre-arranging interviews with the following stakeholders to be held in person during our visit:

- 1 Board Chair, David Pittman
- 1 Tenant Commissioner, Paula "Jean" Snow
- 1 Executive Director, Larry Guanzon
- 1 Deputy Executive Director, Tamra Young
- 1 Chief Financial Officer, Hope Stone
- 1 Public Housing Manager, Juan Meza

1 Maintenance Manager, Scott M. 3.

If you have questions, please feel free to contact the Acting Director, Rudy Rodriguez, San Francisco Office of Public Housing at Rudy.Rodriguez@hud.gov or (213) 534-2581.

Sincerely,

A handwritten signature in black ink that reads "Rudy Rodriguez". The signature is written in a cursive style with a large, looping "R" and "z".

Rudy Rodriguez
Acting Director Office of Public Housing

cc: David Pittman, pittmandw5@comcast.net

June 11, 2026

MEMO

To: HACB Board of Commissioners

From: Tamra C. Young, Deputy Executive Director
Angie Little, Rental Assistance Programs Manager
Marysol Perez, Executive Assistant

Subject: Board Adoption:

- 2026-27 One-Year Agency Plan
- Annual and Five-Year (rolling) Capital Fund Plans
- Public Housing Admissions and Continued Occupancy Policy (ACOP)
- Section 8 Administrative Plan (Admin Plan)
- FSS Action Plan

As a public agency administering the HUD Public Housing and Section 8 Housing Choice Voucher programs, HACB is required to submit to HUD applicable agency and administrative plan documents seventy-five (75) days prior to the end of the HACB's fiscal year (submission due July 18th). HACB has already taken the following steps:

- April 8th – HACB conducted a Resident Advisory Board/Capital Fund Public Hearing, inviting sixty (60) Public Housing and Section 8 participants. Only one (1) S8 participants attended.
- April 16th – HACB Board of Commissions adopted draft documents, and the required 45-day review Public Comment period was opened.

HACB Draft Agency Documents

There were no comments received for any of the proposed documents, as identified above, during the 45-day review period.

Section 8 Admin Plan

HACB did however make an edit to the Section 8 Admin Plan. The PBV wait list preferences by development which used to be in Exhibit 17-1 (deleted in the April 2026 draft) have been moved to pages 17-48 and 17-49, under PBV wait list management.

Therefore, subject to public comment at the Board meeting, if any, we are recommending adoption of these documents, with the above recommended changes incorporated.

Recommendation: Hold Public Hearing, opening and closing meeting for public comment on the documents being considered. Receive and file final documents (Annual Agency Plan, Capital Fund Plan, Public Housing ACOP, Section 8 Admin Plan and FSS Action Plan) in accordance with the recommendations above, and response to comment received, by means of adoption of Resolutions No. 4994, 4995 and 4996.

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

RESOLUTION NO. 4994

ADOPTION OF
PUBLIC HOUSING ADMISSIONS AND CONTINUED OCCUPANCY PLAN (ACOP)
AND
SECTION 8 HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN (AP)

WHEREAS, the Housing Authority of the County of Butte (HACB) is required to implement the Agency Plan requirements of the Quality Housing and Work Responsibility Act of 1998; and

WHEREAS, the Authority must annually consider and implement changes to its Public Housing program's Admissions and Continued Occupancy Plan (ACOP) and Section 8 Housing Choice Voucher program's Administrative Plan (AP) to ensure their compliance with current law and regulation and to consider the concerns of program participants; and

WHEREAS, the HACB has reviewed these administrative documents and determined them to be in compliance with the Quality Housing and Work Responsibility Act of 1998; and

WHEREAS, the participants of both the Public Housing and Section 8 Housing Choice Voucher programs have been notified and given an opportunity to comment on the subject Plans; and

WHEREAS, on April 16, 2026 the Board of Commissioners duly authorized draft versions of the ACOP and AP to be presented to the public and program participants for comment, such draft documents incorporating recommended changes to the ACOP and AP; and

WHEREAS, comment has been reviewed and considered by the HACB Board of Commissioners;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the County of Butte that its Public Housing program Admissions and Continued Occupancy Plan (ACOP) and its Section 8 Housing Choice Voucher Program Administrative Plan (AP) be adopted and made effective October 1, 2026, such adoption addressing comment received and implementing recommended changes to the draft plans through the date of this resolution.

Dated: June 18, 2026.

David W. Pittman, Board Chair

ATTEST:

Lawrence C. Guanzon, Secretary

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

RESOLUTION NO. 4995

ADOPTION OF ACTION PLAN FOR SECTION 8 HOUSING CHOICE VOUCHER
FAMILY SELF-SUFFICIENCY PROGRAM

WHEREAS, the Housing Authority of the County of Butte (HACB) administers under contract the U.S. Department of Housing and Urban Development Section 8 Housing Choice Voucher (HCV) Family Self Sufficiency (FSS) program; and

WHEREAS, administration of the FSS program requires establishment and maintenance of an FSS Action Plan, detailing policies and procedures for program administration; and

WHEREAS, the HACB received HUD approval of its initial FSS Action Plan on July 5, 1995; and

WHEREAS, the HACB updated its FSS Action Plan on December 15, 2008, June 16, 2011, November 19, 2020, September 15, 2022, June 15, 2023, June 18, 2024 and July 17, 2025 and received HUD approval of such updates; and

WHEREAS, the revised FSS Action Plan is due to be submitted to the HUD no later than July 18, 2026; and

WHEREAS, the HACB has reviewed the proposed FSS Action Plan revisions and determined them to be in the best interest of the HACB, its Section 8 HCV and FSS programs, and the clients served;

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the County of Butte to revise the Section 8 Family Self Sufficiency Action Plan supporting its U.S. Department of Housing and Urban Development Section 8 Housing Choice Voucher Family Self-Sufficiency program, such revision made a part of and attached to this resolution, and to further authorize submission of the revision to HUD for approval.

Dated: June 16, 2026.

David W. Pittman, Board Chair

ATTEST:

Lawrence C. Guanzon, Secretary

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

RESOLUTION NO. 4996

ADOPTION OF THE ONE-YEAR AGENCY PLAN
OF THE HOUSING AUTHORITY OF THE COUNTY OF BUTTE

BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the County of Butte (Housing Authority) to adopt the agency's One-Year Agency Plan (Plan) in accordance with the following recitals and certifications, and to authorize the Chair of the Board of Commissioners to submit such Plan to the U.S. Department of Housing and Urban Development (HUD).

Acting on behalf of the Board of Commissioners of the Housing Authority of the County of Butte, its Chair shall be authorized to submit the One-Year Agency Plan for the Housing Authority's fiscal year beginning October 1, 2026, hereinafter referred to as the Plan, of which this document is a part, and make the following certifications and agreements with the Department of Housing Development (HUD) in connection with the submission of the Plan and implementation thereof.

1. The Plan is consistent with the applicable comprehensive housing affordable strategies (or any plan incorporating such strategies) for the jurisdictions in which the Housing Authority is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the Housing Authority's jurisdiction and a description of the manner in which the Housing Authority Plan is consistent with the applicable Consolidated Plan.
3. The Housing Authority has established a Resident Advisory Board, the members of which represents the residents assisted by the Housing Authority, consulted with this Board in developing the Plan, and considered the recommendations of the Board (24 CFR 903.13). The Housing Authority has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board and a description of the manner in which the Plan address these recommendations.
4. The Housing Authority made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
5. The Housing Authority will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act of 1990.
6. The Housing Authority will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available, and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing

that require the Housing Authority's involvement, and maintain records reflecting these analyses and actions.

7. The Housing Authority will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.

8. The Housing Authority will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.

9. The Housing Authority will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low or Very Low Income Persons, and with its implementing regulation at 24 CFR Part 135.

10. The Housing Authority has submitted with the Plan a certification with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.

11. The Housing Authority has submitted with the Plan a certification with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms, if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

12. The Housing Authority will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

13. The Housing Authority will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).

14. The Housing Authority will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.

15. With respect to public housing, the Housing Authority will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.

16. The Housing Authority will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.

17. The Housing Authority will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.

18. The Housing Authority will comply with the policies, guidelines, and requirements of OMB Circular No. A0-87 (cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).

19. The Housing Authority will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.

20. The Plan includes a statement of capital improvements needed.

21. The Housing Authority includes as an attachment to the Plan the most recent HUD- approved Capital Fund Five-Year Action Plan (HUD Form 50075.2).

22. All attachments to the Plan have been and will continue to be available at all times and all locations that the Housing Authority Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and attachments at the primary business office of the Housing Authority and at all other times and locations identified by the Housing Authority in its Housing Authority Plan and will continue to be made available at least at the primary business office of the Housing Authority.

Dated: June 18, 2026.

David W. Pittman, Board Chair

ATTEST:

Lawrence C. Guanzon, Secretary

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

RESOLUTION NO. 4997

ACCEPTANCE OF U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
(HUD) 2026 PUBLIC HOUSING CAPITAL FUND PROGRAM FUNDS

WHEREAS, the Housing Authority of the County of Butte (HACB) owns and operates Public Housing under Annual Contributions Contract with the United States Department of Housing and Urban Development (HUD); and

WHEREAS, HUD has awarded HACB 2026 Public Housing Capital Fund Program funds in the amount of One Million, One Hundred Thirty-Seven Thousand, Five Hundred Thirteen Dollars and No Cents (\$1,137,513.00), under Capital Fund Program Grant No. CA01P04350126; and

WHEREAS, HACB has identified capital needs for its HUD Public Housing properties in its Annual Plan and Five-Year Plan; and

WHEREAS, HACB has established as part of the above referenced Annual Plan and Five-Year Plans, a Capital Fund Five-Year Action Plan, 2026-2030, HUD Form 50075.2 for use and expenditure of the 2026 Public Housing Capital Fund Program monies in accordance with such Plans;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the County of Butte to accept One Million, One Hundred Thirty-Seven Thousand, Five Hundred Thirteen Dollars (\$1,137,513.00), of U.S. Department of Housing and Urban Development (HUD) 2026 Public Housing Capital Fund monies, Capital Fund Program Grant No. CA01P04350126, for purposes of capital investment in its HUD Public Housing properties, such acceptance to include compliance with all terms and conditions set forth by HUD for acceptance and use of such funds, such funds to be expended in accordance with the Capital Fund Five-Year Action Plan, 2026-2030, HUD Form 50075.2.

Dated: June 16, 2026

David W. Pittman, Board Chair

ATTEST:

Lawrence C. Guanzon, Secretary

June 18, 2026

MEMO

To: Board of Commissioners

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

Subject: 5.5 Approval of Fiscal Year 2026 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, 2025. This report includes the HACB's component units, Butte County Affordable Housing Development Corporation (BCAHDC), Banyard Management, Inc, Walker Common, L.P., Chico Commons, L.P., 1200 Park Avenue, LLC, and 1200 Park Avenue, L.P. The scope of the Audit covers the accuracy of the financial statements; compliance with funding agency rules and regulations; and compliance with HACB's internal policies and procedures.

We are 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 \$37.4 million, an increase of \$2.4 million over prior year. While operational cash flow was positive by \$0.4 million, overall cash and cash equivalents decreased by \$5.3 million due to capital asset purchases and payments on financial agreements.

We're also happy to report that prior FYE 2024 finding for misstated account balances has been downgraded and the finding for timely submissions has been eliminated. These were multiyear findings from FYE 2021-2024. There are two findings for FYE 2025; 2025-001 for significant differences between the unaudited and audited Financial Data Schedule and 2025-002, SEMAP not submitted. These findings are expected to clear on the FYE 2026 audit.

Recommendation: Motion to accept the FYE 2025 Audit Report as presented.

- t: (615) 309-8959
- f: (909) 825-9900
- 4068 rural plains circle #180
- franklin, tn 37064



Auditors' Communication with Those Charged with Governance

The Governing Body of
Housing Authority of the County of Butte

We have audited the financial statements of the Housing Authority of the County of Butte (the Authority) as of and for the year ended September 30, 2025, and have issued our report thereon dated June 9, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.



Significant Risks Identified

In planning and performing the audit we obtained an understanding of the Authority and its environment for the purpose of identifying and assessing the risks of material misstatement as a basis for designing and performing further audit procedures. Certain risks are considered inherent and significant to performing the audit. Those risks and a description of the risk are as follows:

- The risk that management will override internal controls.
Because management is primarily responsible for the design, implementation, and maintenance of internal control, the Authority is always exposed to the danger of management override of controls, whether the Authority is publicly held, private, not-for-profit, or governmental. When the opportunity to override internal control is combined with powerful incentives to meet accounting objectives, senior management may engage in fraudulent financial reporting. Thus, otherwise effective internal control cannot be relied upon to prevent, detect, or deter fraudulent financial reporting perpetrated by senior management.
- The risk that management will recognize revenue that has not been earned in accordance with GAAP.
Because management is responsible for meeting financial goals and the consequences to management for failing to meet financial goals can be significant, incentives or pressure to commit fraudulent financial reporting may exist when management is under pressure, from sources outside or inside the Authority.

Qualitative Aspects of the Authority's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in the notes to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.



Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are described below:

Management's estimate of the net pension liability and the related deferred inflow of resources and deferred outflow of resources is based on an actuarial study and report. We evaluated the key factors and assumptions used to develop the net pension liability and the related deferred inflow of resources and deferred outflow of resources and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority's financial statements relate to:

Net Pension Liability.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. The following significant unusual transactions identified as a result of our audit procedures were brought to the attention of management:

We noted no transactions involving complex accounting treatments and regulations, unusually large discounts or returns, circular arrangements, that occurred under contracts whose terms changed before expiration or involved a purpose outside the normal course of business.

Identified or Suspected Fraud

We have identified or have obtained information that indicates that the following fraud may have occurred:

No events or conditions were identified or communicated to us that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.



Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

See Adjusting Journal Entry Report.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report.

None

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated June 9, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.



Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the Authority, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the individuals charged with governance, and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

June 9, 2026



HOUSING AUTHORITY of the County of Butte

(530) 895-4474
FAX (530) 895-4469
TDD/TTY (800) 735-2929
(800) 564-2999 Butte County Only
WEBSITE: www.butte-housing.com
2039 Forest Avenue • Chico, CA 95928

MANAGEMENT REPRESENTATION LETTER

Smith Marion & Co.

4068 Rural Plains Circle, Suite 180
Franklin, TN 37064

Ladies and Gentlemen,

This representation letter is provided in connection with your audit of the financial statements of the Housing Authority of the County of Butte, which comprise the statement of financial position as of September 30, 2025, and the related statements of operations and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements of the various opinion units are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement FYE 2025, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. With regard to nonaudit services performed by you, we acknowledge and our responsibility to:
 - a. Assume all management responsibilities;
 - b. Oversee the services by designating an individual who possesses suitable skill, knowledge, or experience;
 - c. Evaluate the adequacy and results of the services performed; and
 - d. Accept responsibility for the results of the services.
6. Significant assumptions used by us in making accounting estimates are reasonable.
7. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
8. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.



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

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9. The effects of uncorrected misstatements aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
 10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
 11. With regard to items reported at fair value:
 - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
 12. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
 13. All funds and activities are properly classified.
 14. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
 15. All net position components and fund balance classifications have been properly reported.
 16. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
 17. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
 18. All interfund and intra-entity transactions and balances have been properly classified and reported.
 19. Special items and extraordinary items have been properly classified and reported.
 20. Deposit and investment risks have been properly and fully disclosed.
 21. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
 22. All required supplementary information is measured and presented within the prescribed guidelines.
 23. Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed.
 24. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* which codifies FASB Accounting Standards Codification™ (ASC) 450, *Contingencies*, and we have not consulted a lawyer concerning litigation, claims, or assessments.
 25. With regard to pensions and OPEB, if any:
 - a. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - b. We are unable to determine the possibility of a withdrawal liability from the Pension Plan of which we are a sponsor and are not currently contemplating withdrawing from the Pension Plan
 - c. Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation or disclosed as a subsequent event.

