

**BANYARD MANAGEMENT**  
**Board of Directors Meeting**  
2039 Forest Avenue  
Chico, CA 95928

**MEETING AGENDA**

May 16, 2019  
2:00 p.m.

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

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

**NEXT RESOLUTION NO. 19-2B**

**ITEMS OF BUSINESS**

1. ROLL CALL
2. AGENDA AMENDMENTS
3. CONSENT CALENDAR
  - 3.1 Minutes for the Meeting of February 21, 2019  
Minutes for the Special Meeting of April 18, 2019
  - 3.2 Banyard Management – Financial Report
  - 3.3 Chico Commons – HACB report
4. CORRESPONDENCE
5. REPORTS FROM PRESIDENT
  - 5.1 Chico Commons Audit Report – Accept FY2018 Audit Report.

Recommendation:

Motion

5.2 Property Insurance Coverage Levels – Re-evaluate insurance coverage levels for Chico Commons Apartments.

Recommendation: Information/Discussion/Motion

6. MEETING OPEN FOR PUBLIC DISCUSSION
7. MATTERS CONTINUED FOR DISCUSSION
8. SPECIAL REPORTS
9. REPORTS FROM DIRECTORS
10. MATTERS INITIATED BY DIRECTORS
11. EXECUTIVE SESSION
12. DIRECTORS' CALENDAR

**Next meeting – August 15, 2019**

13. ADJOURNMENT

BANYARD MANAGEMENT  
**Board of Directors Meeting**  
2039 Forest Avenue  
Chico, CA 95928

MEETING MINUTES

February 21, 2019

President Mayer called the meeting of Banyard Management to order at 2.03 p.m.

1. ROLL CALL

Present for the Directors: Kate Anderson, Patricia Besser, Larry Hamman, Anne Jones, David Pittman, and Heather Schlaff

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

Public Present: Loren Freeman, HACB Public Housing Resident.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

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

4. CORRESPONDENCE

None.

5. REPORTS FROM PRESIDENT

- 5.1 Corporate Services Agreement – Banyard Management has an ongoing Corporate Services Agreement with the HACB. The agreement sets the rates of compensation and an annual contract maximum. The agreement is re-occurring, subject to annual revisions. The HACB seeks to update its billing rates for services effective March 1, 2019, and affirm the contract maximum of \$15,000 for the 2019 operating year.

**\*MOTION\***

Director Anderson moved motion to accept HACB proposed billing rates established February 21, 2019, effective March 1, 2019, and to further accept continuance of the limit to total annual compensation in an amount no not exceed \$15,000.00 for the year extending from October 1, 2018 through September 30, 2019. Director Jones seconded. The vote in favor was unanimous.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

None.

8. SPECIAL REPORTS

None.

9. REPORTS FROM BOARD MEMBERS

None.

10. MATTERS INITIATED BY BOARD MEMBERS

None.

11. EXECUTIVE SESSION

None.

12. DIRECTOR'S CALENDAR

**Next Meeting – May 16, 2019.**

13. ADJOURNMENT

Director Hamman moved that the meeting be adjourned. Director Besser seconded. The meeting was adjourned at 2:08 p.m.

Dated: February 21, 2019.

ATTEST:

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Edward S. Mayer, President

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Marysol Perez, Secretary

BANYARD MANAGEMENT  
**Board of Directors Meeting**  
2039 Forest Avenue  
Chico, CA 95928

**SPECIAL MEETING**  
**MEETING MINUTES**

April 18, 2019

President Mayer called the meeting of Banyard Management to order at 2:02 p.m.

1. ROLL CALL

Present for the Directors: Kate Anderson, Patricia Besser, Larry Hamman, Anne Jones, David Pittman and Heather Schlaff.

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

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

None.

4. CORRESPONDENCE

None.

5. REPORTS FROM PRESIDENT

- 5.1 Chico Commons Apartments, Chico – The Board of Directors was presented with a Resolution for adoption of the last phase of siding replacement for Chico Commons apartments. The project will include the replacement of existing siding system, including painting of new siding and installation of cement board trim. Three (3) bids were received. Hignell Incorporated, dba Experts in Your Home provided the lowest bid for the project at \$197,419.00

**\*RESOLUTION NO. 19-1B\***

Commissioner Anderson moved that Resolution No. 19-1B be adopted by reading of title only: “AUTHORIZATION TO ENTER INTO CONTRACT WITH HIGNELL INCORPORATED, dba EXPERTS IN YOUR HOME FOR SIDING REPLACEMENT AT CHICO COMMONS APARTMENTS, CHICO”. Commissioner Jones seconded, the vote in favor was unanimous.

