

**BANYARD MANAGEMENT
Board of Directors Meeting**

2039 Forest Avenue
Chico, CA 95928

MEETING AGENDA

May 16, 2024
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 Directors and HACB staff will be participating either in person or remotely. The Board of Directors 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 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.

Please join my meeting from your computer, tablet or smartphone.
<https://meet.goto.com/916901253>

You can also dial in using your phone.

Access Code:

916-901-253

United States (Toll Free):

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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. 24-2B

ITEMS OF BUSINESS

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Board of Directors
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1. ROLL CALL
2. AGENDA AMENDMENTS
3. CONSENT CALENDAR
 - 3.1 Minutes of Meeting on February 15, 2024
 - 3.2 Banyard Management – Financial Report
 - 3.3 Chico Commons – HACB report/AWI Report
4. CORRESPONDENCE
5. REPORTS FROM PRESIDENT
 - 5.1 Chico Commons Audit Report – Accept FY2023 Audit Report
Recommendation: Motion
 - 5.2 Chico Commons – CY2023 Operational Surplus Cash Flow Distribution.
Recommendation: 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, 2024
13. ADJOURNMENT

BANYARD MANAGEMENT

Board of Directors Meeting

2039 Forest Avenue
Chico, CA 95928

MEETING MINUTES

February 15, 2024

President Mayer called the meeting of Banyard Management to order at 2:00 p.m.

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

1. ROLL CALL

Present for the Directors: Charles Alford (*arrived late 2:02 p.m.*), Randy Coy, Rich Ober, David Pittman, and Sarah Richter; all attended in person with the exception of Director Ober, who attended by means of web-conference.

Others Present: President Ed Mayer, Secretary Marysol Perez, Larry Guanzon, Tamra Young, Angie Little and Taylor Gonzalez; all attended in person.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

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

4. CORRESPONDENCE

None.

5. REPORTS FROM PRESIDENT

- 5.1 Housing Authority of the County of Butte (HACB) – Banyard Management has an ongoing Corporate Services Agreement with the HACB. The agreement sets the rates of compensation and annual contract maximum. Banyard Management contracts with the HACB to perform two basic kinds of services: corporate services to maintain the corporate entity; and other services including asset management and

*Banyard Management
Board of Directors
Minutes – Meeting of February 15, 2024
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property improvements. The resolution presented seeks to maintain the services agreement with HACB, adopting HACB’s billing rates starting March 1, 2024, authorizing up to \$20,000 in expenditures for basic corporates services, and authorizing up to \$100,000 in extraordinary services relating to development and property re-positioning activity. This agreement is re-occurring, subject to annual revisions.

RESOLUTION NO. 24-1B

Director Pittman moved that Resolution No. 24-1B be adopted by reading of title only: “HOUSING AUTHORITY OF THE COUNTY OF BUTTE MANAGEMENT SERVICES AGREEMENT 2024 BILLING RATES AND SERVICES AUTHORIZATIONS”. Director Richter 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, 2024

13. ADJOURNMENT

Director Pittman moved that the meeting be adjourned. Director Alford seconded. The meeting was adjourned at 2:05 p.m.

Dated: February 15, 2024.

ATTEST:

Edward S. Mayer, President

Marysol Perez, Secretary

Banyard Management
GENERAL FUND BALANCE SHEET
March 31, 2024

CUMULATIVE

ASSETS

Current Assets

Cash - Unrestricted	169,333
Cash - Other Restricted	0
Cash - Tenant Security Deposits	0
Account Receivable	4,849
Accrued Interest Receivable	0
Investments - Unrestricted	0
Investments - Restricted	0
Inventory	0

Total Current Assets	174,182
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Fixed Assets

Fixed Assets & Accumulated Depreciation	0
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Total Fixed Assets	0
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Other Assets

Other Assets & Prepaid Expenses	(168)
Investment in Chico Commons	254,799

Total Other Assets	254,631
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TOTAL ASSETS	428,813
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LIABILITIES