Information Provided

26. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
27. All transactions have been recorded in the accounting records and are reflected in the financial statements.
28. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
29. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
30. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
31. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
32. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
33. We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.
34. We have a process to track the status of audit findings and recommendations.
35. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
36. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
37. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial.
38. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
39. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
40. The Housing Authority of the County of Butte has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
41. We have disclosed to you all guarantees, whether written or oral, under which the Housing Authority of the County of Butte is contingently liable.
42. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

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43. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
 44. The Housing Authority of the County of Butte has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
 45. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
 46. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Single Audit

47. With respect to federal awards, we represent the following to you:
 - a. We are responsible for understanding and complying with and have complied with the requirements of the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as applicable.
 - b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
 - c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
 - d. The methods of measurement or presentation have not changed from those used in the prior period.
 - e. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
 - f. We have notified you of federal awards and funding increments that were received before December 26, 2014, and differentiated those awards from awards and funding increments received on or after December 26, 2014, and subject to the audit requirements of the Uniform Guidance.
 - g. When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
 - h. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.

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- i. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.
 - j. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
 - k. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.
 - l. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.
 - m. We have received no requests from a federal agency to audit one or more specific programs as a major program.
 - n. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
 - o. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the Uniform Guidance (for grant awards and funding increments received before December 26, 2014).
 - p. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
 - q. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
 - r. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - s. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance (for grant awards and funding increments received before December 26, 2014).
 - t. We have charged costs to federal awards in accordance with the provisions of the Uniform Guidance (for grant awards and funding increments received before December 26, 2014), as applicable.
 - u. We are responsible for and have accurately prepared the summary schedule of prior audit findings, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
 - v. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
 - w. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by the Uniform Guidance, and we are responsible for preparing and implementing a correction action plan for each audit finding.
 - x. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.

- y. We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information. (This representation is required by footnote 28 to paragraph 3.18 of *Government Auditing Standards* when the auditor has a role in preparing the trial balance and draft financial statements and related notes.)
- z. We have reviewed, approved, and taken responsibility for accrual adjustments and an acknowledgment of the auditor's role in the preparation of the adjustments. (This representation is required by footnote 28 to paragraph 3.18 of *Government Auditing Standards* when the auditor has a role in converting cash-basis financial statements to accrual-based financial statements.)
- aa. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to the supplementary information accompanying the financial statements (as listed in the table of contents):

- a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America, U.S. GASB, and other Federal and State regulatory standards.
- b. We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America, U.S. GASB, and other Federal and State regulatory standards.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements (as listed in the table of contents):

- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP, U.S. GASB, and other Federal and State regulatory standards.
- b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP, U.S. GASB, and other Federal and State regulatory standards.



Signature and Title

6-9-26

Date



Financial Statements & Independent Auditors' Report

For the Year Ended September 30, 2025



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• t: (615) 309-8959
• f: (909) 825-9900
• 4068 rural plains circle #180
• franklin, tn 37064



Board of Commissioners
Housing Authority of the County of Butte
Chico, CA

Independent Auditors' Report

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the Housing Authority of the County of Butte, as of and for the year ended September 30, 2025, and the related notes to financial statements, which collectively comprise the Housing Authority of the County of Butte's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the Housing Authority of the County of Butte, as of September 30, 2025, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of 1200 Park Avenue, LP, Walker Commons, LP, or Chico Commons, LP which represent 79 percent of the assets, 74 percent of the net position and 67 percent of the revenues of the blended component unit as of December 31, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the entity, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditor's 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.

Responsibilities of Management for the Financial Statements

The Housing Authority of the County of Butte's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS 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 Housing Authority of the County of Butte'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 Housing Authority of the County of Butte'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, Pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the County of Butte's basic financial statements. The Schedule of Expenditures of Federal Awards (the Schedule), as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and statement and certification of actual cost, are presented for purposes 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, that information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2026, on our consideration of the Housing Authority of the County of Butte's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the County of Butte's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the County of Butte's internal control over financial reporting and compliance.

June 9, 2026

Housing Authority of the County of Butte's (the Authority) Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, and (d) identify individual program issues or concerns. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

Net Position has increased by \$2,428,865 during 2025. Assets had an increase of 4.9%, liabilities had a decrease of 1.0%, resulting in the overall 7.0% increase in net position. Revenues experienced a 14.9% increase with expenses showing a 17.0% increase in 2025.

USING THIS ANNUAL REPORT

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements (Authority-wide)
- Other Supplementary Information

The primary focus of the Authority's financial statements is on both the Authority as a whole (Authority-wide) and the major individual programs. Both perspectives (Authority-wide and major program) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

Authority-Wide Financial Statements

The Authority-wide financial statements are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

These statements include a Statement of Net Position, which is similar to a balance sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets plus deferred outflows of resources equals liabilities plus deferred inflows of resources and "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year), and "Non-current".

Section Intentionally Left Blank

The focus of the Statement of Net Position is designed to represent the net available liquid (noncapital) assets, net of liabilities, for the entire Authority. Net position (formerly equity) is reported in three broad categories:

1. *Net Investment in Capital Assets:* This component of net position consists of all capital assets, 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.
2. *Restricted Net Position:* This component of net position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.
3. *Unrestricted Net Position:* This component of net position consists of assets that do not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position".

The Authority-wide financial statements also include a Statement of Revenues, Expenses, and Changes in Net Position (similar to an income statement). This statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, maintenance and depreciation, and non-operating revenue and expenses, such as capital grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses, and Changes in Net Position is the "Change in Net Position", which is similar to net income or loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing and investing activities.

FINANCIAL STATEMENTS

All of the Authority's programs utilize the enterprise fund method of accounting. Enterprise funds use the full accrual basis of accounting. The enterprise method of accounting is similar to accounting utilized by the private sector. Many of the programs maintained by the Authority are required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

THE AUTHORITY'S PROGRAMS

Business-Type Programs

The Authority is engaged in several different business type activities. Following is a description of those activities.

1. **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.
2. **HUD Section 8 Housing Choice Voucher Program (HCV):** The Authority operates the Section 8 HCV program under an annual contributions contract with HUD, administering two thousand two hundred and eighty-four (2,284) vouchers, as of September 30, 2025. 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

Housing Authority of the County of Butte

Management's Discussion and Analysis
For the Year Ended September 30, 2025

two hundred fourteen (214) homeless veterans. Supportive services are provided by the local office of the US Department of Veterans Affairs.

3. **HUD Emergency Housing Vouchers (EHV):** The Authority was awarded one hundred sixteen (116) EHV on July 1, 2021 from HUD. This was a COVID pandemic related funding for individuals and families that were either homeless, at risk of homelessness, or victims of violence. Congressional funding was expected to last until 2030 but the last of the available funding was awarded in 2026. HACB expects to transition participants from the EHV program to HCV.
4. **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 grows over the life of their participation of the program. The Authority maintains a voluntary program of up to fifty (50) participating S8 HCV households.
5. **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.
6. **Business Activities:** Under the Business Activities unrestricted 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.
7. **Component Units:** The Authority's financial statements include six affiliated Component Unit entities. Butte County Affordable Housing Development Corporation (BCAHDC), and Banyard Management. Both are 501(c)(3) nonprofit entities formed to participate in various LIHTC projects as the managing general partner. There are also three Limited Partnerships and one Limited Liability Company that are owners of three former Low Income Housing Tax Credit properties. These instrumentalities are further discussed in the Notes and in the Supplementary Information to the Audit Report.

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Housing Authority of the County of Butte

Management's Discussion and Analysis
For the Year Ended September 30, 2025

STATEMENT OF NET POSITION

The following table reflects the condensed Statement of Net Position compared to prior year. The Authority is engaged only in business-type activities.

	2025	2024	Change	
			Dollar	Percentage
ASSETS				
Current assets	\$19,927,473	\$8,858,685	\$11,068,788	124.9%
Capital & non-current assets	\$44,795,136	\$52,865,219	(\$8,070,083)	-15.3%
Total Assets	\$64,722,609	\$61,723,904	\$2,998,705	4.9%
DEFERRED OUTFLOWS OF RESOURCES	\$1,631,215	\$2,045,818	(\$414,603)	-20.3%
LIABILITIES				
Current liabilities	\$2,749,420	\$2,518,669	\$230,751	9.2%
Non-current liabilities	\$25,789,554	\$25,724,623	\$64,931	0.3%
Total liabilities	\$28,538,974	\$28,243,292	\$295,682	1.0%
DEFERRED INFLOWS OF RESOURCES	\$443,358	\$583,803	(\$140,445)	-24.1%
NET POSITION				
Investment in capital assets	\$22,508,928	\$20,881,011	\$1,627,917	7.8%
Restricted net position	\$5,937,057	\$8,041,651	(\$2,104,594)	-26.2%
Unrestricted net position	\$8,925,507	\$6,019,965	\$2,905,542	48.3%
Total net position	\$37,371,492	\$34,942,627	\$2,428,865	7.0%

Major Factors Affecting the Statement of Net Position

In FYE 2025, the Authority spearheaded a review of its financials, resulting in a large reclassification from Non-current to Current Assets. Overall assets increased by 4.86% due to positive cash flows from the Authority's operations. Current liabilities increased by 9.16% due to reclassification of Unearned Revenue from PG&E's Fire Victim Trust. Total net position increased by 6.95% due to Investment in capital assets and increases in the agencies Unrestricted net position

Housing Authority of the County of Butte

Management's Discussion and Analysis
For the Year Ended September 30, 2025

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in business-type activities.

	2025	2024	Change	
			Dollar	Percentage
Dwelling Rent	\$6,394,799	\$6,785,138	(\$390,339)	-5.8%
Government grants	\$32,444,834	\$29,139,369	\$3,305,465	11.3%
Other income	\$3,424,704	\$2,021,788	\$1,402,916	69.4%
Interest income	\$1,824,031	\$423,842	\$1,400,189	330.4%
TOTAL REVENUES	\$44,088,368	\$38,370,137	\$5,718,231	14.9%
Administration	\$8,654,619	\$5,495,468	\$3,159,151	57.5%
Tenant services	\$777,603	\$415,350	\$362,253	87.2%
Utilities	\$1,157,364	\$1,074,130	\$83,234	7.7%
Maintenance and operations	\$3,083,231	\$3,181,047	(\$97,816)	-3.1%
Protective services	\$132,590	\$95,053	\$37,537	39.5%
Insurance	\$843,541	\$889,531	(\$45,990)	-5.2%
Other expenses	\$756,118	\$715,993	\$40,125	5.6%
Housing Assistance Payments	\$24,456,602	\$22,397,828	\$2,058,774	9.2%
Depreciation	\$3,143,332	\$2,462,906	\$680,426	27.6%
Interest Expense	\$647,630	\$571,496	\$76,134	13.3%
TOTAL EXPENSES	\$43,652,630	\$37,298,802	\$6,353,828	17.0%
CHANGE IN NET POSITION	\$435,738	\$1,071,335	(\$635,597)	-59.3%
BEGINNING NET POSITION	\$34,942,627	\$32,555,003		
Prior Period Correction	(\$768,464)	\$1,316,289		
Change in entity	\$2,761,591	\$0		
ENDING NET POSITION	\$37,371,492	\$34,942,627		

Major Factors Affecting the Statement of Revenues, Expenses, & Changes in Net Position

In 2025 the Authority's revenues increased by 14.90% due to increase Housing Choice Voucher grant funding and substantial interest income from savings and bond investments. Various grants for the construction of Mayer Commons in Paradise increased Other Income over prior year.

Overall expenses increased by 17.03% in 2025. During the Authority's review of its financials, it found that many Administrative expenses had been misclassified in prior years. Administrative costs increased by 57.49% but more accurately reflect the Authority's operations. The other large increase was in Housing Assistance Payments, the natural result of a larger Housing Choice Voucher grant budget.

The Prior Period Corrections include the change in capitalization policy, increasing the capitalized asset minimum from \$5,000 to \$10,000. Smaller previously capitalized assets were removed, resulting in the correction. It also includes PG&E's Fire Victim Trust. The Trust was originally recognized as grant revenue but the majority should have been Unearned Revenues, a liability. The correction resulting in a prior period correction.

The overall Ending Net Position was \$37,371,492, a 7.03% increase over prior year.

Housing Authority of the County of Butte

Management's Discussion and Analysis
For the Year Ended September 30, 2025

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the Authority had \$43,790,767 invested in a variety of capital assets as reflected in the following schedule. The construction of Mayer Commons in Paradise, CA was the primary driver of this increase. This represents an increase of 4.55%.

			Change	
	2025	2024	Dollar	Percentage
Land	\$ 4,448,631	\$ 4,187,381	\$ 261,250	6.24%
Buildings and improvements	88,582,764	80,855,948	7,726,816	9.56%
Equipment	2,890,009	3,108,769	(218,760)	-7.04%
Construction in progress	4,852,400	8,737,107	(3,884,707)	-44.46%
	<u>100,773,804</u>	<u>96,889,205</u>	<u>3,884,599</u>	<u>4.01%</u>
Accumulated depreciation	<u>(56,983,037)</u>	<u>(55,003,710)</u>	<u>(1,979,327)</u>	<u>3.60%</u>
Net capital assets	<u>\$ 43,790,767</u>	<u>\$ 41,885,495</u>	<u>\$ 1,905,272</u>	<u>4.55%</u>

Debt, Leases Payable and SBITA

			Change	
	2025	2024	Dollar	Percentage
Financial agreements payable	\$ 21,281,839	\$ 21,744,001	\$ (462,162)	-2.13%
Total	<u>\$ 21,281,839</u>	<u>\$ 21,744,001</u>	<u>\$ (462,162)</u>	

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

While calendar year 2026 funding increases was largely positive for HUD HCV and LIPH, Congress has continually flagged that funding may be flat or negative in future years.

High rental increases in Butte County continue to impact the number of HCV vouchers provided to residents. This in turn impacts the administration fees the Authority earns.

Capital needs of the Authority's older projects continue to increase. Federal and tenant funding currently are sufficient but may fall behind in future years.

Both the federal HUD and USDA departments have seen significant staffing reductions, resulting in operational delays for the Authority.

Business Activities (unrestricted) projects continue to increase as a share of the Authority's operations.

POLICY CHANGES

To align with HUD policy changes, the Authority's Board of Commissioners has increased the capital asset minimum threshold from \$5,000 to \$10,000.

FINANCIAL CONTACT

The individual to be contacted regarding this report is Larry Guanzon, Executive Director of Butte County Housing Authority, at (530) 895-4474. Specific requests may be submitted to Larry Guanzon, Executive Director of Butte County Housing Authority at 2039 Forest Avenue, Chico CA, 95928.