*Banyard Management  
Board of Directors  
Minutes –Special Meeting of April 18, 2019  
Page 1*

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

None.

8. SPECIAL REPORTS

None.

9. REPORTS FROM DIRECTORS

None.

10. MATTERS INITIATED BY DIRECTORS

None.

11. EXECUTIVE SESSION

None.

12. DIRECTOR'S CALENDAR

**Next Meeting – May 16, 2019.**

13. ADJOURNMENT

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

Dated: April 18, 2019.

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Edward S. Mayer, President

ATTEST:

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Marysol Perez, Secretary

**BANYARD MANAGEMENT  
BALANCE SHEET  
March 31, 2019**

\*\*\*\*\* A S S E T S \*\*\*\*\*

**Current Assets**

Cash - Unrestricted	214,857	
<b>Total Current Assets</b>	<b>214,857</b>	

**Other Assets**

Investment in Chico Commons, L.P.	326,956	<i>\$384 - 2018 LP Profit</i>
<b>Total Other Assets</b>	<b>326,956</b>	

<b>TOTAL ASSETS</b>		<b>541,813</b>
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\*\*\*\*\* LIABILITIES AND NET POSITION \*\*\*\*\*

**Current Liabilities**

Accounts Payable	919	
Accrued Liabilities - Other	0	
<b>Total Current Liabilities</b>	<b>919</b>	

<b>TOTAL LIABILITIES</b>		<b>919</b>
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**Net Position**

Beginning Net Position	545,044	
Retained Earnings	-4,150	
<b>Total Net Position</b>	<b>540,894</b>	

<b>TOTAL NET POSITION</b>		<b>540,894</b>
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<b>TOTAL LIABILITIES AND NET POSITION</b>		<b>541,813</b>
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**BANYARD-GEN. FUND INCOME STATEMENT**

March 31, 2019

YTD %  
50.00

	Month to Date			Year to Date			% used
	Actual	Budget	Remaining	Actual	Budget	Remaining	
<b>REVENUES</b>							
Partnership Income	1,464	1,080	384	6,864	12,960	-6,096	52.96
Investment Income	13	50	-37	76	600	-524	12.64
<b>TOTAL REVENUES</b>	<b>1,477</b>	<b>1,130</b>	<b>347</b>	<b>6,940</b>	<b>13,560</b>	<b>-6,620</b>	<b>51.18</b>
Audit Fee	0	53	-53	924	630	294	146.67
Corporate Services	900	1,250	-351	3,666	15,000	-11,334	24.44
Consulting Fees	0	0	0	0	0	0	0.00
Legal Expenses	0	125	-125	0	1,500	-1,500	0.00
Misc. Administrative Costs	0	0	0	0	0	0	0.00
Outside Management Fees	1,080	1,080	0	6,480	12,960	-6,480	50.00
Partnership Losses	0	42	-42	0	500	-500	0.00
Taxes and Fees	20	43	-23	20	520	-500	3.85
<b>TOTAL EXPENSES</b>	<b>2,000</b>	<b>2,593</b>	<b>-593</b>	<b>11,090</b>	<b>31,110</b>	<b>-20,020</b>	<b>35.65</b>
<b>RETAINED EARNINGS</b>	<b>-523</b>	<b>-1,463</b>	<b>940</b>	<b>-4,150</b>	<b>-17,550</b>	<b>13,400</b>	<b>23.65</b>

MEMO

Date: May 10, 2019

To: Board of Directors, Banyard Management

From: Larry Guanzon, HACB Deputy Executive Director

Subject: Status Report – Chico Commons Apartments, Chico

**Chico Commons Apartments, Chico** (72 units, LIHTC, Family, MGP, Banyard Management, PM: AWI) – We had three (3) vacancies as of May 1, 2019, one vacancy has been filled. The property has at least three notices to vacate pending. The next phase of exterior building siding replacements should happen within the next 60-90 days, after last month's Banyard Board approval of the siding contract. In her narrative, following, Jenifer Mcdonell, Regional Property manager, explains an unfortunate incident at the complex where a tenant's dog bit a neighbor's child. Water-conserving landscape upgrades, and ADA-related site improvements are being planned, as well as parking lot repair, seal, and re-striping. Please find AWI's narrative property report.