Current Liabilities

Accounts Payable	0
Accrued Liabilities - Other	0

Total Current Liabilities	0
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Long-Term Liabilities

Long-Term Debt Net of Current	0
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Total Long-Term Liabilities	0
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TOTAL LIABILITIES	0
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NET POSITION

Beginning Net Position	470,835
Retained Earnings	(42,022)

TOTAL NET POSITION	428,813
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TOTAL LIABILITIES AND NET POSITION	428,813
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Banyard Management
GENERAL FUND INCOME STATEMENT
March 31, 2024

	Month to Date			Year to Date		
	Actual	Budget	Remaining	Actual	Budget	Remaining
Partnership Fees	1,080	1,205	125	6,480	7,230	750
Investment Income-unrestricted	0	8	8	49	50	1
Other Income	0	0	0	0	0	0
TOTAL REVENUES	1,080	1,213	133	6,529	7,280	751
Audit & Accounting Fees	0	92	92	0	550	550
Corporate Services	3,425	9,583	6,159	19,109	57,500	38,391
Consulting Fees	0	2,083	2,083	0	12,500	12,500
Legal Expenses	0	833	833	0	5,000	5,000
Misc. Admin. Expenses	0	42	42	0	250	250
Outside Management Fees	0	1,080	1,080	0	6,480	6,480
Partnership Losses	0	0	0	0	0	0
Taxes and Fees	0	2	2	0	10	10
Total Operating Admin Costs	3,425	13,715	10,290	19,109	82,290	63,181
TOTAL EXPENSES	3,425	13,715	10,290	19,109	82,290	63,181
RETAINED EARNINGS	(2,345)	(12,502)		(12,580)	(75,010)	

MEMO

Date: May 9, 2024

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) – There are nine (9) vacancies as of the 1st of May. Increased vacancies were anticipated with lease up of the new tax-credit subsidized properties in the area. AWI has increased their marketing to address the dynamic and loss. AWI details current turnover status in the monthly narrative following, as well as unpaid rents for the month. The cost for three (3) exterior building balconies (12 total balconies) came in at approximately \$50,000, was scheduled to be completed at the end May but has been delayed due to the weather. The expense to rebuild the balconies will come out of property and operating reserves. An HVAC Preventative Maintenance Program has been completed. Dumpster enclosure work is complete. Parking lot bids to repair/replace sections of asphalt have been obtained and work will be completed weather permitting. Four coin-op laundry machines were vandalized and are in the process of being repaired and or replaced. AWI is looking into new card-based machines, eliminating the risk presented by coinage. Unfortunately, a new maintenance tech will need be hired as the previous one has since resigned. YTD income is up approximately \$6,575 compared to budget, at \$284,672, with total expenses \$20,003 less than budget YTD. Net income is \$26,579 more than budget, at \$51,144. 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

Chico Commons Apartments April 2024



Separate Variance Report explaining budget differences and expenditures.

Updates:

Chico Commons currently has 9 vacancies. No move-ins and no move-outs during the month of April. A large number of current vacancies are attributed to non-payment of rent. Three units expected for move in this month, based on apps on hand.

Vacancies:

- **Unit #48** (vacated without reason) – Unit Market ready. Facing challenges finding and an applicant that can afford the 60% rent amount. Applicant in process.
- **Unit #20** (abandoned the unit) – possible law enforcement involvement– Unit market ready. Approved applicant moving in this week.
- **Unit #12** (abandoned the unit, laid off work) – Unit turn in process. Kitchen cabinets ordered, all appliances, flooring, doors, and blinds. Working applicant.
- **Unit #21** – (asked to vacate for non-payment in order to avoid eviction) Unit Market ready. Applicant close to an approval.
- **Unit #65** – (vacated without reason) Unit market ready. Unit #3 will be transferring to this unit.
- **Unit #6** – (asked to vacate for non-payment to avoid eviction). Unit turn in process. Full paint completed, new flooring, blinds and detail cleaning.
- **Unit #16** – (termination, non-payment)
- **Unit #61** – (deceased) Unit turn in process. Detail cleaning, kitchen countertop repair, and bathroom medicine cabinet.
- **Unit #60** – (termination, non-payment). Full paint complete. Detail cleaning, new flooring, blinds, partial cabinets/drawers will need replacement and multiple doors. Working on applicant / reviewing the file.