Housing Authority of the County of Butte

Statement of Net Position

September 30, 2025

ASSETS

Current Assets

Cash and cash equivalents	
Unrestricted	\$ 5,720,220
Restricted	7,024,456
Subtotal	12,744,676
Investments	5,664,109
Accounts receivable, net	916,532
Prepaid expenses	458,596
Inventory	143,560
Total Current Assets	19,927,473

Non-Current Assets

Notes and leases receivable	783,405
OPEB asset	220,964
Capital assets not being depreciated	9,301,031
Capital assets, net	34,489,736
Total Non-Current Assets	44,795,136

TOTAL ASSETS **64,722,609**

DEFERRED OUTFLOWS OF RESOURCES **1,631,215**

LIABILITIES

Current Liabilities

Accounts payable	534,532
Accrued liabilities	230,363
Deposits held in trust	479,769
Compensated absences current	177,479
Unearned revenue	782,341
Other liabilities current	130,897
Financial agreements payable current	414,039
Total Current Liabilities	2,749,420

Non-Current Liabilities

Compensated absences	368,395
Net pension liability	4,553,359
Financial agreements payable	20,867,800
Total Non-Current Liabilities	25,789,554

TOTAL LIABILITIES **28,538,974**

DEFERRED INFLOWS OF RESOURCES **443,358**

NET POSITION

Net investment in capital assets	22,508,928
Restricted	5,937,057
Unrestricted	8,925,507
TOTAL NET POSITION	\$ 37,371,492

Housing Authority of the County of Butte
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended September 30, 2025

Operating Revenues	
Rental revenues, net	\$ 6,394,799
Government grants	30,630,133
Other income	3,424,704
Total Operating Revenues	<u>40,449,636</u>
Operating Expenses	
Administration	8,654,619
Tenant services	777,603
Utilities	1,157,364
Maintenance and operations	3,083,231
Protective services	132,590
Insurance expense	843,541
General expense	756,118
Housing Assistance Payments	24,456,602
Depreciation and amortization	3,143,332
Total Operating Expenses	<u>43,005,000</u>
NET OPERATING INCOME (LOSS)	<u>(2,555,364)</u>
Non-Operating Revenues (Expenses)	
Interest income	1,824,031
Interest expense	(647,630)
Total Non-Operating Revenues (Expenses)	<u>1,176,401</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(1,378,963)</u>
Capital Contributions and Transfers	
Capital contributions	1,814,701
Total Capital Contributions and Transfers	<u>1,814,701</u>
CHANGE IN NET POSITION	435,738
BEGINNING NET POSITION	34,942,627
Corrections of Errors	(768,464)
Changes in Entity	2,761,591
BEGINNING NET POSITION (RESTATED)	<u>36,935,754</u>
ENDING NET POSITION	<u>\$ 37,371,492</u>

Housing Authority of the County of Butte

Statement of Cash Flows

For the Year Ended September 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tenants and users	\$ 7,576,305
Receipts from operating grants	30,427,339
Receipts from other sources	2,577,400
Payments for goods and services	(10,462,833)
Payments for Housing Assistance Payments	(24,693,775)
Payments to employees for services	(5,022,101)

NET CASH FLOW PROVIDED (USED) BY 402,335

CASH FLOWS FROM CAPITAL AND RELATED

FINANCING ACTIVITIES

Capital asset purchases	(5,048,604)
Payments on financial agreements	(2,522,212)
Capital contributions and transfers	1,814,701

NET CASH FLOW PROVIDED (USED) BY CAPITAL (5,756,115)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from investment activities	1,382,857
Note receivable issued	(1,339,988)

NET CASH FLOW PROVIDED (USED) BY INVESTING 42,869

NET INCREASE (DECREASE) IN CASH (5,310,911)

BEGINNING CASH 18,055,587

ENDING CASH \$ 12,744,676

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)	\$ (2,555,364)
-------------------------	----------------

Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

Depreciation	3,143,332
Pension	645,952
Correction of error	(768,464)

Change in Assets and Liabilities

(Increase) decrease in accounts receivable	150,820
(Increase) decrease in prepaid	(389,489)
Increase (decrease) in accounts payable	(81,282)
Increase (decrease) in accrued liabilities	(176,281)
Increase (decrease) in compensated absences	(315,941)
Increase (decrease) in unearned revenue	543,011
Increase (decrease) in deposits held in trust	206,041

Total Adjustments 2,957,699

Net Cash Provided (Used) by Operating Activities \$ 402,335

Interest Paid \$ 647,630

NOTE 01 - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Introduction

The financial statements the Housing Authority of the County of Butte (the Authority) have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The Authority has previously implemented GASB Statement 34, *Basic Financial Statements - and Management's Discussion & Analysis-for State and Local Governments*. Certain significant changes in the statements are as follows: The financial statements will include a Management's Discussion and Analysis (MD&A) section providing an analysis of the Authority's overall financial position and results of operations.

The Authority is a special-purpose government engaged only in business-type activities and, therefore, presents only the financial statements required for enterprise funds, in accordance with GASB. For these governments, basic financial statements and required supplemental information consist of:

Management's Discussion and Analysis (MD&A)

Enterprise fund financial statements consist of:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

Notes to Financial Statements

Required supplemental information other than MD&A and supplemental information

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing programs in the United States. Accordingly, HUD has contracted with the Authority to administer certain HUD funds.

Reporting Entity

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 (HIJD) to operate assisted housing programs.

GASB Statement No. 14 established criteria for determining the governmental reporting entity. Under provisions of this statement, the Authority is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB 14, fiscally independent means that the Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards* and Statement No. 14 and No. 61 of the *Government Accounting Standards Board, the Financial Reporting Entity*.

The organization is legally separate (can sue and be sued in their own name).

The Authority holds the corporate powers of the organization.

The Authority appoints a voting majority.

The Authority is able to impose its will on the organization.

The organization has the potential to impose a financial benefit/burden on the Authority.

There is fiscal dependency by the organization on the Authority.

Based on the aforementioned criteria and relationship between the Authority and the City of Chico, the Authority has determined not to be a component unit of the City of Chico based on the following:

Financial Accountability - The Authority is responsible for its debts, does not impose a financial burden on the City of Chico and is entitled to all surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

Appointment of a Voting Majority - The Authority is governed by a seven-member Board appointed by the Board of Supervisors of the County of Butte and has governance responsibilities over all activities related to all housing activities.

Imposition of Will - The City of Chico has no influence over the management, budget, or policies of the Authority. The Authority's Board has the responsibility to significantly influence the Authority's operations.

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 financially accountable. Generally, component units 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, 2024, which differs from the primary government's fiscal year-end of September 30, 2025.

The following is a blended component unit of the Authority:

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 (BCA HDC), 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 31 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.

1200 Park Avenue, LP. (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 0.01% special limited partner, the Authority.

The Authority's primary operations comprise a number of housing and grant programs 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.

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.

Basis of Presentation, Basis of Accounting and Measurement Focus

Basis of Accounting - The Authority uses the accrual basis of accounting in the proprietary funds. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

Proprietary Fund. Enterprise Fund - This type of fund is reported using an economic resources measurement focus. Additionally, it is used to account for operations that are financed and operated in a manner similar to private businesses where a fee is charged to external users for services provided. When both restricted and unrestricted net positions are available for use, generally it is the Authority's policy to use restricted resources first.

Housing Authority of the County of Butte

Notes to Financial Statements

For the Year Ended September 30, 2025

Basis of Presentation - The financial statements of the Authority are presented from a fund perspective. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions. The fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting method applied by a fund is determined by the fund's measurement focus. The accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities associated with the Proprietary Fund's activities are included on the statement of net position. In the statement of net position, equity is classified as net position and displayed in three components:

Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of any notes or other borrowings attributable to those capital assets.

Restricted net position - Consists of assets with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.

Unrestricted net position - All other assets that do not meet the definition of "restricted" or "net investment in capital assets".

Commissioners are as Follows:

<u>Name</u>	<u>Position</u>
David Pittman	Chairman
Rich Ober	Vice-Chairman
Robert Crowe	Commissioner
Sara Richter	Commissioner
Randy Coy	Commissioner
Vacant	Commissioner
Vacant	Commissioner

In addition to the above Commissioners, the Executive Director of the Authority is Larry Guanzon, the Executive Director.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles as applied to governmental units requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The most significant estimates relate to depreciation and useful lives.

Cash and Investments

The Authority cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments are stated at fair value, except for U. S. Treasury Bills, which are reported at amortized cost. Investment consists of Certificates of Deposit which have an initial maturity date greater than 90 days.

Accounts Receivable

Accounts receivable consist of all amounts earned at year end and not yet received. Allowances for uncollectible accounts are based upon historical trends and periodic aging of accounts receivable.

Accounts for which no possibility of collection is anticipated are charged to bad debts expense which is netted against dwelling rent revenues on the statement of revenues, expenses, and changes in net position.

Amounts due from other housing authorities related to Housing Choice Voucher Port In vouchers are deemed by management as fully collectible and no allowance has been established for those types of accounts receivable.

Capital Assets and Depreciation

Capital assets are stated at historical cost. Maintenance and repairs are charged to current period operating expenses while improvements are capitalized. Upon retirement or other disposition of property and equipment, the cost and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in operating revenues and expenses. All capital assets with a cost greater than \$ 10,000 and a useful life of over one year are capitalized. Assets acquired through contribution are recorded at the fair value on the date donated.

Depreciation rates based upon estimated useful lives have been applied on the straight-line method. The estimated useful lives are as follows:

<u>Category</u>	<u>Useful Life</u>
Buildings and improvements	15-40 Years
Improvements and infrastructure	15-40 Years
Furniture and equipment	5-10 Years

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.

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.

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.

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.

Pensions

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 Postemployment 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.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The deferred outflows of resources are all related to the Net OPEB (Asset) or Net Pension Liability, **see Note 13 and 14**.

Also, 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, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The deferred inflows of resources are related Net OPEB (Asset), or the Net Pension Liability, **see Note 13 and 14**.

Revenues and Expenses

Revenues and expenses are recognized in essentially the same manner as used in commercial accounting. Revenues relating to the Authority are operating activities including rental related income, interest income and other sources of revenues are recognized in the accounting period in which they are earned. Other major sources of revenue include the operating subsidy from HUD and other HUD funding for capital and operating expenses.

In accordance with GASB standards dwelling income has been netted with bad debt expense of (\$174,005). Collection losses on accounts receivable are expensed, in the appropriate Fund, on the specific write-off method.

Operating Revenue

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 a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for rent. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net position below the non-operating revenue and expense.

Internal Activity and Balances

All transfers, intercompany charges and other interfund activity balances have been eliminated from the basic financial statements in accordance with GASB pronouncements.

Dwelling Rental

Rents charged to Authority tenants under lease agreements, in accordance with HUD guidelines, are based on percentages of family income levels, and accordingly may not represent fair market rent. Residents may opt to pay a flat rent under HUD guidelines. Leases may be cancelled by the tenant at any time however the Authority may cancel the lease only for cause.

Leases

The Authority is the lessor of dwelling units to eligible residents. The rents under the leases are determined generally by the residents' income as adjusted for eligible deductions regulated by HUD, although the residents may opt for a flat rent. These leases may be cancelled at any time (only for cause) or renewed annually, and therefore were determined to be unqualified leases. Revenues associated with these leases are reported in the accompanying financial statements and related schedules within dwelling rent revenue.

Fair Market Value

Accounting pronouncements define fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. These pronouncements established a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of inputs used to measure fair value are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

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 prices for identical or similar assets or liabilities in markets that are not active; or inputs that are observable or can be corroborated by observable market data.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The estimated fair value of the Authority's financial instruments has been determined by management using available market information. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the fair values are not necessarily indicative of the amounts that the Authority could realize in a current market exchange. The use of different market assumptions may have a material effect on the estimated fair value amounts.

The carrying amounts of cash and cash equivalents, receivables, payables, net pension liability, and accrued liabilities are a reasonable estimate of their fair value, due to their short-term nature and method of computation. All financial assets that are measured at fair value on a recurring basis (at least annually) have been segregated into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date. All of the Authority's investments are valued using Level 2 input.

NOTE 02 - CASH, CASH EQUIVALENTS AND INVESTMENTS

At September 30, 2025, the Authority’s deposit amounted to \$12,744,676. Of the bank balances held in various financial institutions, \$250,000 was covered by Federal Depository Insurance and the remainder was covered by collateral held under the Dedicated Method. All deposits of the Authority are with financial institutions meeting State and Federal deposit requirements.

Cash and cash equivalents were comprised of the following as of September 30, 2025:

Unrestricted	
Checking & Money Market accounts	\$ 5,719,097
Petty cash	<u>1,123</u>
Subtotal	5,720,220
Restricted	
Security deposits - tenants	479,769
Unspent grant funds	46,021
Family Self Sufficiency deposits	117,940
Housing Assistance Payments	661,548
Other restricted funds	<u>5,719,178</u>
Subtotal	<u>7,024,456</u>
Total Cash & Equivalents	<u>\$12,744,676</u>

Interest Rate Risk

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

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.

Custodial Credit Risk

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, 2025, the Authority's bank balances were not exposed to custodial credit risk.

Tenant Security Deposits

These balances are legally restricted for the benefit of tenants.

Family Self-Sufficiency (FSS) Escrow Accounts

These funds represent participant-specific escrow accounts accumulated under HUD’s Family Self-Sufficiency program and are held in trust for participating families. FSS accounts may be disbursed only in accordance with program rules and are not available to support Authority operations. They carry both custodial credit risk and HUD compliance risk.

Housing Authority of the County of Butte

Notes to Financial Statements

For the Year Ended September 30, 2025

Housing Assistance Payments (HAP) Cash

These funds are restricted for Housing Choice Voucher landlord payments and cannot be used for administrative or operating purposes. HAP balances are maintained in demand deposit accounts to ensure liquidity. Although insured or collateralized under the Dedicated Method, HAP cash also carries HUD program compliance risk, including potential review for excess accumulations, deficits, or improper use.

Other Restricted Cash

These funds relate to restrictions under grant agreements, bond covenants, escrowed insurance proceeds, or other regulatory or contractual requirements. Use of these funds is limited to the purposes specified in the applicable agreements. Certain reserve accounts are held in lender-controlled or trustee-controlled institutions, which may not fall under the Authority's general collateralization policies. Access to such funds may require lender approval, creating additional liquidity constraints beyond custodial credit risk.

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.

Unrestricted

Certificates of Deposit initial maturity over 90 days	\$ 2,733,999
Money funds and bank deposits	<u>2,930,110</u>
Total Investments	<u>\$ 5,664,109</u>

NOTE 03 - ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2025, consisted of the following:

Tenant receivables	\$ 642,247
Allowance for receivables	<u>(31,516)</u>
Net receivable	610,731
Due from other governments	173,364
Accrued interest receivable	29,015
Miscellaneous receivables	<u>103,422</u>
Accounts Receivable, Net	<u>\$ 916,532</u>

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Housing Authority of the County of Butte

Notes to Financial Statements

For the Year Ended September 30, 2025

NOTE 04 - CAPITAL ASSETS

A summary of changes in capital assets were as follows:

	Balance at 10/01/24	Additions	Deletions	Balance at 09/30/25
Capital assets not being depreciated				
Land	\$ 4,187,381	\$ 261,250	\$ -	\$ 4,448,631
Construction in process	8,737,107	7,691	(3,892,398)	4,852,400
Capital assets not being depreciated	12,924,488	268,941	(3,892,398)	9,301,031
Capital assets being depreciated				
Buildings & improvements	80,855,948	7,732,687	(5,871)	88,582,764
Furniture & equipment	3,108,769	34,524	(253,284)	2,890,009
Total assets being depreciated	83,964,717	7,767,211	(259,155)	91,472,773
Accumulated depreciation	(55,003,710)	(3,004,890)	1,025,563	(56,983,037)
Net capital assets being depreciated	28,961,007	4,762,321	766,408	34,489,736
Capital Assets, Net	\$41,885,495	\$ 5,031,262	\$ (3,125,990)	\$43,790,767

For the year ended September 30, 2025, the Authority reported depreciation expense of \$3,143,332.

NOTE 05 - NOTES RECEIVABLE

Notes receivable at September 30, 2025, 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 2.3 1%. 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.

\$ 783,405

Note Receivable — 1200 Park Avenue L.P.