*Following this memo is AWI's detailed report on current occupancy status and financials which includes "no vacancy for the month", as well as property financials.*

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

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
<b>Rental Income</b>						
Gross Rents	\$ 57,544.00	\$ 55,451.25	\$ 2,092.75	\$ 230,641.00	\$ 221,805.00	\$ 8,836.00
Vacancies	(1,642.00)	(2,772.58)	1,130.58	(3,806.86)	(11,090.33)	7,283.47
Rent Adjustments	16.00	(519.75)	535.75	(176.19)	(2,079.00)	1,902.81
Manager's Unit	(771.00)	(771.00)	0.00	(3,084.00)	(3,084.00)	0.00
<b>Total Tenant Rent</b>	<b>\$ 55,147.00</b>	<b>\$ 51,387.92</b>	<b>\$ 3,759.08</b>	<b>\$ 223,573.95</b>	<b>\$ 205,551.67</b>	<b>\$ 18,022.28</b>
<b>Other Project Income:</b>						
Laundry Income	\$ 949.42	\$ 677.83	\$ 271.59	\$ 6,115.71	\$ 2,711.33	\$ 3,404.38
Interest Income	1.13	0.00	1.13	1.98	0.00	1.98
Restricted Reserve Interest Incom	9.99	0.00	9.99	65.12	0.00	65.12
Late Charges	174.00	216.67	(42.67)	889.00	866.67	22.33
Other Tenant Income	\$ 0.00	\$ 532.50	\$ (532.50)	\$ 1,071.56	\$ 2,130.00	\$ (1,058.44)
Miscellaneous Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 37.50	\$ 0.00	\$ 37.50
<b>Other Project Income</b>	<b>\$ 1,134.54</b>	<b>\$ 1,427.00</b>	<b>\$ (292.46)</b>	<b>\$ 8,180.87</b>	<b>\$ 5,708.00</b>	<b>\$ 2,472.87</b>
<b>Total Project Income</b>	<b>\$ 56,281.54</b>	<b>\$ 52,814.92</b>	<b>\$ 3,466.62</b>	<b>\$ 231,754.82</b>	<b>\$ 211,259.67</b>	<b>\$ 20,495.15</b>
<b>Project Expenses:</b>						
Maint. & Oper. Exp. (Fr Page 2)	\$ 11,912.54	\$ 24,350.24	\$ (12,437.70)	\$ 34,761.78	\$ 97,400.99	\$ (62,639.21)
Utilities (From Pg 2)	5,093.51	6,685.66	(1,592.15)	23,919.65	26,742.66	(2,823.01)
Administrative (From Pg 2)	7,317.32	7,588.25	(270.93)	34,622.25	30,353.00	4,269.25
Taxes & Insurance (From Pg 2)	999.83	1,209.67	(209.84)	4,209.16	4,838.67	(629.51)
Other Taxes & Insurance (Fr Page	727.00	3,158.25	(2,431.25)	6,191.39	12,633.00	(6,441.61)
Other Project Expenses	1,573.28	870.08	703.20	4,093.21	3,480.33	612.88
<b>Total O&amp;M Expenses</b>	<b>\$ 27,623.48</b>	<b>\$ 43,862.15</b>	<b>\$ (16,238.67)</b>	<b>\$ 107,797.44</b>	<b>\$ 175,448.65</b>	<b>\$ (67,651.21)</b>
<b>Mortgage &amp; Owner's Expense</b>						
Mortgage Payment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Interest Expense - City of Chico	\$ 2,604.17	\$ 2,604.17	\$ 0.00	\$ 10,416.68	\$ 10,416.67	\$ .01
Reporting / Partner Management F	1,080.00	1,080.00	0.00	4,320.00	4,320.00	0.00
Transfer - Reserves	2,500.00	2,500.00	0.00	10,000.00	10,000.00	0.00
<b>Total Mortgage &amp; Owner's Exp.</b>	<b>\$ 6,184.17</b>	<b>\$ 6,184.17</b>	<b>\$ 0.00</b>	<b>\$ 24,736.68</b>	<b>\$ 24,736.67</b>	<b>\$ .01</b>
<b>Total Project Expenses</b>	<b>\$ 33,807.65</b>	<b>\$ 50,046.32</b>	<b>\$ (16,238.67)</b>	<b>\$ 132,534.12</b>	<b>\$ 200,185.32</b>	<b>\$ (67,651.20)</b>
<b>Net Profit (Loss)</b>	<b>\$ 22,473.89</b>	<b>\$ 2,768.60</b>	<b>\$ 19,705.29</b>	<b>\$ 99,220.70</b>	<b>\$ 11,074.35</b>	<b>\$ 88,146.35</b>

Other Cash Flow Items:

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

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Reserve Transfers	\$ (9.99)	\$ 0.00	\$ (9.99)	\$ (65.12)	\$ 0.00	\$ (65.12)
T & I Transfers	(659.78)	0.00	(659.78)	(4,020.63)	0.00	(4,020.63)
Cash - Program Umpqua Bank	(100,000.00)	0.00	(100,000.00)	(100,000.00)	0.00	(100,000.00)
Security Deposits Held	1,300.00	0.00	1,300.00	(1,150.00)	0.00	(1,150.00)
Authorized Reserve - Other	0.00	(4,583.33)	4,583.33	0.00	(18,333.33)	18,333.33
Tenant Receivables	(574.00)	0.00	(574.00)	4,921.01	0.00	4,921.01
Other Receivables	1,624.83	0.00	1,624.83	(869.26)	0.00	(869.26)
Accounts Payable - Trade	1,386.72	0.00	1,386.72	(4,840.81)	0.00	(4,840.81)
Accounts Payable Other	(870.42)	0.00	(870.42)	(870.42)	0.00	(870.42)
Accrued Interest - City of Chico	2,604.17	0.00	2,604.17	10,416.68	0.00	10,416.68
Accrued Property Taxes	(461.35)	0.00	(461.35)	(382.93)	0.00	(382.93)
Accrued RTO - Prior Year	0.00	0.00	0.00	(297.45)	0.00	(297.45)
<b>Total Other Cash Flow Items</b>	<b>\$ (95,659.82)</b>	<b>\$ (4,583.33)</b>	<b>\$ (91,076.49)</b>	<b>\$ (97,158.93)</b>	<b>\$ (18,333.33)</b>	<b>\$ (78,825.60)</b>
<b>Net Operating Cash Change</b>	<b><u>\$ (73,185.93)</u></b>	<b><u>\$ (1,814.73)</u></b>	<b><u>\$ (71,371.20)</u></b>	<b><u>\$ 2,061.77</u></b>	<b><u>\$ (7,258.98)</u></b>	<b><u>\$ 9,320.75</u></b>

Cash Accounts	End Balance 1 Year Ago	Current Balance	Change
Operating Acct-FFB	\$ 72,149.35	\$ 74,211.12	\$ 2,061.77
Cash - Program Umpqua Bank	0.00	100,000.00	100,000.00
Tax & Insurance-FFB	4,989.05	9,009.68	4,020.63
Security Acct-FFB	42,985.00	42,985.00	0.00
Reserve Acct-FFB	89,138.42	49,199.17	(39,939.25)
Reserve Acct - MMKT - FFB*	0.00	50,004.37	50,004.37
<b>Payables &amp; Receivables:</b>			
Accounts Payable - Trade	10,453.14	5,612.33	(4,840.81)
Rents Receivable - Current Tenants	10,662.52	5,757.37	(4,905.15)
Other Tenant Charges Receivable	349.98	334.12	(15.86)

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
<b>Maintenance &amp; Operating Expenses:</b>						
Maintenance Payroll	\$ 2,891.00	\$ 3,832.67	\$ (941.67)	\$ 11,443.73	\$ 15,330.67	\$ (3,886.94)
Janitorial/Cleaning Supplies	146.73	33.33	113.40	192.51	133.33	59.18
Plumbing Repairs	0.00	83.33	(83.33)	202.70	333.33	(130.63)
Painting & Decorating	405.71	250.00	155.71	405.71	1,000.00	(594.29)
Repairs & Maintenance - Supply	1,977.05	2,500.00	(522.95)	4,850.04	10,000.00	(5,149.96)
Repairs & Maintenance - Contract	1,122.35	1,279.58	(157.23)	3,895.07	5,118.33	(1,223.26)