Upcoming Vacancies:

- **Unit #57** Move date 05/29/24.
- **Unit #47** Send to legal for non-payment of rent.



Management continues advertising via: flyers, signage and resident referrals. Flyers were posted around town, distributed to the WIC program, Dept. of Social Services, Employment Services, taco trucks, grocery stores (where permitted) and also distributed flyers to the Glenn County Resource Center.

To date in May, 5 rent payments outstanding - Property Manager is following up to collect.

The work on the upper level balconies is in process and close to completion.

The installing of the gate doors is pending and will be completed next week, per vendor.

The 3rd trash enclosure painting is completed.

The Spring preventative maintenance on all HVAC units is complete. Several findings and recommendations were provided and will be discussed for approval.

The annual laundry room dryer vent cleaning is complete.

Bids on hand to transition to a coinless option for laundry equipment to avoid future acts of vandalism. Also looking at options to own vs lease.

Ivan Anderson, part time maintenance technician, resigned 4/9/24. A new ad has been placed and interviews are in process.

Local techs continue to assist as due to the high volume of unit turner over.

Chico Commons 549
For the Month Ended April 30, 2024
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Rental Income						
Gross Rents	\$ 77,669.00	\$ 73,639.00	\$ 4,030.00	\$ 308,449.00	\$ 294,556.00	\$ 13,893.00
Vacancies	(9,796.00)	(4,418.33)	(5,377.67)	(30,380.00)	(17,673.33)	(12,706.67)
Rent Adjustments	0.00	(245.83)	245.83	1,007.60	(983.33)	1,990.93
Manager's Unit	(1,024.00)	(1,024.00)	0.00	(4,037.00)	(4,096.00)	59.00
Total Tenant Rent	\$ 66,849.00	\$ 67,950.84	\$ (1,101.84)	\$ 275,039.60	\$ 271,803.34	\$ 3,236.26
Other Project Income:						
Laundry Income	\$ 121.11	\$ 872.67	\$ (751.56)	\$ 2,551.71	\$ 3,490.67	\$ (938.96)
Interest Income	217.17	7.25	209.92	867.47	29.00	838.47
Restricted Reserve Interest Incom	339.32	0.00	339.32	1,327.54	0.00	1,327.54
Late Charges	272.62	271.08	1.54	907.22	1,084.33	(177.11)
Other Tenant Income	\$ 1,156.75	\$ 422.25	\$ 734.50	\$ 3,669.65	\$ 1,689.00	\$ 1,980.65
Miscellaneous Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 308.99	\$ 0.00	\$ 308.99
Other Project Income	\$ 2,106.97	\$ 1,573.25	\$ 533.72	\$ 9,632.58	\$ 6,293.00	\$ 3,339.58
Total Project Income	\$ 68,955.97	\$ 69,524.09	\$ (568.12)	\$ 284,672.18	\$ 278,096.34	\$ 6,575.84
Project Expenses:						
Maint. & Oper. Exp. (Fr Page 2)	\$ 21,844.79	\$ 25,595.66	\$ (3,750.87)	\$ 96,628.31	\$ 102,382.66	\$ (5,754.35)
Utilities (From Pg 2)	8,211.28	10,830.25	(2,618.97)	31,980.01	43,321.00	(11,340.99)
Administrative (From Pg 2)	16,444.85	12,465.50	3,979.35	55,167.64	49,862.00	5,305.64
Taxes & Insurance (From Pg 2)	3,386.92	3,084.84	302.08	13,547.68	12,339.34	1,208.34
Other Taxes & Insurance (Fr Page	1,235.95	3,410.00	(2,174.05)	5,883.70	13,640.00	(7,756.30)
Other Project Expenses	798.78	1,812.26	(1,013.48)	5,583.18	7,249.01	(1,665.83)
Total O&M Expenses	\$ 51,922.57	\$ 57,198.51	\$ (5,275.94)	\$ 208,790.52	\$ 228,794.01	\$ (20,003.49)
Mortgage & Owner's Expense						
Interest Expense - City of Chico	\$ 2,604.17	\$ 2,604.17	\$ 0.00	\$ 10,416.68	\$ 10,416.67	\$.01
Mortgage Payment	\$ 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
Total Mortgage & Owner's Exp.	\$ 6,184.17	\$ 6,184.17	\$ 0.00	\$ 24,736.68	\$ 24,736.67	\$.01
Total Project Expenses	\$ 58,106.74	\$ 63,382.68	\$ (5,275.94)	\$ 233,527.20	\$ 253,530.68	\$ (20,003.48)
Net Profit (Loss)	\$ 10,849.23	\$ 6,141.41	\$ 4,707.82	\$ 51,144.98	\$ 24,565.66	\$ 26,579.32