On 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. This note was eliminated for reporting purposes

1,332,469

Eliminated component unit amounts

(1,332,469)

Total Notes Receivable

\$ 783,405

Housing Authority of the County of Butte

Notes to Financial Statements

For the Year Ended September 30, 2025

NOTE 06 - OTHER LIABILITIES

The following is a summary of the activity for non-current liabilities for the year ended September 30, 2025:

	Balance at 10/01/24	Additions	Deletions	Balance at 09/30/25	Due within One Year
Compensated absences	\$ 308,783	\$ 237,091	\$ -	\$ 545,874	\$ 177,479
Net pension liability	4,294,952	258,407	-	4,553,359	-
Debt	21,744,001	-	(462,162)	21,281,839	414,039
Total	<u>\$26,347,736</u>	<u>\$ 495,498</u>	<u>\$ (462,162)</u>	<u>\$26,381,072</u>	<u>\$ 591,518</u>

NOTE 07 - FINANCING AGREEMENTS PAYABLE

Financing agreements payable consist of direct borrowing and direct placement as of September 30, 2025, and consisted of the following:

City of Chico - Direct Borrowing

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. The loan is secured by a deed of trust. \$ 7,407

California Affordable Housing Agency -Direct Placement

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. 9,529,891

State of CA Housing and Community Development Program - Direct Borrowing

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. The loan is secured by a deed of trust. 218,032

United States Department of Agriculture - Direct Borrowing

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. 2,754,055

Town of Paradise - Direct Borrowing

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

Housing Authority of the County of Butte

Notes to Financial Statements
For the Year Ended September 30, 2025

Walker Commons, LP - City of Chico - Direct Borrowing

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. 464,491

Chico Commons, LP - City of Chico - Direct Borrowing

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. 625,000

1200 Park Avenue, LP - City of Chico - Direct Borrowing

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. 3,675,000

1200 Park Avenue, LP - Berkadia - Direct Borrowing

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. 1,514,328

Subtotal of Debt on Maturity Schedule \$ 20,535,766

1200 Park Avenue, LP - Eliminated Debt - Direct Borrowing

In November 2004, 1200 Park Avenue, L.P. (a blended component unit) entered into a note payable with Authority in the amount of \$675,000. The loan is secured by land and building. The loan bears interest at a rate of 4.84 compounding interest. The note matures in November of 2054. This notes is eliminated for reporting purposes. 1,332,469

Accrued Interest on Blended Component Units - Cashflow Loans

As described above several of the blended component units have cash flow loans that require no loan payments and interest is accrued until maturity. 803,793

Unamortized Loan Cost of Blended Component Units

Blended component units have unamortized loan costs for additional detail of those costs and amortization see the separately report component unit audits. (57,720)

Eliminated component unit amounts (1,332,469)

Total Debt \$ 21,281,839

Housing Authority of the County of Butte

Notes to Financial Statements

For the Year Ended September 30, 2025

The following maturity of leases payable:

<u>Year Ended September 30,</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
	2026	\$ 414,039	\$ 439,778	\$ 853,817	
	2027	467,749	424,030	891,779	
	2028	485,550	407,434	892,984	
	2029	501,326	389,940	891,266	
	2030	520,121	371,544	891,665	
	2031	2035	1,783,796	1,517,132	3,300,928
	2036	2040	2,582,723	1,316,677	3,899,400
	2041	2045	4,282,761	1,099,247	5,382,008
	2046	2050	2,332,167	509,600	2,841,767
	2051	2055	3,490,534	47,100	3,537,634
	2056	2060	3,675,000	-	3,675,000
		<u>\$20,535,766</u>	<u>\$ 6,522,482</u>	<u>\$27,058,248</u>	

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, 2025.

As of September 30, 2025, debt issuance costs, net of accumulated amortization of \$57,720, are amortized using the straight-line method.

NOTE 08 - NET POSITION

The Authority calculates net investment in capital assets and restricted net position as follows:

Capital assets not being depreciated	\$ 9,301,031
Capital assets, net	34,489,736
Related debt	<u>(21,281,839)</u>
Net Investment in Capital Assets	<u>\$22,508,928</u>
Restricted cash	\$ 7,024,456
OPEB assets	220,964
Unearned fees	(739,645)
Security deposit liability	(479,769)
FSS escrow liability	<u>(88,949)</u>
Restricted Net Position	<u>\$ 5,937,057</u>

NOTE 09 - 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, 2025, 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, 2025 was \$98,181. 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.

Housing Authority of the County of Butte

Notes to Financial Statements

For the Year Ended September 30, 2025

NOTE 10 - CONDENSED FINANCIAL STATEMENTS

As required by GASB the condensed financial statements with elimination, for additional information see the detail supplementary information schedules.

	Housing Authority	Total Blended Component Units	Eliminations	Primary Government Totals
Condensed Statement of Net Position				
Current assets	\$ 14,614,447	\$ 5,317,176	\$ (4,150)	\$ 19,927,473
Capital assets	29,504,761	14,286,006	-	43,790,767
Other assets	2,336,838	-	(1,332,469)	1,004,369
Total Assets	46,456,046	19,603,182	(1,336,619)	64,722,609
Deferred outflow of resources	1,631,215	-	-	1,631,215
Current liabilities	2,470,297	283,273	(4,150)	2,749,420
Noncurrent liabilities	18,847,634	8,274,389	(1,332,469)	25,789,554
Total Liabilities	21,317,931	8,557,662	(1,336,619)	28,538,974
Deferred inflow of resources	443,358	-	-	443,358
Net investment in capital assets	15,247,814	7,261,114	-	22,508,928
Restricted net position	4,338,927	1,598,130	-	5,937,057
Unrestricted net position	6,739,231	2,186,276	-	8,925,507
Net Position	\$ 26,325,972	\$ 11,045,520	\$ -	\$ 37,371,492

Condensed Statement of Revenues, Expenses and Change in Net Position

Operating revenues	\$ 36,924,523	\$ 3,525,113	\$ -	\$ 40,449,636
Depreciation expense	(2,426,541)	(716,791)	-	(3,143,332)
Other operating expenses	(37,810,658)	(2,051,010)	-	(39,861,668)
Operating Income (Loss)	(3,312,676)	757,312	-	(2,555,364)
Nonoperating revenues	1,775,712	48,319	-	1,824,031
Nonoperating expenses	(349,758)	(297,872)	-	(647,630)
Nonoperating Revenue (Expense)	1,425,954	(249,553)	-	1,176,401
Income (Loss) Before Transfers and Capital Contributions	(1,886,722)	507,759	-	(1,378,963)
Transfers	-	-	-	-
Capital contributions	1,814,701	-	-	1,814,701
Change in Net Position	(72,021)	507,759	-	435,738
Beginning net position	24,183,404	10,759,223	-	34,942,627
Corrections of errors	(547,002)	(221,462)	-	(768,464)
Changes in accounting principles	-	-	-	-
Changes in accounting estimates	2,761,591	-	-	2,761,591
Beginning net position, restated	26,397,993	10,537,761	-	36,935,754
Net position, end of year	\$ 26,325,972	\$ 11,045,520	\$ -	\$ 37,371,492

Condensed Statement of Cash Flows

Net cash flows provided/(used) by operating activities	\$ (798,715)	\$ 1,201,050	\$ -	\$ 402,335
Net cash flows provided/(used) by capital and related financing activities	(5,293,344)	(462,771)	-	(5,756,115)
Net cash flows provided/(used) by investing activities	110,787	(67,918)	-	42,869
Net increase/(decrease) in cash and cash equivalents	(5,981,272)	670,361	-	(5,310,911)
Cash, beginning of year	14,261,366	3,794,221	-	18,055,587
Cash, end of year	\$ 8,280,094	\$ 4,464,582	\$ -	\$ 12,744,676

NOTE 11 - ECONOMIC DEPENDENCE

The Authority receives a majority of its revenues from the Department of Housing and Urban Development approximately 75% of total revenue. A loss or reduction of this funding would have a significant effect on the Authority's operations.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Legal: The Authority is party to no pending or threatened legal actions arising from the normal course of its operations.

Grants and Contracts: The Authority participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of September 30, 2025.

The Section 8 Housing Choice Voucher Program (the Program) under the implementation of the Consolidated Appropriations Act 2005, Funding Provisions for the Housing Choice Voucher Program, changed the funding methodology, and in addition the Authority, is no longer required to complete a settlement statement. As a result, in accordance with GASB Statement No. 33 and PIH Notice 2009-9, the cumulative amount of unspent Housing Assistance Payment subsidy as of September 30, 2025, is being reflected in restricted net position in the basic financial statements.

Insurance: The Authority is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors, and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

NOTE 13 - NET PENSION LIABILITY

The Authority participates in the California Public Employees' Retirement System ("CalPERS") is a multi-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Political Subdivision Retirement Plan and the additions to/deductions from the Political Subdivision Retirement Plan's fiduciary net position have been determined on the same basis as they were reported CalPERS For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 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

For the Year Ended September 30, 2025

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:

	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
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%	
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 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 to the difference between the actuarially determined rate and the contribution rate of employees.

Actuarial Assumptions

The total pension liability in the September 30, 2025 actuarial valuation, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary Increases	Varies by entry age and service
Investment Return	6.90%, net of plan investment expenses, 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% there after

Housing Authority of the County of Butte

Notes to Financial Statements

For the Year Ended September 30, 2025

The mortality table used was developed based on CalPERS-specific data. The probability 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 web site.

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.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30 2025, the Authority reported a liability of \$4,553,359 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the Net Pension Liability (Asset) was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2025, the Authority's proportion was 0.09414 percent, which was an increase of 0.00178 percent from its proportion measured as of June 30, 2024.

Pension Expense - For the year ended September 30, 2024, the Authority recognized a pension expense in the amount of \$946,721.

At September 30, 2025, the Authority reported Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 393,680	\$ 15,361
Net difference between projected and actual	262,131	-
Changes of assumptions	117,031	-
Change in proportion share	7,164	28,444
Changes in proportion and differences between employer contributions and proportionate share of contributions	91,243	23,006
Contributions subsequent to Measurement date	719,827	-
Totals	\$ 1,591,076	\$ 66,811

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension will be recognized in pension expense (revenue) as follows:

Measurement Period Ended June 30:

2025		\$ 261,513
2026		609,171
2027		23,583
2028		(89,829)
2029		-
Thereafter		-
		\$ 804,438

Housing Authority of the County of Butte

Notes to Financial Statements

For the Year Ended September 30, 2025

Long-Term Expected Return on Plan Assets

The long-term expected return on plan assets was determined by using a building-block method in which best-estimated ranges of expected future real returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables:

<u>Asset Class (Strategy)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return (1,2)</u>
Gobal Equity - Cap-weighted	30.00%	4.54%
Gobal Equity - Non-Cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-back Securities	5.00%	0.50%
Investment Grade Coproates	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%
Total	100%	

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

2 Figures are based on the 2021-2022 Assets 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.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

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:

	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Plan net pension liability (assets)	<u>\$ 7,099,013</u>	<u>\$ 4,553,359</u>	<u>\$ 2,457,912</u>

Payable to the Pension Plan

At September 30, 2025, the Authority reported a payable of \$- for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2025.

NOTE 14 - OTHER ASSEST – OTHER POST EMPLOYEMENT BENEFITS – (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.

Benefit Amounts

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.

Long-Term Expected Return on Plan Assets

Long-term expected rate of return — As of June 30, 2025 valuation, the long-term expected rates of return for each major investment class in the Plan's portfolio are as follows:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	34.00%	6.80%
Fixed Income	41.00%	3.70%
TIPS	17.00%	2.80%
REITs	4.00%	6.00%
Other	4.00%	3.40%
Total	100%	

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 of better for benefits not covered by plan assets.

Housing Authority of the County of Butte

Notes to Financial Statements

For the Year Ended September 30, 2025

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, 2025
Discount Rate	6.10%
Bond Buyer 20yr GO Bond Index	5.20%

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the Authority's proportionate share of the Net Pension Liability (Asset) calculated using the discount rate of 6.10%, as well as what the Authority's proportionate share of the Net OPEB Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate Sensitivity		
	1% Decrease	Current	1% Increase
Net OPEB liability (asset)	\$ (180,978)	\$ (220,964)	\$ (258,403)

	Trend Rate Sensitivity		
	1% Decrease	Current	1% Increase
Net OPEB liability (asset)	\$ (267,966)	\$ (220,964)	\$ (168,305)

Changes in Newt OPEB Liability – Increase (Decrease):

		Total OPEB Liability	Plan Fuduciary Net Position	Net OPEB Liability (asset)
Balance as of June 30,	2024	\$ 624,392	\$ 784,996	\$ (160,604)
Changes for the year:				
Service cost		14,704	-	14,704
Interest		38,071	-	38,071
Net investment income		-	83,323	(83,323)
Benefit payments		(30,419)	(30,419)	-
Contributions - employer		-	30,419	(30,419)
Administrative expenses		-	(607)	607
Net changes		22,356	82,716	(60,360)
Balance as of June 30,	2025	\$ 646,748	\$ 867,712	\$ (220,964)

Housing Authority of the County of Butte

Notes to Financial Statements

For the Year Ended September 30, 2025

OPEB Liabilities (Asset), OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the Authority recognized OPEB expense of (\$52,636). At September 30, 2025, the Authority reported Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 43	\$ 376,547
Changes of assumptions	32,390	-
Net difference between projected and actual	2,840	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Net differences between projected and	4,866	-
Totals	\$ 40,139	\$ 376,547

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

Measurement Period Ended June 30:

2025		\$ (41,002)
2026		(71,621)
2027		(79,671)
2028		(74,986)
2029		(62,419)
Thereafter		(11,575)
		\$ (341,274)

NOTE 15 - CHANGE TO BEGINNING NET POSITION

Correction of Errors

In an effort to correct the findings from prior year audit reports the Authority made numerous correctios of errors to the beginning net position. The overall result was a decrease in beginning net position of (\$768,464).

Change in Entity

The Authority previously reported a Fiduciary Fund for a trust fund the Authority had that held investments. The Authority determined the trust fund did not qualify as a Fiduciary Fund and moved the trust fund invest back into the primary government resulting in an increase in beginning net position of \$2,761,591.

NOTE 16 - SUBSEQUENT EVENTS

Management evaluated the activity of the Authority through June 9, 2026, (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statement.

Housing Authority of the County of Butte

Schedule of the Pension Plan's Proportionate Share of the Net Position Liability (Asset) and Related Ratios

June 30,	Authority's proportion of the net pension liability (asset)	Authority's proportionate share of the net pension liability (asset)	Authority's covered- employees payroll	Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2016	0.0847%	\$ 2,943,783	\$ 1,777,189	165.64%	75.87%
2017	0.0803%	\$ 3,368,291	\$ 1,796,356	187.51%	75.38%
2018	0.0818%	\$ 3,240,459	\$ 1,819,346	178.11%	77.68%
2019	0.0871%	\$ 3,488,203	\$ 1,966,173	177.41%	74.17%
2020	0.8850%	\$ 3,733,705	\$ 1,914,557	195.02%	75.49%
2021	0.0808%	\$ 1,974,848	\$ 2,326,844	84.87%	74.12%
2022	0.0921%	\$ 4,310,177	\$ 2,749,636	156.75%	86.87%
2023	0.1040%	\$ 4,618,356	\$ 2,416,174	191.14%	75.36%
2024	0.0921%	\$ 4,618,356	\$ 2,960,180	156.02%	74.83%
2025	0.0924%	\$ 4,553,360	\$ 2,800,469	162.59%	75.86%

Housing Authority of the County of Butte

Schedule of the Pension Plan Contributions

June 30,	Contractually require contribution	Contributions in relation to contractually require contribution determined contribution	Contribution deficiency (excess)	Authority's covered employee payroll	Contributions as a percentage covered employee payroll
2016	\$ 317,900	\$ 317,900	\$ -	\$ 1,777,189	17.89%
2017	\$ 343,095	\$ 343,095	\$ -	\$ 1,796,356	19.10%
2018	\$ 222,026	\$ 222,026	\$ -	\$ 1,819,346	12.20%
2019	\$ 440,437	\$ 440,437	\$ -	\$ 1,966,173	22.40%
2020	\$ 349,017	\$ 349,017	\$ -	\$ 1,914,557	18.23%
2021	\$ 351,486	\$ 351,486	\$ -	\$ 2,326,844	15.11%
2022	\$ 208,530	\$ 208,530	\$ -	\$ 2,749,636	7.58%
2023	\$ 562,055	\$ 562,055	\$ -	\$ 2,416,174	23.26%
2024	\$ 598,746	\$ 598,746	\$ -	\$ 2,960,180	20.23%
2025	\$ 652,167	\$ 652,167	\$ -	\$ 2,800,469	23.29%

Housing Authority of the County of Butte
Schedule of Changes in the Net Position Liability (Asset) and Related Ratios

Measurement Date June 30,	2018	2019	2020	2021
Total OPEB Liability				
Service cost	\$ 29,120	\$ 29,120	\$ 29,120	\$ 28,097
Interest	45,949	49,152	52,369	59,041
Differences between actual and expected experience	259	(2,063)	(20,241)	(19,629)
Change of assumptions	-	-	70,482	-
Benefit payments, including refunds of employee contributions	(23,792)	(28,378)	(25,002)	(31,186)
Net Change in Total OPEB Liability	51,536	47,831	106,728	36,323
Total OPEB Liability - Beginning	689,492	741,028	788,859	895,587
Total OPEB Liability - Ending (a)	\$ 741,028	\$ 788,859	\$ 895,587	\$ 931,910
Plan Fiduciary Net Position				
Contributions - employer	\$ 45,274	\$ 78,772	\$ 43,663	\$ 53,140
Net investment income (loss)	29,068	36,216	31,977	128,795
Benefit payments, including refunds of employee contributions	(23,792)	(28,378)	(25,002)	(31,186)
Pension plan administrative expense	(246)	(254)	(296)	(239)
Other changes	-	-	-	-
Net Change in Plan Fiduciary Net Position	50,304	86,356	50,342	150,510
Plan Fiduciary Net Position - Beginning	464,671	514,975	601,331	651,673
Plan Fiduciary Net Position - Ending (b)	\$ 514,975	\$ 601,331	\$ 651,673	\$ 802,183
Net OPEB Liability (Asset) - Ending (a) - (b)	\$ 226,053	\$ 187,528	\$ 243,914	\$ 129,727
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	69.49%	76.23%	72.76%	86.08%
Covered - Employee Payroll	N/A	\$ 1,592,892	\$ 1,518,394	N/A
Net OPEB Liability (Asset) as a Percentage of Covered - Employee Payroll	N/A	11.77%	16.06%	N/A