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

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Grounds Maintenance	\$ 895.00	\$ 836.67	\$ 58.33	\$ 3,445.00	\$ 3,346.67	\$ 98.33
Pest Control Service	312.00	754.67	(442.67)	1,248.00	3,018.67	(1,770.67)
Fire/Alarm Services	141.00	125.00	16.00	584.06	500.00	84.06
Capital Improvements - Other	510.41	7,962.50	(7,452.09)	1,267.85	31,850.00	(30,582.15)
Capital Improvements - Flooring	2,229.00	3,733.33	(1,504.33)	3,355.42	14,933.33	(11,577.91)
Capital Improvements - Appliance	1,259.64	1,045.83	213.81	1,592.44	4,183.33	(2,590.89)
Capital Improvements - HVAC Repl	0.00	333.33	(333.33)	0.00	1,333.33	(1,333.33)
Capital Improvements - Water Heat	0.00	583.33	(583.33)	0.00	2,333.33	(2,333.33)
Carpet Cleaning	0.00	35.00	(35.00)	0.00	140.00	(140.00)
HVAC Repairs	0.00	900.00	(900.00)	2,156.00	3,600.00	(1,444.00)
Cable Service	22.65	20.00	2.65	123.25	80.00	43.25
Tenant Services	0.00	41.67	(41.67)	0.00	166.67	(166.67)
<b>Total Maint. &amp; Operating Exp.</b>	<b>\$ 11,912.54</b>	<b>\$ 24,350.24</b>	<b>\$ (12,437.70)</b>	<b>\$ 34,761.78</b>	<b>\$ 97,400.99</b>	<b>\$ (62,639.21)</b>
<b>Utilities:</b>						
Electricity	\$ 256.06	\$ 636.33	\$ (380.27)	\$ 1,996.43	\$ 2,545.33	\$ (548.90)
Water	1,010.09	1,949.33	(939.24)	4,472.07	7,797.33	(3,325.26)
Sewer	1,654.56	1,654.58	(.02)	6,618.24	6,618.33	(.09)
Heating Fuel/Other	1,442.59	1,491.67	(49.08)	7,210.59	5,966.67	1,243.92
Garbage & Trash Removal	730.21	953.75	(223.54)	3,622.32	3,815.00	(192.68)
<b>Total Utilities</b>	<b>\$ 5,093.51</b>	<b>\$ 6,685.66</b>	<b>\$ (1,592.15)</b>	<b>\$ 23,919.65</b>	<b>\$ 26,742.66</b>	<b>\$ (2,823.01)</b>
<b>Administrative:</b>						
Manager's Salary	\$ 2,848.18	\$ 2,955.00	\$ (106.82)	\$ 12,116.45	\$ 11,820.00	\$ 296.45
Management Fees	2,952.00	2,952.00	0.00	11,808.00	11,808.00	0.00
Bad Debt Expense	0.00	625.00	(625.00)	5,460.59	2,500.00	2,960.59
Auditing	625.00	625.00	0.00	2,500.00	2,500.00	0.00
Legal	843.09	416.67	426.42	2,614.47	1,666.67	947.80
Other Administrative Expenses	49.05	14.58	34.47	122.74	58.33	64.41
<b>Total Administrative Expense</b>	<b>\$ 7,317.32</b>	<b>\$ 7,588.25</b>	<b>\$ (270.93)</b>	<b>\$ 34,622.25</b>	<b>\$ 30,353.00</b>	<b>\$ 4,269.25</b>
<b>Taxes &amp; Insurance Reserve For:</b>						
Real Estate Taxes	\$ 0.00	\$ 78.42	\$ (78.42)	\$ 78.42	\$ 313.67	\$ (235.25)
Property Insurance	999.83	1,131.25	(131.42)	4,130.74	4,525.00	(394.26)
<b>Total Taxes &amp; Insurance Expense</b>	<b>\$ 999.83</b>	<b>\$ 1,209.67</b>	<b>\$ (209.84)</b>	<b>\$ 4,209.16</b>	<b>\$ 4,838.67</b>	<b>\$ (629.51)</b>
<b>Other Taxes &amp; Insurance:</b>						
Payroll Taxes	\$ 451.20	\$ 691.42	\$ (240.22)	\$ 2,764.30	\$ 2,765.67	\$ (1.37)
Other Taxes, Fees & Permits	(271.86)	89.33	(361.19)	1,156.75	357.33	799.42
Bond Premiums	0.00	41.67	(41.67)	0.00	166.67	(166.67)
Worker's Compensation Insurance	423.21	680.25	(257.04)	1,729.72	2,721.00	(991.28)
Personnel Medical Insurance	124.45	1,655.58	(1,531.13)	540.62	6,622.33	(6,081.71)
<b>Total Other Taxes &amp; Insurance</b>	<b>\$ 727.00</b>	<b>\$ 3,158.25</b>	<b>\$ (2,431.25)</b>	<b>\$ 6,191.39</b>	<b>\$ 12,633.00</b>	<b>\$ (6,441.61)</b>

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

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
<b>Other Project Expenses</b>						
Telephone & Answering Service	\$ 151.41	\$ 116.67	\$ 34.74	\$ 659.36	\$ 466.67	\$ 192.69
Internet Service	69.95	100.00	(30.05)	379.75	400.00	(20.25)
Advertising	0.00	54.17	(54.17)	23.53	216.67	(193.14)
Water/Coffee Service	0.00	2.08	(2.08)	0.00	8.33	(8.33)
Office Supplies & Expense	405.99	183.33	222.66	964.23	733.33	230.90
Postage	0.00	79.00	(79.00)	320.73	316.00	4.73
Toner/Copier Expense	405.81	114.00	291.81	686.38	456.00	230.38
Office Furniture & Equipment Expe	11.59	0.00	11.59	11.59	0.00	11.59
Travel & Promotion	394.20	100.00	294.20	550.20	400.00	150.20
Training Expense	69.33	20.83	48.50	294.44	83.33	211.11
Credit Checking	65.00	100.00	(35.00)	143.00	400.00	(257.00)
Employee Meals	0.00	0.00	0.00	60.00	0.00	60.00
<b>Total Other Project Expenses</b>	<b>\$ 1,573.28</b>	<b>\$ 870.08</b>	<b>\$ 703.20</b>	<b>\$ 4,093.21</b>	<b>\$ 3,480.33</b>	<b>\$ 612.88</b>
<b>Mortgage &amp; Owner's Expense</b>						
Mortgage Payment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Interest Expense - City of Chico	\$ 2,604.17	\$ 2,604.17	\$ 0.00	\$ 10,416.68	\$ 10,416.67	\$ .01
Reporting / Partner Management F	1,080.00	1,080.00	0.00	4,320.00	4,320.00	0.00
Transfer - Reserves	2,500.00	2,500.00	0.00	10,000.00	10,000.00	0.00
<b>Total Mortgage &amp; Owner's Exp.</b>	<b>\$ 6,184.17</b>	<b>\$ 6,184.17</b>	<b>\$ 0.00</b>	<b>\$ 24,736.68</b>	<b>\$ 24,736.67</b>	<b>\$ .01</b>
<b>Total Expenses</b>	<b><u>\$ 33,807.65</u></b>	<b><u>\$ 50,046.32</u></b>	<b><u>\$ (16,238.67)</u></b>	<b><u>\$ 132,534.12</u></b>	<b><u>\$ 200,185.32</u></b>	<b><u>\$ (67,651.20)</u></b>
Authorized Reserve - Other	\$ 0.00	\$ 4,583.33	\$ (4,583.33)	\$ 0.00	\$ 18,333.33	\$ (18,333.33)

## Chico Commons April 2019

Variance report sent explaining budget differences and expenses.

### Updates:

Chico Commons is very busy with unit turns and leasing.  
Two move-ins during April and two move outs

As of today; there are two vacancies.

- #16 vacated 4/22. The unit is market ready and an application is close to an approval.
- #49 eviction for nonpayment, lock out on 4/24. The unit turn is in process. Needs full haul out and significant repairs including cabinetry replacements. Applicants in process.

Three upcoming vacancies:

- #4 pending termination for failure to comply with bed bug treatments
- #24 Notice to vacate
- #26 Notice to vacate

On 4/24 Management was informed of an unfortunate dog bite incident. The dog of residents in unit #12 bit a child from another household, resulting in injury to the child's face. The incident occurred while the minors of the household were playing unsupervised in the living room of apartment #12.

- The issue was escalated to the attorney and after careful review of all factors the resident of #12 was served a 3 Day Notice to Perform in Quit requiring her to remove the dog from the premises. Currently, we are pending information from Animal Control on the dog's current whereabouts before determining how to further proceed.
- As a result, all units have been inspected in order to document all pets, especially dogs, at Chico Commons. The inspections are completed, the initial list is compiled and we are finalizing information regarding pets vs companion animals. A recommendation for addressing long term pets will be presented for review.

Spring is here! The warm weather arrived quickly. Site staff worked with landscape vendor to ensure irrigation was up and running.

We are looking forward to the upcoming siding replacements!



**CHICO COMMONS, L.P.**  
**(A California Limited Partnership)**  
***COMPARATIVE FINANCIAL REPORT***  
**December 31, 2018 and 2017**

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# B O W M A N

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Partners  
**Chico Commons, L.P.**  
**(A California Limited Partnership)**  
Chico, California

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

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinion

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

The financial statements of Chico Commons, L.P. as of December 31, 2017, were audited by other auditors whose report dated June 25, 2018 expressed an unmodified opinion on those statements.

Stockton, California  
March 5, 2019

*Bowman & Company, L.L.P.*

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

**BALANCE SHEETS**  
**December 31, 2018 and 2017**

<b>ASSETS</b>	<u>2018</u>	<u>2017</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 72,399	\$ 82,114
Accounts receivable - tenant, net of allowance for doubtful account of \$3,159	7,854	6,294
Prepaid expenses	14,159	22,882
Total current assets	<u>94,412</u>	<u>111,290</u>
 <b>RESTRICTED DEPOSITS AND FUNDED RESERVES</b>		
Tax and insurance impounds	4,989	--
Tenant security deposits	42,985	39,584
Reserve for replacements	89,138	58,966
	<u>137,112</u>	<u>98,550</u>
 <b>PROPERTY AND EQUIPMENT, at cost</b>		
Land	607,476	607,476
Building and improvements	5,319,474	5,319,474
Furniture and equipment	175,661	175,661
	<u>6,102,611</u>	<u>6,102,611</u>
Less accumulated depreciation	<u>(3,440,128)</u>	<u>(3,298,823)</u>
	<u>2,662,483</u>	<u>2,803,788</u>
 <b>OTHER ASSETS</b>		
Syndication fees, net of accumulated amortization of \$126,775 and \$121,704 in 2018 and 2017, respectively	76,060	81,131
Total assets	<u>\$ 2,970,067</u>	<u>\$ 3,094,759</u>