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Housing Authority of the County of Butte
Schedule of Changes in the Net Position Liability (Asset) and Related Ratios

<u>Measurement Date June 30,</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total OPEB Liability				
Service cost	\$ 26,821	\$ 29,851	\$ 29,851	\$ 14,704
Interest	61,379	62,472	65,606	38,071
Differences between actual and expected experience	(47,455)	(18,699)	(455,305)	-
Change of assumptions	570	-	17,142	-
Benefit payments, including refunds of employee contributions	(29,314)	(25,698)	(24,738)	(30,419)
Net Change in Total OPEB Liability	12,001	47,926	(367,444)	22,356
Total OPEB Liability - Beginning	931,910	943,911	991,837	624,393
Total OPEB Liability - Ending (a)	\$ 943,911	\$ 991,837	\$ 624,393	\$ 646,749
Plan Fiduciary Net Position				
Contributions - employer	\$ 29,314	\$ 25,698	\$ 24,738	\$ 30,419
Net investment income (loss)	(100,896)	25,069	59,819	83,323
Benefit payments, including refunds of employee contributions	(29,314)	(25,698)	(24,738)	(30,419)
Pension plan administrative expense	(203)	(345)	(631)	(607)
Other changes	-	-	-	-
Net Change in Plan Fiduciary Net Position	(101,099)	24,724	59,188	82,716
Plan Fiduciary Net Position - Beginning	802,183	701,084	725,808	784,996
Plan Fiduciary Net Position - Ending (b)	\$ 701,084	\$ 725,808	\$ 784,996	\$ 867,712
Net OPEB Liability (Asset) - Ending (a) - (b)	\$ 242,827	\$ 266,029	\$ (160,603)	\$ (220,963)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	74.27%	73.18%	125.72%	134.17%
Covered - Employee Payroll	N/A	\$ 1,914,879	\$ 3,023,022	\$ 3,039,931
Net OPEB Liability (Asset) as a Percentage of Covered - Employee Payroll	N/A	13.89%	-5.31%	-7.27%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Housing Authority of the County of Butte

Schedule of the Pension Plan OPEB Contributions

June 30,	Actuarially determined contribution	Authority's covered- employees payroll	Contribution as % of covered- employee payroll	Contributions to Trust	Pay-go Payment by Employer Unreimbursed by Trust	Active Implicit Rate Subsidy Transferred to OPEB	Actual Contribution
2018	\$ 46,287	NA	NA	\$ 5,422	\$ 21,482	\$ 18,370	\$ 45,274
2019	\$ 46,028	\$ 1,592,892	2.89%	\$ 50,394	\$ 20,435	\$ 7,943	\$ 78,772
2020	\$ 45,796	\$ 1,518,394	3.02%	\$ 18,661	\$ 19,501	\$ 5,501	\$ 43,663
2021	\$ 48,639	NA	NA	\$ 21,954	\$ 20,276	\$ 10,910	\$ 53,140
2022	\$ 48,996	NA	NA	\$ -	\$ 13,942	\$ 15,372	\$ 29,314
2023	\$ 51,977	\$ 1,914,879	2.71%	\$ -	\$ 14,455	\$ 11,243	\$ 25,698
2024	\$ 16,389	\$ 3,023,022	0.54%	\$ -	\$ 12,508	\$ 12,230	\$ 24,738
2025	\$ 16,389	\$ 3,039,931	0.54%	\$ -	\$ 19,644	\$ 10,775	\$ 30,419

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Housing Authority of the County of Butte

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2025

	Assistance Listing Number(s)	Award Type	Expenditures
U.S. Department of HUD			
Section 8 Housing Choice Vouchers	14.871	Direct	\$ 25,873,336
Section 8 Housing Choice Vouchers (Emergency Housing Vouchers)	14.871	Direct	1,560,645
Total Housing Voucher Cluster			27,433,981
Public Housing Operating Fund	14.850	Direct	1,473,525
Public Housing Capital Fund	14.872	Direct	2,165,472
Resident Opportunity and Supportive Services	14.870	Direct	112,500
Total U.S. Department of HUD			31,185,478
U.S. Department of Agriculture Rural Development			
Farm Labor Housing Loans and Grants	10.405	Direct	2,875,998
Rural Rental Assistance Payments	10.427	Direct	803,058
Total U.S. Department of Agriculture Rural Development			3,679,056
Total Expenditures of Federal Awards			\$ 34,864,534
 Award Type			
Direct			\$ 34,864,534
Indirect			\$ -

NOTE 01 - SCOPE OF PRESENTATION

The accompanying schedule presents the expenditures incurred (and related awards received) by the Housing Authority of the County of Butte (the Authority) that are reimbursable under federal programs of federal agencies providing financial assistance and state awards. For the purposes of this schedule, only the portion of program expenditures reimbursable with such federal or state funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal or state reimbursement authorized or the portion of the program expenditures that were funded with local or other nonfederal funds are excluded from the accompanying schedule.

NOTE 02 - BASIS OF ACCOUNTING

The expenditures included in the accompanying schedule were reported on the accrual basis of accounting. Expenditures are recognized in the accounting period in which the related liability is incurred. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The information in this schedule is presented in accordance with the requirements of Uniform Guidance, *Audit of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 03 - SUBRECIPIENTS

During the fiscal year ended September 30, 2025, the Authority disbursed no Federal funds to subrecipients.

NOTE 04 - INDIRECT COST RATE

The Authority elected not to use the 15% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

NOTE 05 - FEDERAL LOAN BALANCES

The Authority has promissory notes with the United States Department of Agriculture Farmer Homes Administration under the Labor Housing Union Loan and Rural Rental Housing Loan programs. The interest rates for these notes are estimated. Interest is based upon the market rate on the date of payment received by the United States Department of Agriculture Farmer Homes Administration. In accordance with the Uniform Guidance both the rental assistance and the outstanding loan balances are reported as federal expenditure in the accompanying schedule of federal awards. Balances of loans were included in the schedule as follows:

<u>Federal Program Loans</u>	<u>ALN</u>	<u>Balance at 10/01/24</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 09/30/25</u>
Farm Labor Housing Loans and Grants	10.405	\$ 2,875,998	\$ -	\$ (121,943)	\$ 2,754,055
		<u>\$ 2,875,998</u>	<u>\$ -</u>	<u>\$ (121,943)</u>	<u>\$ 2,754,055</u>

Housing Authority of the County of Butte

Statement and Certification of Actual Costs

September 30, 2025

1. The Actual Costs of the Authority was as follows:

Grant	Funds Approved	Funds Disbursed	Funds Expended	Balance Unspent	Form HUD-53001 Submitted
CA01P043501-21	\$ 917,518	\$ 917,518	\$ 917,518	\$ -	Yes
CA01P043501-22	\$ 1,117,056	\$ 1,116,221	\$ 1,116,221	\$ 835	No
CA01P043501-23	\$ 1,147,379	\$ 1,142,478	\$ 1,142,478	\$ 4,901	No
CA01E043501-23	\$ 225,639	\$ 225,639	\$ 225,639	\$ -	Yes
CA01P043501-24	\$ 1,159,420	\$ 520,218	\$ 520,218	\$ 639,202	No

2. The distribution of costs as shown on the Financial Statement of Costs accompanying the Actual Cost Certificate submitted to HUD for approval, is in agreement with the Authority's records.
3. For the above completed grants, all costs have been paid and all related liabilities have been discharged through payment.

Housing Authority of the County of Butte
Combining Statement of Net Position - Business Activities
September 30, 2025

	<u>Blended Component Units</u>			
	<u>Housing Authority</u>	<u>BCAHDC</u>	<u>Baynard Corp</u>	<u>1200 Park</u>
ASSETS				
Current Assets				
Cash and cash equivalents				
Unrestricted	\$ 2,941,357	\$ 1,889,928	\$ 172,465	\$ 159,074
Restricted	5,338,737	-	-	425,903
Subtotal	8,280,094	1,889,928	172,465	584,977
Investments	4,888,887	775,222	-	-
Accounts receivable, net	880,129	-	-	11,328
Prepaid expenses	417,627	-	-	27,686
Inventory	143,560	-	-	-
Interfund receivable	4,150	-	-	-
Total Current Assets	14,614,447	2,665,150	172,465	623,991
Non-Current Assets				
Notes and leases receivable	2,115,874	-	-	-
OPEB asset	220,964	-	-	-
Capital assets not being depreciated	7,202,783	-	-	629,523
Capital assets, net	22,301,978	-	-	9,959,409
Total Non-Current Assets	31,841,599	-	-	10,588,932
TOTAL ASSETS	46,456,046	2,665,150	172,465	11,212,923
DEFERRED OUTFLOWS OF RESOURCES	1,631,215	-	-	-
LIABILITIES				
Current Liabilities				
Accounts payable	424,258	-	-	15,663
Accrued liabilities	227,925	-	-	2,438
Deposits held in trust	392,180	-	-	30,414
Compensated absences current	177,479	-	-	-
Unearned revenue	782,341	-	-	-
Other liabilities current	130,897	-	-	-
Financial agreements payable current	331,067	-	-	82,972
Interfund payable	4,150	-	-	-
Total Current Liabilities	2,470,297	-	-	131,487
Non-Current Liabilities				
Compensated absences	368,395	-	-	-
Net pension liability	4,553,359	-	-	-
Financial agreements payable	13,925,880	-	-	7,052,398
Total Non-Current Liabilities	18,847,634	-	-	7,052,398
TOTAL LIABILITIES	21,317,931	-	-	7,183,885
DEFERRED INFLOWS OF RESOURCES	443,358	-	-	-
NET POSITION				
Net investment in capital assets	15,247,814	-	-	4,786,031
Restricted	4,338,927	-	-	395,489
Unrestricted	6,739,231	2,665,150	172,465	(1,152,482)
TOTAL NET POSITION	\$ 26,325,972	\$ 2,665,150	\$ 172,465	\$ 4,029,038

Housing Authority of the County of Butte
Combining Statement of Net Position - Business Activities
September 30, 2025

	<u>Blended Component Units</u>			Primary Government Total
	Walker Commons	Chico Commons	Eliminations	
ASSETS				
Current Assets				
Cash and cash equivalents				
Unrestricted	\$ 291,158	\$ 266,238	\$ -	\$ 5,720,220
Restricted	697,112	562,704	-	7,024,456
Subtotal	988,270	828,942	-	12,744,676
Investments	-	-	-	5,664,109
Accounts receivable, net	2,050	23,025	-	916,532
Prepaid expenses	6,300	6,983	-	458,596
Inventory	-	-	-	143,560
Interfund receivable	-	-	(4,150)	-
Total Current Assets	996,620	858,950	(4,150)	19,927,473
Non-Current Assets				
Notes and leases receivable	-	-	(1,332,469)	783,405
OPEB asset	-	-	-	220,964
Capital assets not being depreciated	861,249	607,476	-	9,301,031
Capital assets, net	605,085	1,623,264	-	34,489,736
Total Non-Current Assets	1,466,334	2,230,740	(1,332,469)	44,795,136
TOTAL ASSETS	2,462,954	3,089,690	(1,336,619)	64,722,609
DEFERRED OUTFLOWS OF RESOURCES				
	-	-	-	1,631,215
LIABILITIES				
Current Liabilities				
Accounts payable	26,715	67,896	-	534,532
Accrued liabilities	-	-	-	230,363
Deposits held in trust	19,490	37,685	-	479,769
Compensated absences current	-	-	-	177,479
Unearned revenue	-	-	-	782,341
Other liabilities current	-	-	-	130,897
Financial agreements payable current	-	-	-	414,039
Interfund payable	-	-	(4,150)	-
Total Current Liabilities	46,205	105,581	(4,150)	2,749,420
Non-Current Liabilities				
Compensated absences	-	-	-	368,395
Net pension liability	-	-	-	4,553,359
Financial agreements payable	463,465	758,526	(1,332,469)	20,867,800
Total Non-Current Liabilities	463,465	758,526	(1,332,469)	25,789,554
TOTAL LIABILITIES	509,670	864,107	(1,336,619)	28,538,974
DEFERRED INFLOWS OF RESOURCES				
	-	-	-	443,358
NET POSITION				
Net investment in capital assets	1,002,869	1,472,214	-	22,508,928
Restricted	677,622	525,019	-	5,937,057
Unrestricted	272,793	228,350	-	8,925,507
TOTAL NET POSITION	\$ 1,953,284	\$ 2,225,583	\$ -	\$ 37,371,492

Housing Authority of the County of Butte

Combining Statement of Revenues, Expenses, and Changes in Net Position - Business Activities
For the Year Ended September 30, 2025

	Blended Component Units			
	Housing Authority	BCAHDC	Baynard Corp	1200 Park
Operating Revenues				
Rental revenues, net	\$ 4,044,909	\$ -	\$ -	\$ 1,045,771
Government grants	30,630,133	-	-	-
Other income	2,249,481	1,163,701	9,720	310
Total Operating Revenues	36,924,523	1,163,701	9,720	1,046,081
Operating Expenses				
Administration	7,766,030	305,452	23,644	272,924
Tenant services	777,603	-	-	-
Utilities	938,392	-	-	118,469
Maintenance and operations	2,338,646	36	61	237,736
Protective services	132,590	-	-	-
Insurance expense	682,281	2,963	199	81,380
General expense	718,514	900	-	32,643
Housing Assistance Payments	24,456,602	-	-	-
Depreciation and amortization	2,426,541	-	-	461,697
Total Operating Expenses	40,237,199	309,351	23,904	1,204,849
OPERATING INCOME (LOSS)	(3,312,676)	854,350	(14,184)	(158,768)
Non-Operating Revenues (Expenses)				
Interest income	1,775,712	32,946	-	1,183
Interest expense	(349,758)	-	-	(246,021)
Total Non-Operating Revenues (Expenses)	1,425,954	32,946	-	(244,838)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(1,886,722)	887,296	(14,184)	(403,606)
Capital Contributions and Transfers				
Capital contributions	1,814,701	-	-	-
Total Capital Contributions and Transfers	1,814,701	-	-	-
CHANGE IN NET POSITION	(72,021)	887,296	(14,184)	(403,606)
BEGINNING NET POSITION	24,183,404	1,999,316	186,649	4,432,644
Corrections of Errors	(547,002)	(221,462)	-	-
Changes in Entity	2,761,591	-	-	-
BEGINNING NET POSITION (RESTATED)	26,397,993	1,777,854	186,649	4,432,644
ENDING NET POSITION	\$ 26,325,972	\$ 2,665,150	\$ 172,465	\$ 4,029,038

Housing Authority of the County of Butte

Combining Statement of Revenues, Expenses, and Changes in Net Position - Business Activities
For the Year Ended September 30, 2025

	Blended Component Units			Primary Government Total
	Walker Commons	Chico Commons	Eliminations	
Operating Revenues				
Rental revenues, net	\$ 510,051	\$ 794,068	\$ -	\$ 6,394,799
Government grants	-	-	-	30,630,133
Other income	1,108	384	-	3,424,704
Total Operating Revenues	511,159	794,452	-	40,449,636
Operating Expenses				
Administration	134,464	152,105	-	8,654,619
Tenant services	-	-	-	777,603
Utilities	26,018	74,485	-	1,157,364
Maintenance and operations	188,518	318,234	-	3,083,231
Protective services	-	-	-	132,590
Insurance expense	29,627	47,091	-	843,541
General expense	1,511	2,550	-	756,118
Housing Assistance Payments	-	-	-	24,456,602
Depreciation and amortization	77,753	177,341	-	3,143,332
Total Operating Expenses	457,891	771,806	-	43,005,000
OPERATING INCOME (LOSS)	53,268	22,646	-	(2,555,364)
Non-Operating Revenues (Expenses)				
Interest income	8,073	6,117	-	1,824,031
Interest expense	(15,530)	(36,321)	-	(647,630)
Total Non-Operating Revenues (Expenses)	(7,457)	(30,204)	-	1,176,401
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	45,811	(7,558)	-	(1,378,963)
Capital Contributions and Transfers				
Capital contributions	-	-	-	1,814,701
Total Capital Contributions and Transfers	-	-	-	1,814,701
CHANGE IN NET POSITION	45,811	(7,558)	-	435,738
BEGINNING NET POSITION	1,907,473	2,233,141	-	34,942,627
Corrections of Errors	-	-	-	(768,464)
Changes in Entity	-	-	-	2,761,591
BEGINNING NET POSITION (RESTATED)	1,907,473	2,233,141	-	36,935,754
ENDING NET POSITION	\$ 1,953,284	\$ 2,225,583	\$ -	\$ 37,371,492

Housing Authority of the County of Butte
Combining Statement of Cash Flows - Business Activities
For the Year Ended September 30, 2025

	Blended Component Units			
	Housing Authority	BCAHDC	Baynard Corp	1200 Park
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from tenants and users	\$ 5,245,559	\$ -	\$ -	\$ 1,037,370
Receipts from operating grants	30,427,339	-	-	-
Receipts from other sources	1,599,057	966,821	9,720	310
Payments for goods and services	(8,768,962)	(306,916)	(18,306)	(626,247)
Payments for Housing Assistance Payments	(24,693,775)	-	-	-
Payments to employees for services	(4,607,933)	-	-	(174,764)
NET CASH FLOW PROVIDED (USED) BY OPERATING ACTIVITIES	(798,715)	659,905	(8,586)	236,669
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital asset purchases	(4,941,635)	-	-	(29,604)
Payments on financial agreements	(2,166,410)	-	-	(254,881)
Proceeds from additional financial agreements	-	-	-	-
Capital contributions and transfers	1,814,701	-	-	-
NET CASH FLOW PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(5,293,344)	-	-	(284,485)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from investment activities	1,450,775	(83,291)	-	1,183
Note receivable issued	(1,339,988)	-	-	-
NET CASH FLOW PROVIDED (USED) BY INVESTING ACTIVITIES	110,787	(83,291)	-	1,183
NET INCREASE (DECREASE) IN CASH	(5,981,272)	576,614	(8,586)	(46,633)
BEGINNING CASH	14,261,366	1,313,314	181,051	631,610
ENDING CASH	\$ 8,280,094	\$ 1,889,928	\$ 172,465	\$ 584,977
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (3,312,676)	\$ 854,350	\$ (14,184)	\$ (158,768)
Non-Cash Adjustments:				
Depreciation	2,426,541	-	-	461,697
Pension	645,952	-	-	-
Correction of error	(547,002)	(221,462)	-	-
Change in Asset & Liabilities				
(Increase) decrease in accounts receivable	139,669	24,582	-	(5,501)
(Increase) decrease in prepaid	(488,135)	2,435	5,598	54,658
Increase (decrease) in accounts payable	28,907	-	-	(67,031)
Increase (decrease) in accrued liabilities	(130,795)	-	-	(45,486)
Increase (decrease) in compensated absences	(315,941)	-	-	-
Increase (decrease) in unearned revenue	543,359	-	-	-
Increase (decrease) in deposits held in trust	211,406	-	-	(2,900)
Net interfunds	-	-	-	-
Total Adjustments	2,513,961	(194,445)	5,598	395,437
Net Cash Provided (Used) by Operating Activities	\$ (798,715)	\$ 659,905	\$ (8,586)	\$ 236,669

Housing Authority of the County of Butte
Combining Statement of Cash Flows - Business Activities
For the Year Ended September 30, 2025

	<u>Blended Component Units</u>			Primary Government Total
	Walker Commons	Chico Commons	Eliminations	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from tenants and users	\$ 508,373	\$ 785,003	\$ -	\$ 7,576,305
Receipts from operating grants	-	-	-	30,427,339
Receipts from other sources	1,108	384	-	2,577,400
Payments for goods and services	(301,979)	(440,423)	-	(10,462,833)
Payments for Housing Assistance Payments	-	-	-	(24,693,775)
Payments to employees for services	(113,290)	(126,114)	-	(5,022,101)
NET CASH FLOW PROVIDED (USED) BY OPERATING ACTIVITIES	94,212	218,850	-	402,335
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital asset purchases	-	(77,365)	-	(5,048,604)
Payments on financial agreements	(50,509)	(50,412)	-	(2,522,212)
Proceeds from additional financial agreements	-	-	-	-
Capital contributions and transfers	-	-	-	1,814,701
NET CASH FLOW PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(50,509)	(127,777)	-	(5,756,115)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from investment activities	8,073	6,117	-	1,382,857
Note receivable issued	-	-	-	(1,339,988)
NET CASH FLOW PROVIDED (USED) BY INVESTING ACTIVITIES	8,073	6,117	-	42,869
NET INCREASE (DECREASE) IN CASH	51,776	97,190	-	(5,310,911)
BEGINNING CASH	936,494	731,752	-	18,055,587
ENDING CASH	\$ 988,270	\$ 828,942	\$ -	\$ 12,744,676
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 53,268	\$ 22,646	\$ -	\$ (2,555,364)
Non-Cash Adjustments:				
Depreciation	77,753	177,341	-	3,143,332
Pension	-	-	-	645,952
Correction of error	-	-	-	(768,464)
Change in Asset & Liabilities				
(Increase) decrease in accounts receivable	(2,050)	(5,880)	-	150,820
(Increase) decrease in prepaid	(6,300)	42,255	-	(389,489)
Increase (decrease) in accounts payable	(28,831)	(14,327)	-	(81,282)
Increase (decrease) in accrued liabilities	-	-	-	(176,281)
Increase (decrease) in compensated absences	-	-	-	(315,941)
Increase (decrease) in unearned revenue	(348)	-	-	543,011
Increase (decrease) in deposits held in trust	720	(3,185)	-	206,041
Net interfunds	-	-	-	-
Total Adjustments	40,944	196,204	-	2,957,699
Net Cash Provided (Used) by Operating Activities	\$ 94,212	\$ 218,850	\$ -	\$ 402,335

See Auditors' report on supplementary information

• t: (615) 309-8959
• f: (909) 825-9900
• 4068 rural plains circle #180
• franklin, tn 37064



Board of Commissioners

Housing Authority of the County of Butte
Chico, CA

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

Independent Auditors' Report

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 of the Housing Authority of the County of Butte as of and for the year ended September 30, 2025, and the related notes to financial statements, which collectively comprise the Housing Authority of the County of Butte's basic financial statements, and have issued our report thereon dated June 9, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit, 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 opinion 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 Housing Authority of the County of Butte'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as **Finding 2025-001** that we consider to be significant deficiencies.



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 of 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 2025-001**.

Housing Authority of the County of Butte's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Housing Authority of the County of Butte's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned. Housing Authority of the County of Butte'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 Housing Authority of the County of Butte's control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the County of Butte's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

June 9, 2026

Board of Commissioners
Housing Authority of the County of Butte
Chico, CA

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Independent Auditors' Report

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 compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the County of Butte's major federal programs for the year ended September 30, 2025. The Housing Authority of the County of Butte's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Housing Authority of the County of Butte complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditor's Responsibilities for the Audit of Compliance 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 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 Housing Authority of the County of Butte'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 Housing Authority of the County of Butte's federal programs.



Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Housing Authority of the County of Butte'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 GAAS, *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 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 Housing Authority of the County of Butte's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Housing Authority of the County of Butte'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 Housing Authority of the County of Butte'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 Housing Authority of the County of Butte'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 items **Finding 2025-002**. Our opinion on each major federal program is not modified with respect to these matters. Government Auditing Standards requires the auditor to perform limited procedures on the Housing Authority of the County of Butte's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Housing Authority of the County of Butte'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 Auditor's 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. We did not identify any deficiencies in internal control over compliance that we consider to be 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 items **Finding 2025-002**, 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 Housing Authority of the County of Butte's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Housing Authority of the County of Butte'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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

June 9, 2026

Housing Authority of the County of Butte

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2025

Section I Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

Internal controls over financial reporting:

 Material weakness(es) identified

 Significant deficiency(ies) identified

Noncompliance material to financial statements noted

Federal Awards

Internal control over major federal programs

 Material weakness(es) identified

 Significant deficiency(ies) identified

Type of auditors' report issued on compliance for major federal programs

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)

Identification of major federal programs:

ALN(s)	Name of Federal Program or Cluster
14.871;14.879	Housing Voucher Cluster

Dollar threshold used to distinguish between type A and type B programs:

Auditee qualified as a low-risk auditee

Housing Authority of the County of Butte

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2025

Section II Financial Statement Findings

		Internal Control	Significant Deficiency
2025-001	Unaudited FDS significantly different from audited FDS		
Criteria	The Financial Data Schedule unaudited submission is a significant internal control over financial reporting. HUD and the auditors rely on the unaudited submission as the unaudited financial reporting of the agency.		
Condition	Management posted numerous material and significant journal entries to the financial information initially provided to HUD on the unaudited FDS submission in order to fairly present the financial statements of the Authority.		
Context	The amounts in the unaudited FDS indicated net income of approximately \$4.5 million and audited net income was approximately \$500 thousand. Total assets in the unaudited FDS reported approximately \$61 million while the audited FDS reported \$66 million.		
Cause	The Authority lost several key members during the prior year and fell behind on audit submission. Resulted in a unaudited submission in current year with incomplete data as audit of prior year was just completed.		
Effect	The initial financial information provided to HUD was materially misstated. The financial results were materially different from the unaudited financial submission to HUD.		
Recommendations	We recommend the agency keep the outside consulting firm and utilize the firm to assist them in year end close out and unaudited FDS submission in the next year.		
Questioned Costs	None.		
Management Views	Management agrees and has a Corrective Action Plan identifying steps to resolve this finding.		

Housing Authority of the County of Butte

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2025

Section III Federal Awards Findings

US Department of Housing and Urban Development

Direct Award

Program Name	Housing Voucher Cluster	Internal Control	Significant Deficiency
		N	Special Tests

ALN(s) **14.871;14.879**

2025-002 **SEMAP**

Criteria In accordance with 24 CFR section 985.3(h) – Report Submission, PHAs with jurisdiction in metropolitan Fair Market Rent areas have the option of submitting data to HUD with their annual SEMAP certifications on the percent of their tenant-based Section 8 families with children who live in, and who have moved during the PHA fiscal year to, low poverty census tracts in the PHA’s principal operating area. Submission of this information with the SEMAP certification makes the PHA eligible for bonus points under SEMAP.

Condition During the audit, we noted that the SEMAP was not completed or filed with HUD as required. The Board approve the SEMAP however the SEMAP was not file with HUD as required.

Context The Authority is a troubled status agency that is required to file SEMAP annually with HUD until the status is resolved.

Cause The submission was inadvertently not completed by Management

Effect The Authority was in violation of the Federal Regulation relating to report submissions.

Recommendations We recommend that Management implement procedures to ensure compliance with the above regulations as it relates to all federal awards.

Questioned Costs None.

Management Views The auditee acknowledges the deficiency in filing the SEMAP with HUD as highlighted in the finding. In response to this issue, the management commits to implementing a comprehensive Corrective Action Plan.

Housing Authority of the County of Butte
 Summary Schedule of Prior Year Findings and Questioned Costs
 For the Year Ended September 30, 2025

Financial Statement Findings

Prior Year Findings Number	Findings Title	Status/ Current Year Finding Number
2024-001	Internal Controls over Significant Account Balances (original finding #2021-001)	Repeat 2025-001

Federal Award Findings and Questioned Costs

Prior Year Findings Number	Findings Title	Status/ Current Year Finding Number
2024-002	Report Filing Deadline Missed (original finding #2021-002)	Cleared



HOUSING AUTHORITY of the County of Butte

(530) 895-4474
FAX (530) 894-8738
TDD/TTY (800) 735-2929
(800) 564-2999 Butte County Only
WEBSITE: www.butte-housing.com
2039 Forest Avenue • Chico, CA 95928

Corrective Action Plan

Finding 2025-001: Unaudited FDS significantly different from audited FDS

Corrective Action Plan: The housing authority has engaged with the consulting firm, BDO, to complete the unaudited FDS by the due date. It has also engaged with the consulting firm, Elevates Consulting, to oversee the audit process, train staff, and develop procedures for continual reconciliation and verification of the financial statements.

Anticipated Completion Date: Currently in process with the estimated completion date by 12/31/2026.

Contact Person: Larry Guanzon, Executive Director
2039 Forest Avenue
Chico CA, 95928

Contact Person Signature:

A handwritten signature in blue ink, consisting of a stylized 'L' followed by a horizontal line that loops back under the 'L'.



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





HOUSING AUTHORITY of the County of Butte

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Corrective Action Plan

Finding 2025-002: SEMAP

Corrective Action Plan: The HUD San Francisco field office will be conducting a SEMAP confirmatory on site of HACB which includes review of documents and submitting SEMAP certification on behalf of HACB.

For future submissions, HACB will create a system of checks and balances that will follow the following process:

- (1) SEMAP will be completed by Rental Assistance Programs Manager and submitted for HACB Board Approval.
- (2) Immediately following approval by the HACB Board, the Rental Assistance Programs Manager and the Executive Assistant will alert the Executive Director to Submit SEMAP certification via pic.
- (3) The Deputy Executive Director will provide oversight that the certification has been submitted no later than the deadline of 11/30.

Anticipated Completion Date: 6/17/2026 upon the completion of the SEMAP confirmatory by HUD SF field office representative.

Contact Person: Larry Guanzon, Executive Director
2039 Forest Avenue
Chico CA, 95928

Contact Person Signature:

A handwritten signature in blue ink, consisting of a stylized 'L' followed by a horizontal line and a loop.



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



HOUSING AUTHORITY OF THE COUNTY OF BUTTE

**Supplementary Information &
Independent Auditors' Report on Supplementary Information**

For the Year Ended September 30, 2025



Housing Authority of the County of Butte

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For the Year Ended September 30, 2025

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- t: (615) 309-8959
- f: (909) 825-9900
- 4068 rural plains circle #180
- franklin, tn 37064



Board of Commissioners

Housing Authority of the County of Butte
Chico, CA

Independent Auditors' Report on Supplementary Information

We have audited the basic financial statements of the Housing Authority of the County of Butte as of and for the year ended September 30, 2025, and have issued our report thereon dated June 9, 2026, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying financial data schedules are presented for purposes 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedules are fairly stated in all material respects in relation to the financial statements as a whole.

June 9, 2026

- t: (615) 309-8959
- f: (909) 825-9900
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Board of Commissioners

Housing Authority of the County of Butte
Chico, CA

Independent Accountants' Report on Applying Agreed-Upon Procedures

We have performed the procedure described in the third paragraph of this report, on the electronically submitted information included within the OMB Uniform Guidance reporting package. The Housing Authority of the County of Butte is responsible for the accuracy and completeness of the electronically submitted information.

The Housing Authority of the County of Butte and the U.S. Department of Housing and Urban Development (HUD), Real Estate Assessment Center (REAC) have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether the electronically submitted information agrees with the related hard copy documents within the OMB Uniform Guidance reporting package. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures are as follows:

We compared the electronically submitted items listed in the "UFRS Rule Information" column of the matrix/chart on the following page of this report with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

We were engaged by the Housing Authority of the County of Butte to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the electronically submitted information identified in the "UFRS Rule Information" column of the chart/matrix agrees with the related hard copy documents within the OMB Uniform Guidance reporting package. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 related to our agreed-upon procedures engagement.



We were engaged to perform an audit in accordance with the OMB Uniform Guidance and with *Government Auditing Standards* by the Housing Authority of the County of Butte as of and for the period ending September 30, 2025, and have issued our reports thereon dated June 9, 2026. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of that audit. Further, our opinion on the fair presentation of the supplementary information dated June 9, 2026, was expressed in relation to the basic financial statements of the Housing Authority of the County of Butte taken as a whole.