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

**BALANCE SHEETS (Cont.)**  
**December 31, 2018 and 2017**

<b>LIABILITIES AND PARTNERS' EQUITY</b>	<u>2018</u>	<u>2017</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 11,323	\$ 16,497
Prepaid rent	--	3,055
Accrued interest expense, current portion	31,250	31,250
Note payable - Housing Authority of the County of Butte	--	101,299
Total current liabilities	<u>42,573</u>	<u>152,101</u>
 <b>DEPOSIT LIABILITIES</b>		
Tenant security deposits	<u>42,985</u>	<u>37,535</u>
 <b>LONG-TERM LIABILITIES</b>		
Accrued interest expense, less current portion	147,910	147,910
Note payable - Redevelopment Agency of the City of Chico	625,000	625,000
Less unamortized debt issuance cost	--	(164)
	<u>772,910</u>	<u>772,746</u>
Total liabilities	<u>858,468</u>	<u>962,382</u>
 <b>PARTNERS' EQUITY</b>		
	<u>2,111,599</u>	<u>2,132,377</u>
Total liabilities and partners' equity	<u>\$ 2,970,067</u>	<u>\$ 3,094,759</u>

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

**STATEMENTS OF INCOME**  
**Years Ended December 31, 2018 and 2017**

	2018	2017
<b>REVENUE</b>		
Tenant rental income	602,311	574,322
Tenant charges	8,996	9,526
Laundry	6,704	11,210
Interest income	173	11
Other income	166	464
Total revenue	618,350	595,533
 <b>OPERATING AND MAINTENANCE EXPENSES</b>		
Repairs and maintenance	130,769	65,870
Utilities	81,408	72,737
Wages and salaries	66,916	53,175
Property management fees	33,696	33,696
Services	14,453	8,774
Insurance	13,429	13,406
General and administrative	11,674	11,321
Payroll taxes and workers' compensation insurance	10,934	9,125
Professional fees	9,876	10,594
Bad debt expense	6,065	15,307
Health insurance and other employee benefits	3,433	6,317
Other taxes and licenses	3,192	6,210
Total operating and maintenance expenses	385,845	306,532
 Net operating income	232,505	289,001
 <b>OTHER EXPENSES</b>		
Interest expense	34,590	43,198
Interest expense - debt issuance cost	164	254
Depreciation expense	141,305	141,307
Amortization expense	5,071	5,071
Partnership management fee	12,960	12,960
Total other expenses	194,090	202,790
 Net income (loss)	\$ 38,415	\$ 86,211

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

**STATEMENTS OF PARTNERS' EQUITY**  
**Years Ended December 31, 2018 and 2017**

	<u>Banyard Management</u>	<u>HACB</u>	<u>Total</u>
Balance, December 31, 2016	\$ 366,004	\$ 1,701,050	\$ 2,067,054
Partner distributions	(10,549)	(10,339)	(20,888)
Net loss	862	85,349	86,211
	<u>356,317</u>	<u>1,776,060</u>	<u>2,132,377</u>
Balance, December 31, 2017	356,317	1,776,060	2,132,377
Partner distributions	(29,745)	(29,448)	(59,193)
Net loss	384	38,031	38,415
	<u>326,956</u>	<u>1,784,643</u>	<u>2,111,599</u>
Balance, December 31, 2018	<u>\$ 326,956</u>	<u>\$ 1,784,643</u>	<u>\$ 2,111,599</u>

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

**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2018 and 2017**

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ 38,415	\$ 86,211
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	146,376	146,632
Amortization of debt issuance cost	164	--
Change in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	(1,560)	(3,024)
Prepaid expenses	8,723	(13,351)
Tenant security deposits	(3,401)	(249)
Tax and insurance impounds	(4,989)	--
Increase (decrease) in:		
Accounts payable and accrued liabilities	(5,174)	(90,566)
Accrued interest payable	--	25
Prepaid rent	(3,055)	--
Tenant security deposits	5,450	(1,800)
Net cash provided by (used in) operating activities	180,949	123,878
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Funding of reserve for replacement, net	(30,172)	(30,009)
Net cash provided by (used in) investing activities	(30,172)	(30,009)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments of long-term debt	(101,299)	(143,379)
Partners distributions	(59,193)	(20,888)
Net cash provided by (used in) financing activities	(160,492)	(164,267)
Increase (decrease) in cash and cash equivalents	(9,715)	(70,398)
Cash and cash equivalents		
Beginning	82,114	152,512
Ending	\$ 72,399	\$ 82,114
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash payments for interest	\$ 34,590	\$ 243,145

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

**NOTES TO FINANCIAL STATEMENTS**

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

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

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

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

Basis of presentation

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

Cash and cash equivalents

For purposes of reporting the statements of cash flows, the Partnership includes all cash accounts which are not subject to withdrawal restrictions or penalties, and all certificates of deposits as cash on the accompanying balance sheets.

Replacement reserve

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

Accounts receivable

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

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

**NOTES TO FINANCIAL STATEMENTS**

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

Property and equipment

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

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

Expenditures for maintenance and repairs are expensed as incurred.

The Partnership reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the property may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying value amount exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. There were no impairment losses recognized for the years ended December 31, 2018 and 2017.

Amortization

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

Debt issuance costs

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

Fair value of financial instruments

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

Rental revenue

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

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

**NOTES TO FINANCIAL STATEMENTS**

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

Use of estimates

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

Income taxes

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

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

Reclassification

Certain amounts in the December 31, 2017 financial statements have been classified for comparative purposes to conform to the presentation in the December 31, 2018 financial statements.

Subsequent events

Management has evaluated subsequent events through March 5, 2019, the date the financial statements were available to be issued.

**Note 2. Related Parties Transactions**

Partnership management fee

Pursuant to the Loan Agreement with the City of Chico, the Partnership agreed to pay the General Partner an annual fee of \$12,960. For the years ending December 31, 2018 and 2017, a partnership management fee of \$12,960 was paid.

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

**NOTES TO FINANCIAL STATEMENTS**

**Note 3. Long-Term Debt**

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

	2018	2017
<p>Note payable to the City of Chico, issued in July 1995, in the amount of \$625,000. The loan is secured by land and buildings. The loan bears interest at a fixed rate of 5.00% simple interest and requires annual interest only payments. The note matures in June 2050. The Partnership incurred \$31,250 of interest expense during the years ended December 31, 2018 and 2017. At December 31, 2018 and 2017, accrued interest was \$179,160.</p>	\$ 625,000	\$ 625,000
<p>Note payable to the Housing Authority of the County of Butte, secured by facilities, payable in monthly installments of \$12,997, including interest at 7%, balance was paid in full in September 2018.</p>	--	101,299
	\$ 625,000	\$ 726,299

As of December 31, 2018 and 2017, debt issuance costs, net of accumulated amortization of \$3,805 and \$3,641, respectively, are amortized using the straight-line method.

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

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

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

**NOTES TO FINANCIAL STATEMENTS**

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

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

May 10, 2019

Housing Authority of the County of Butte, Butte County Affordable Housing Development Corporation, Banyard Management

### Multi-family Property Insurance Analysis

In the wake of the Camp Fire Disaster, construction costs have increased substantially. Insured values must be adjusted to keep up with increased replacement costs. Properties are currently insured at an average valuation of \$135/sq ft. It is recommended the insured values be increased to a minimum of \$150/sq ft, and to as much as \$200/sq ft.

Entity	Prior	Current Recommendation	Notes:
AWI Prop Mgmt	\$ 120 /sq ft	\$ 131 /sq ft	Typical Multi-family
AWI Prop Mgmt	\$ 145 /sq ft	\$ 156 /sq ft	Senior Properties
HARRP JPA Ins	\$ 135 /sq ft to \$ 175 /sq ft	\$ 175 /sq ft to \$ 250 /sq ft	
Avrit Ins		\$ 165 /sq ft to \$ 265 /sq ft \$ 165 /sq ft to \$ 195 /sq ft	(\$150/sq ft minimum) recommended
RSC Prop Mgmt		\$ 137 /sq ft to \$ 195 /sq ft	(\$137/sq ft minimum)

HARRP and AHARP properties are now insured at an average value of **\$135/sq ft**.

Current **2018-2019 policy premium is \$94,840**. With no changes, 2019-2020 premium would be approximately **\$92,000**.

\$150/ sq ft = \$105,784, an increase of \$13,840/yr

\$175/ sq ft - \$116,296, an increase of \$24,296/yr

\$200/sq ft = \$126,809, an increase of \$34,809/yr

\$215/sq ft = \$133,116, an increase of \$41,116/yr

\$225/sq ft = \$137,321, an increase of \$45,321/yr