A copy of the OMB Uniform Guidance reporting package, required by the Uniform Guidance, which includes the auditor's reports, is available in its entirety from the Housing Authority of the County of Butte. We take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the Housing Authority of the County of Butte and HUD and is not intended to be and should not be used by anyone other than these specified parties.

June 9, 2026

Housing Authority of the County of Butte

Agreed Upon Procedures
For the Year Ended September 30, 2025

Procedure	UFRS Rule Information	Hard Copy Document(s)	Findings
1	Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's, if applicable	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (data element G3100-040)	Auditor's supplemental report on FDS	Agrees
4	Audit findings narrative (data element G5200-010)	Schedule of Findings and Questioned Cost	Agrees
5	General information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form *	Agrees
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned Cost, Part 1 and OMB Data Collection Form *	Agrees
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned Cost, Part 1 and OMB Data Collection Form *	Agrees
8	Type of Compliance Requirements (G4200-020 & G4000-030)	OMB Data Collection Form *	Agrees
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Agrees

Housing Authority of the County of Butte

Financial Data Schedule

9/30/2025

CA043		Project Total	1 Business Activities	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.870 Resident Opportunity and Supportive Services	10.427 Rural Rental Assistance Payments	10.405 Farm Labor Housing Loans and Grants
111	Cash - Unrestricted	80,637	13,834	2,355,756	-	20,097	471,033	-
113	Cash - Other Restricted	-	3,464,534	-	-	-	656,514	-
113	Cash - Other Restricted - HAP Funds	-	-	661,548	-	-	-	-
113	Cash - Other Restricted - FSS Escrows	-	-	88,949	-	-	-	-
114	Cash - Tenant Security Deposits	188,958	156,441	1,737	-	-	45,044	-
115	Cash - Restricted for Payment of Current Liabilities	-	-	46,021	-	-	-	-
100	Total Cash	269,595	3,634,809	3,154,011	-	20,097	1,172,591	-
122	Accounts Receivable - HUD Other Projects	-	-	-	-	55,808	52,428	-
124	Accounts Receivable - Other Government	-	-	65,128	-	-	-	-
125	Accounts Receivable - Miscellaneous	-	-	91,231	12,191	-	-	-
126	Accounts Receivable - Tenants	288,996	228,376	82,782	2,964	-	318	-
126.1	Allowance for Doubtful Accounts - Tenants	(22,123)	(5,925)	-	(1,000)	-	(60)	-
129	Accrued Interest Receivable	-	29,015	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	266,873	251,466	239,141	14,155	55,808	52,686	-
131	Investments - Unrestricted	1,164,198	155,593	638,986	-	-	-	-
132	Investments - Restricted	1,465,055	263,710	1,201,345	-	-	-	-
142	Prepaid Expenses and Other Assets	347,756	37,492	28,570	1,147	-	2,662	-
143	Inventories	142,599	733	228	-	-	-	-
144	Inter Program Due From	-	-	4,150	-	-	-	-
150	Total Current Assets	3,656,076	4,343,803	5,266,431	15,302	75,905	1,227,939	-
161	Land	484,396	1,568,661	-	-	-	297,326	-
162	Buildings	31,275,435	9,468,623	400,652	-	-	17,914,489	-
163	Furniture, Equipment & Machinery - Dwellings	1,400,140	493,715	-	-	-	-	-
164	Furniture, Equipment & Machinery - Administration	341,182	107,397	58,671	-	-	-	-
165	Leasehold Improvements	-	-	-	-	-	2,889,796	-
166	Accumulated Depreciation	(26,385,440)	(5,332,547)	(401,662)	-	-	(9,928,473)	-
167	Construction in Progress	-	4,844,709	7,691	-	-	-	-
160	Total Capital Assets, Net	7,115,713	11,150,558	65,352	-	-	11,173,138	-
171	Notes, Loans and Mortgages Receivable - Non-Current	-	2,115,874	-	-	-	-	-
174	Other Assets	109,892	19,251	91,821	-	-	-	-
180	Total Non-Current Assets	7,225,605	13,285,683	157,173	-	-	11,173,138	-
200	Deferred Outflow of Resources	811,252	142,116	677,847	-	-	-	-
290	Total Assets and Deferred Outflow of Resources	11,692,933	17,771,602	6,101,451	15,302	75,905	12,401,077	-
312	Accounts Payable <= 90 Days	220,666	162,140	-	903	-	16	-
321	Accrued Wage/Payroll Taxes Payable	12,689	-	10,493	-	-	-	-
322	Accrued Compensated Absences - Current Portion	88,266	15,462	73,751	-	-	-	-
325	Accrued Interest Payable	-	204,743	-	-	-	-	-
333	Accounts Payable - Other Government	2,084	1,606	-	-	-	36,843	-
341	Tenant Security Deposits	188,958	156,441	1,737	-	-	45,044	-
342	Unearned Revenues - Operating Subsidy	-	693,624	46,021	-	-	-	-
342	Unearned Revenues - Other, Prepaid Rent	18,636	13,169	10,891	-	-	-	-
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	-	207,445	-	-	-	123,622	-
345	Other Current Liabilities - Miscellaneous	-	-	-	-	-	39,478	-
345	Other Current Liabilities - FSS Escrow	-	-	88,949	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	2,470	-
347	Inter Program - Due To	-	-	-	4,150	-	-	-
310	Total Current Liabilities	531,299	1,454,630	231,842	5,053	-	247,473	-
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	11,295,447	-	-	-	2,630,433	-
354	Accrued Compensated Absences - Non Current	183,214	32,096	153,085	-	-	-	-
355	Loan Liability - Non Current	-	-	-	-	-	-	-
357	Pension Liability	2,264,523	396,701	1,892,135	-	-	-	-
350	Total Non-Current Liabilities	2,447,737	11,724,244	2,045,220	-	-	2,630,433	-
300	Total Liabilities	2,979,036	13,178,874	2,277,062	5,053	-	2,877,906	-
400	Deferred Inflow of Resources	220,495	38,627	184,236	-	-	-	-
508.4	Net Investment in Capital Assets	7,115,713	(352,334)	65,352	-	-	8,419,083	-
511.4	Restricted Net Position	109,892	2,790,161	753,369	-	-	656,514	-
512.4	Unrestricted Net Position	1,267,797	2,116,274	2,821,432	10,249	75,905	447,574	-
513	Total Equity - Net Assets / Position	8,493,402	4,554,101	3,640,153	10,249	75,905	9,523,171	-
600	Total Liabilities, Deferred Inflows of Resources and Net Position	11,692,933	17,771,602	6,101,451	15,302	75,905	12,401,077	-

See auditors' report on supplementary information

Housing Authority of the County of Butte

Financial Data Schedule

9/30/2025

CA043		14.EFA FSS Escrow Forfeiture Account	6.2 Component Unit - Blended	Subtotal	ELIM	Primary	5 Fiduciary	Total
111	Cash - Unrestricted	-	2,778,863	5,720,220	-	5,720,220	-	5,720,220
113	Cash - Other Restricted	-	1,598,130	5,719,178	-	5,719,178	-	5,719,178
113	Cash - Other Restricted - HAP Funds	-	-	661,548	-	661,548	-	661,548
113	Cash - Other Restricted - FSS Escrows	28,991	-	117,940	-	117,940	-	117,940
114	Cash - Tenant Security Deposits	-	87,589	479,769	-	479,769	-	479,769
115	Cash - Restricted for Payment of Current Liabilities	-	-	46,021	-	46,021	-	46,021
100	Total Cash	28,991	4,464,582	12,744,676	-	12,744,676	-	12,744,676
122	Accounts Receivable - HUD Other Projects	-	-	108,236	-	108,236	-	108,236
124	Accounts Receivable - Other Government	-	-	65,128	-	65,128	-	65,128
125	Accounts Receivable - Miscellaneous	-	-	103,422	-	103,422	-	103,422
126	Accounts Receivable - Tenants	-	38,811	642,247	-	642,247	-	642,247
126.1	Allowance for Doubtful Accounts - Tenants	-	(2,408)	(31,516)	-	(31,516)	-	(31,516)
129	Accrued Interest Receivable	-	-	29,015	-	29,015	-	29,015
120	Total Receivables, Net of Allowances for Doubtful Accounts	-	36,403	916,532	-	916,532	-	916,532
131	Investments - Unrestricted	-	775,222	2,733,999	-	2,733,999	-	2,733,999
132	Investments - Restricted	-	-	2,930,110	-	2,930,110	-	2,930,110
142	Prepaid Expenses and Other Assets	-	40,969	458,596	-	458,596	-	458,596
143	Inventories	-	-	143,560	-	143,560	-	143,560
144	Inter Program Due From	-	-	4,150	(4,150)	-	-	-
150	Total Current Assets	28,991	5,317,176	19,931,623	(4,150)	19,927,473	-	19,927,473
161	Land	-	2,098,248	4,448,631	-	4,448,631	-	4,448,631
162	Buildings	-	26,633,769	85,692,968	-	85,692,968	-	85,692,968
163	Furniture, Equipment & Machinery - Dwellings	-	488,904	2,382,759	-	2,382,759	-	2,382,759
164	Furniture, Equipment & Machinery - Administration	-	-	507,250	-	507,250	-	507,250
165	Leasehold Improvements	-	-	2,889,796	-	2,889,796	-	2,889,796
166	Accumulated Depreciation	-	(14,934,915)	(56,983,037)	-	(56,983,037)	-	(56,983,037)
167	Construction in Progress	-	-	4,852,400	-	4,852,400	-	4,852,400
160	Total Capital Assets, Net	-	14,286,006	43,790,767	-	43,790,767	-	43,790,767
171	Notes, Loans and Mortgages Receivable - Non-Current	-	-	2,115,874	(1,332,469)	783,405	-	783,405
174	Other Assets	-	-	220,964	-	220,964	-	220,964
180	Total Non-Current Assets	-	14,286,006	46,127,605	(1,332,469)	44,795,136	-	44,795,136
200	Deferred Outflow of Resources	-	-	1,631,215	-	1,631,215	-	1,631,215
290	Total Assets and Deferred Outflow of Resources	28,991	19,603,182	67,690,443	(1,336,619)	66,353,824	-	66,353,824
312	Accounts Payable <= 90 Days	-	110,274	493,999	-	493,999	-	493,999
321	Accrued Wage/Payroll Taxes Payable	-	2,438	25,620	-	25,620	-	25,620
322	Accrued Compensated Absences - Current Portion	-	-	177,479	-	177,479	-	177,479
325	Accrued Interest Payable	-	-	204,743	-	204,743	-	204,743
333	Accounts Payable - Other Government	-	-	40,533	-	40,533	-	40,533
341	Tenant Security Deposits	-	87,589	479,769	-	479,769	-	479,769
342	Unearned Revenues - Operating Subsidy	-	-	739,645	-	739,645	-	739,645
342	Unearned Revenues - Other, Prepaid Rent	-	-	42,696	-	42,696	-	42,696
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	-	82,972	414,039	-	414,039	-	414,039
345	Other Current Liabilities - Miscellaneous	-	-	39,478	-	39,478	-	39,478
345	Other Current Liabilities - FSS Escrow	-	-	88,949	-	88,949	-	88,949
346	Accrued Liabilities - Other	-	-	2,470	-	2,470	-	2,470
347	Inter Program - Due To	-	-	4,150	(4,150)	-	-	-
310	Total Current Liabilities	-	283,273	2,753,570	(4,150)	2,749,420	-	2,749,420
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	6,941,920	20,867,800	-	20,867,800	-	20,867,800
354	Accrued Compensated Absences - Non Current	-	-	368,395	-	368,395	-	368,395
355	Loan Liability - Non Current	-	1,332,469	1,332,469	(1,332,469)	-	-	-
357	Pension Liability	-	-	4,553,359	-	4,553,359	-	4,553,359
350	Total Non-Current Liabilities	-	8,274,389	27,122,023	(1,332,469)	25,789,554	-	25,789,554
300	Total Liabilities	-	8,557,662	29,875,593	(1,336,619)	28,538,974	-	28,538,974
400	Deferred Inflow of Resources	-	-	443,358	-	443,358	-	443,358
508.4	Net Investment in Capital Assets	-	7,261,114	22,508,928	-	22,508,928	-	22,508,928
511.4	Restricted Net Position	28,991	1,598,130	5,937,057	-	5,937,057	-	5,937,057
512.4	Unrestricted Net Position	-	2,186,276	8,925,507	-	8,925,507	-	8,925,507
513	Total Equity - Net Assets / Position	28,991	11,045,520	37,371,492	-	37,371,492	-	37,371,492
600	Total Liabilities, Deferred Inflows of Resources and Net Position	28,991	19,603,182	67,690,443	(1,336,619)	66,353,824	-	66,353,824

See auditors' report on supplementary information

Housing Authority of the County of Butte

Financial Data Schedule

9/30/2025

CA043		Project Total	1 Business Activities	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.870 Resident Opportunity and Supportive Services	10.427 Rural Rental Assistance Payments	10.405 Farm Labor Housing Loans and Grants
70300	Net Tenant Rental Revenue	1,511,322	2,077,869	-	540	-	435,042	-
70400	Tenant Revenue - Other	90,011	58,734	-	-	-	1,660	-
70500	Total Tenant Revenue	1,601,333	2,136,603	-	540	-	436,702	-
70600	HUD PHA Operating Grants	1,824,296	10,964	-	-	112,500	803,058	-
70600	Housing Assistance Payments	-	4,176	23,320,963	1,200,272	-	-	-
70600	Ongoing Administrative Fees Earned	-	-	2,552,373	360,373	-	-	-
70610	Capital Grants	1,814,701	-	-	-	-	-	-
70800	Other Government Grants	-	441,158	-	-	-	-	-
71100	Unrestricted Investment Income - Other	-	46,635	91,718	-	-	3,252	-
71400	Fraud Recovery - Other	14,761	-	-	-	-	-	-
71400	Fraud Recovery - Housing Assistance Payments	-	-	90,023	6,709	-	-	-
71500	Other Revenue	4,336	1,678,879	336,167	-	-	253	16
72000	Restricted Investment Income - Other	146,167	1,487,119	-	-	-	821	-
70000	Total Revenue	5,405,594	5,805,534	26,481,266	1,567,894	112,500	1,244,086	16
91100	Administrative Salaries	1,043,337	320,261	1,022,258	-	41,496	102,312	-
91200	Auditing Fees	-	280,636	-	-	-	8,000	-
91300	Management Fees - Outside	-	32,339	54,553	1,308	-	7,500	-
91400	Advertising and Marketing	554	7,696	4,028	-	-	347	-
91500	Employee Benefit contributions - Administrative	-	1,386,220	(88,778)	(9,595)	-	9,290	-
91600	Office Expenses	52,747	276,918	59,864	264	-	16,525	-
91700	Legal Expense	11,388	17,730	17,555	-	-	-	-
91800	Travel	18,637	21,859	4,983	-	-	800	-
91900	Other	202,142	2,509,446	179,404	4,716	1	147,289	-
91000	Total Operating - Administrative	1,845,546	3,776,944	1,765,287	44,693	41,497	292,063	-
92100	Tenant Services - Salaries	-	-	828	-	69,369	-	-
92200	Relocation Costs	600	10,421	-	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	130,976	-	165,960	-	1,634	-	-
92400	Tenant Services - Other	12,862	50,397	28,471	305,630	-	455	-
92500	Total Tenant Services	144,438	60,818	195,259	305,630	71,003	455	-
93100	Water	207,939	76,650	-	-	-	27,811	-
93200	Electricity	22,941	108,703	-	-	-	39,927	-
93300	Gas	9,537	11,644	-	-	-	4,337	-
93400	Fuel	-	-	-	-	-	-	-
93600	Sewer	221,666	176,059	-	-	-	31,145	-
93800	Other Utilities Expense	-	33	-	-	-	-	-
93000	Total Utilities	462,083	373,089	-	-	-	103,220	-

Housing Authority of the County of Butte

Financial Data Schedule

9/30/2025

CA043		Project Total	1 Business Activities	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.870 Resident Opportunity and Supportive Services	10.427 Rural Rental Assistance Payments	10.405 Farm Labor Housing Loans and Grants
94100	Ordinary Maintenance and Operations - Labor	406,090	142,948	-	-	-	107,672	-
94200	Ordinary Maintenance and Operations - Materials and Other	97,542	107,409	1,135	-	-	1,285	-
94300	Ordinary Maint. & Operations - Garbage & Trash	81,728	38,135	-	-	-	24,596	-
94300	Ordinary Maint. & Operations - HVAC	94,217	31,244	-	-	-	-	-
94300	Ordinary Maint. & Operations - Elevator	-	-	-	-	-	-	-
94300	Ordinary Maint. & Operations - Landscape & Grounds	178,421	50,040	2,497	-	-	113,938	-
94300	Ordinary Maint. & Operations - Unit Turnaround	28,236	51,942	-	-	-	2,836	-
94300	Ordinary Maint. & Operations - Electrical Contracts	-	1,687	-	-	-	-	-
94300	Ordinary Maint. & Operations - Plumbing Contracts	-	2,262	-	-	-	-	-
94300	Ordinary Maint. & Operations - Extermination	18,934	6,545	-	-	-	4,655	-
94300	Ordinary Maint. & Operations - Janitorial Contracts	12,360	21,528	-	-	-	-	-
94300	Ordinary Maint. & Operations - Routine Maintenance	9,362	23,532	26	-	-	188,377	-
94300	Ordinary Maint. & Operations - Misc. Contracts	146,019	144,752	15,690	585	-	25,097	-
94500	Employee Benefit Contributions - Ordinary Maintenance	84,934	732	-	-	-	-	-
94000	Total Ordinary Maint. and Op.	1,157,843	622,756	19,348	585	-	468,456	-
95200	Protective Services - Other Contract Costs	125,751	6,839	-	-	-	-	-
95000	Total Protective Services	125,751	6,839	-	-	-	-	-
96110	Property Insurance	-	5,849	-	-	-	84,941	-
96120	Liability Insurance	223,965	235,625	12,759	358	-	-	-
96130	Workmen's Compensation	48,027	14,976	35,568	2,404	-	8,378	-
96140	All Other Insurance	8,144	637	-	-	-	650	-
96100	Total Insurance Premiums	280,136	257,087	48,327	2,762	-	93,969	-
96200	Other General Expenses	1,915	53,045	107,378	-	-	-	-
96210	Compensated Absences	60,672	(61,012)	115,142	-	-	-	-
96300	Payments in Lieu of Taxes	115,815	19,402	-	-	-	60,346	-
96400	Bad Debt - Tenant Rents	103,640	26,525	-	-	-	780	-
96600	Bad Debt - Other	217,538	638	27,489	146	-	-	-
96000	Total Other General Expenses	499,580	38,598	250,009	146	-	61,126	-
96710	Interest of Mortgage (or Bonds) Payable	-	320,998	-	-	-	28,760	-
96700	Total Interest Expense and Amortization Cost	-	320,998	-	-	-	28,760	-
96900	Total Operating Expenses	4,515,377	5,457,129	2,278,230	353,816	112,500	1,048,049	-
97000	Excess of Op. Revenue Over Op. Expenses	890,217	348,405	24,203,036	1,214,078	-	196,037	16
97100	Extraordinary Maintenance	-	69,658	-	-	-	-	-
97300	Housing Assistance Payments	30,394	116,463	22,749,438	1,224,205	-	-	-
97400	Depreciation Expense	693,652	799,745	7,330	-	-	925,814	-
90000	Total Expenses	5,239,423	6,442,995	25,371,100	1,578,021	112,500	1,973,863	-
10010	Operating Transfer In	4,033,139	9,667,049	61,725	-	-	-	-
10020	Operating Transfer Out	(4,033,139)	(9,667,049)	(61,725)	-	-	-	-
10100	Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	166,171	(637,461)	1,110,166	(10,127)	-	(729,777)	16
11030	Beginning Equity	6,727,751	5,492,823	1,816,782	25,262	(48,279)	9,879,789	289,276
11040	Prior Period Adjustments	1,599,480	(301,261)	713,205	(4,886)	124,184	373,159	(289,292)
11040	Equity Transfers	-	-	-	-	-	-	-

Housing Authority of the County of Butte

Financial Data Schedule

9/30/2025

CA043		14.EFA FSS Escrow Forfeiture Account	6.2 Component Unit - Blended	Subtotal	ELIM	Primary Government	5 Fiduciary	Total
70300	Net Tenant Rental Revenue	-	2,317,337	6,342,110	-	6,342,110	-	6,342,110
70400	Tenant Revenue - Other	676	75,613	226,694	-	226,694	-	226,694
70500	Total Tenant Revenue	676	2,392,950	6,568,804	-	6,568,804	-	6,568,804
70600	HUD PHA Operating Grants	-	-	2,750,818	-	2,750,818	-	2,750,818
70600	Housing Assistance Payments	-	-	24,525,411	-	24,525,411	-	24,525,411
70600	Ongoing Administrative Fees Earned	-	-	2,912,746	-	2,912,746	-	2,912,746
70610	Capital Grants	-	-	1,814,701	-	1,814,701	-	1,814,701
70800	Other Government Grants	-	-	441,158	-	441,158	-	441,158
71100	Unrestricted Investment Income - Other	-	48,319	189,924	-	189,924	-	189,924
71400	Fraud Recovery - Other	-	-	14,761	-	14,761	-	14,761
71400	Fraud Recovery - Housing Assistance Payments	-	-	96,732	-	96,732	-	96,732
71500	Other Revenue	28,315	1,175,223	3,223,189	-	3,223,189	-	3,223,189
72000	Restricted Investment Income - Other	-	-	1,634,107	-	1,634,107	-	1,634,107
70000	Total Revenue	28,991	3,616,492	44,262,373	-	44,262,373	-	44,262,373
91100	Administrative Salaries	-	159,054	2,688,718	-	2,688,718	-	2,688,718
91200	Auditing Fees	-	27,866	316,502	-	316,502	-	316,502
91300	Management Fees - Outside	-	-	95,700	-	95,700	-	95,700
91400	Advertising and Marketing	-	-	12,625	-	12,625	-	12,625
91500	Employee Benefit contributions - Administrative	-	54,005	1,351,142	-	1,351,142	-	1,351,142
91600	Office Expenses	-	57,642	463,960	-	463,960	-	463,960
91700	Legal Expense	-	13,817	60,490	-	60,490	-	60,490
91800	Travel	-	3,958	50,237	-	50,237	-	50,237
91900	Other	-	572,247	3,615,245	-	3,615,245	-	3,615,245
91000	Total Operating - Administrative	-	888,589	8,654,619	-	8,654,619	-	8,654,619
92100	Tenant Services - Salaries	-	-	70,197	-	70,197	-	70,197
92200	Relocation Costs	-	-	11,021	-	11,021	-	11,021
92300	Employee Benefit Contributions - Tenant Services	-	-	298,570	-	298,570	-	298,570
92400	Tenant Services - Other	-	-	397,815	-	397,815	-	397,815
92500	Total Tenant Services	-	-	777,603	-	777,603	-	777,603
93100	Water	-	47,560	359,960	-	359,960	-	359,960
93200	Electricity	-	97,071	268,642	-	268,642	-	268,642
93300	Gas	-	-	25,518	-	25,518	-	25,518
93400	Fuel	-	20,478	20,478	-	20,478	-	20,478
93600	Sewer	-	53,863	482,733	-	482,733	-	482,733
93800	Other Utilities Expense	-	-	33	-	33	-	33
93000	Total Utilities	-	218,972	1,157,364	-	1,157,364	-	1,157,364

Housing Authority of the County of Butte

Financial Data Schedule

9/30/2025

CA043		14.EFA FSS Escrow Forfeiture Account	6.2 Component Unit - Blended	Subtotal	ELIM	Primary Government	5 Fiduciary	Total
94100	Ordinary Maintenance and Operations - Labor	-	201,109	857,819	-	857,819	-	857,819
94200	Ordinary Maintenance and Operations - Materials and Other	-	71,193	278,564	-	278,564	-	278,564
94300	Ordinary Maint. & Operations - Garbage & Trash	-	59,902	204,361	-	204,361	-	204,361
94300	Ordinary Maint. & Operations - HVAC	-	12,096	137,557	-	137,557	-	137,557
94300	Ordinary Maint. & Operations - Elevator	-	12,268	12,268	-	12,268	-	12,268
94300	Ordinary Maint. & Operations - Landscape & Grounds	-	89,697	434,593	-	434,593	-	434,593
94300	Ordinary Maint. & Operations - Unit Turnaround	-	14,500	97,514	-	97,514	-	97,514
94300	Ordinary Maint. & Operations - Electrical Contracts	-	-	1,687	-	1,687	-	1,687
94300	Ordinary Maint. & Operations - Plumbing Contracts	-	6,981	9,243	-	9,243	-	9,243
94300	Ordinary Maint. & Operations - Extermination	-	25,134	55,268	-	55,268	-	55,268
94300	Ordinary Maint. & Operations - Janitorial Contracts	-	-	33,888	-	33,888	-	33,888
94300	Ordinary Maint. & Operations - Routine Maintenance	-	65,252	286,549	-	286,549	-	286,549
94300	Ordinary Maint. & Operations - Misc. Contracts	-	186,453	518,596	-	518,596	-	518,596
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	85,666	-	85,666	-	85,666
94000	Total Ordinary Maint. and Op.	-	744,585	3,013,573	-	3,013,573	-	3,013,573
95200	Protective Services - Other Contract Costs	-	-	132,590	-	132,590	-	132,590
95000	Total Protective Services	-	-	132,590	-	132,590	-	132,590
96110	Property Insurance	-	140,264	231,054	-	231,054	-	231,054
96120	Liability Insurance	-	2,482	475,189	-	475,189	-	475,189
96130	Workmen's Compensation	-	13,960	123,313	-	123,313	-	123,313
96140	All Other Insurance	-	4,554	13,985	-	13,985	-	13,985
96100	Total Insurance Premiums	-	161,260	843,541	-	843,541	-	843,541
96200	Other General Expenses	-	37,604	199,942	-	199,942	-	199,942
96210	Compensated Absences	-	-	114,802	-	114,802	-	114,802
96300	Payments in Lieu of Taxes	-	-	195,563	-	195,563	-	195,563
96400	Bad Debt - Tenant Rents	-	43,060	174,005	-	174,005	-	174,005
96600	Bad Debt - Other	-	-	245,811	-	245,811	-	245,811
96000	Total Other General Expenses	-	80,664	930,123	-	930,123	-	930,123
96710	Interest of Mortgage (or Bonds) Payable	-	297,872	647,630	-	647,630	-	647,630
96700	Total Interest Expense and Amortization Cost	-	297,872	647,630	-	647,630	-	647,630
96900	Total Operating Expenses	-	2,391,942	16,157,043	-	16,157,043	-	16,157,043
97000	Excess of Op. Revenue Over Op. Expenses	28,991	1,224,550	28,105,330	-	28,105,330	-	28,105,330
97100	Extraordinary Maintenance	-	-	69,658	-	69,658	-	69,658
97300	Housing Assistance Payments	-	-	24,120,500	-	24,120,500	-	24,120,500
97400	Depreciation Expense	-	716,791	3,143,332	-	3,143,332	-	3,143,332
90000	Total Expenses	-	3,108,733	43,826,635	-	43,826,635	-	43,826,635
10010	Operating Transfer In	-	-	13,761,913	(13,761,913)	-	-	-
10020	Operating Transfer Out	-	-	(13,761,913)	13,761,913	-	-	-
10100	Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	28,991	507,759	435,738	-	435,738	-	435,738
11030	Beginning Equity	-	10,759,223	34,942,627	-	34,942,627	2,761,591	34,942,627
11040	Prior Period Adjustments	-	(221,462)	1,993,127	-	1,993,127	(2,761,591)	1,993,127
11040	Equity Transfers	-	-	-	-	-	-	-



HOUSING AUTHORITY of the County of Butte

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

Supplemental Audit Information by HACB Staff



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



Section I Summary of Auditors' Results

Financial Statements

Type of auditors' report issued (1)

Internal controls over financial reporting:

Material weakness(es) identified (2)

Significant deficiency(ies) identified (3)

Noncompliance material to financial statements noted (4)

Federal Awards

Internal control over major federal programs

Material weakness(es) identified (5)

Significant deficiency(ies) identified (6)

Type of auditors' report issued on compliance for major federal programs (7)

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) (8)

Identification of major federal programs:

ALN(s)	Name of Federal Program or Cluster	
14.871	Housing Choice Vouchers	(9)
14.879	Mainstream Vouchers	

Dollar threshold used to distinguish between type A and type B programs: (10)

Auditee qualified as a low-risk auditee (11)

Section II Financial Statement Findings

No findings

Section III Federal Awards Findings

No findings to reported under 2CFR200 Section 516(a) of the Uniform Guidance



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1. Can also state “unqualified”. Issues of “modified” or “qualified” is a serious designation and the Board should fully understand the reasons why. A presentation from the auditors is highly recommended.
2. Material Weakness(es) findings are more serious than Significant Deficiency(ies) findings. Board should fully understand the findings. A presentation from the auditors is highly recommended. Material weaknesses should not carry forward from year to year.
3. Significant Deficiency(ies) findings are less serious than material weaknesses. Board should fully understand the findings. A presentation from the auditors is less necessary but an option should the Board deem it necessary. Significant deficiencies should not carry over from year to year but happen in rare cases where management has legitimate reason to disagree with the auditor’s judgement.
4. If there are Financial Statement findings above, this will be a “Yes”. See 2 and 3 above on severity.
5. Same as 2 above.
6. Same as 3 above.
7. Same as 1 above.
8. If there are Internal Control findings above, this will be a “Yes”. See 2 and 3 above on severity.
9. Informational only
10. Informational only
11. Low-risk auditees require less transaction selections by the auditors, a good thing! “Yes” is better but can take several years of high-quality audits to attain this designation.

Summary: Audit findings can occur but should be occasional and non-recurring. Several years of no findings can be a flag that auditors might not be doing their due diligence. Material weaknesses should be very rare. When findings do occur, the Board should fully understand the purpose of the finding and verify the finding does not continue the following year. Staff should explain the findings in a way understandable to non-accountants. Board has the right (and the duty) to request a presentation from the auditors if necessary. This should automatically happen when auditors issue a “modified” report or when there is a material weakness finding.



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



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? yes no
 Significant deficiency identified that is
 not considered to be material weakness? yes none reported
 Noncompliance material to financial
 statements noted? yes no

Federal Awards

Internal control over major programs:
 Material weakness identified? yes no
 Significant deficiency identified that is
 not considered to be material weakness? 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 no

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<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?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> 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

2026 BOARD MEETING CALENDAR

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7	1	2	3	4	5	6	7
4	5	6	7	8	9	10	8	9	10	11	12	13	14	8	9	10	11	12	13	14
11	12	13	14	15	16	17	15	16	17	18	19	20	21	15	16	17	18	19	20	21
18	19	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28
25	26	27	28	29	30	31								29	30	31				

APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1	2		1	2	3	4	5	6
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27
26	27	28	29	30			24	25	26	27	28	29	30	28	29	30				
							31													

JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1			1	2	3	4	5
5	6	7	8	9	10	11	2	3	4	5	6	7	8	6	7	8	9	10	11	12
12	13	14	15	16	17	18	9	10	11	12	13	14	15	13	14	15	16	17	18	19
19	20	21	22	23	24	25	16	17	18	19	20	21	22	20	21	22	23	24	25	26
26	27	28	29	30	31		23	24	25	26	27	28	29	27	28	29	30			
							30	31												

OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7			1	2	3	4	5
4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12
11	12	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19
18	19	20	21	22	23	24	22	23	24	25	26	27	28	20	21	22	23	24	25	26
25	26	27	28	29	30	31	29	30						27	28	29	30	31		

KEY:



Holidays



Board Meetings

- **Important note:**

October Board meeting will be held a week later, on October 22nd due to conference scheduling conflict.



Triple Board Meetings

EVENTS - NAHRO.ORG

National Conference



Save the date for the 2026 National Conference in Denver, CO, October 15-17. The conference will be at the Colorado Convention Center in downtown Denver. Registration and agenda information will be available in the summer of 2026.

Click on the following links for more information about the conference:

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