Other Cash Flow Items:

Chico Commons 549
For the Month Ended April 30, 2024
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Reserve Transfers	\$ (339.32)	\$ 0.00	\$ (339.32)	\$ (1,327.54)	\$ 0.00	\$ (1,327.54)
T & I Transfers	(3,202.65)	0.00	(3,202.65)	(12,801.49)	0.00	(12,801.49)
Operating - MMKT- FFB*	(200.02)	0.00	(200.02)	(807.98)	0.00	(807.98)
Security Deposits Held	(1,300.00)	0.00	(1,300.00)	(2,535.00)	0.00	(2,535.00)
Authorized Reserve - Other	0.00	(8,087.50)	8,087.50	0.00	(32,350.00)	32,350.00
Tenant Receivables	1,857.63	0.00	1,857.63	10,645.84	0.00	10,645.84
Other Receivables	4,053.59	0.00	4,053.59	16,214.36	0.00	16,214.36
Accounts Payable - Trade	(6,127.54)	0.00	(6,127.54)	(21,403.50)	0.00	(21,403.50)
Accounts Payable Other	1,698.00	0.00	1,698.00	1,698.00	0.00	1,698.00
Accrued Interest - City of Chico	2,604.17	0.00	2,604.17	10,416.68	0.00	10,416.68
Total Other Cash Flow Items	\$ (956.14)	\$ (8,087.50)	\$ 7,131.36	\$ 99.37	\$ (32,350.00)	\$ 32,449.37
Net Operating Cash Change	\$ 9,893.09	\$ (1,946.09)	\$ 11,839.18	\$ 51,244.35	\$ (7,784.34)	\$ 59,028.69

Cash Accounts	End Balance 1 Year Ago	Current Balance	Change
Operating-FFB	\$ 11,486.39	\$ 62,730.74	\$ 51,244.35
Operating - MMKT- FFB*	235,996.02	236,804.00	807.98
Tax & Insurance-FFB	31,796.70	44,598.19	12,801.49
Security Deposit - FFB	44,775.00	44,775.00	0.00
Reserve Acct-FFB	46,082.80	56,206.59	10,123.79
Reserve Acct - MMKT - FFB*	361,365.00	362,568.75	1,203.75
Payables & Receivables:			
Accounts Payable - Trade	24,216.07	2,812.57	(21,403.50)
Rents Receivable - Current Tenants	17,720.84	6,935.76	(10,785.08)
Allowance for Doubtful Accounts	(2,666.60)	(2,407.61)	258.99
Other Tenant Charges Receivable	2,090.73	1,970.98	(119.75)

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Maintenance & Operating Expenses:						
Maintenance Payroll	\$ 5,755.81	\$ 6,044.17	\$ (288.36)	\$ 18,767.37	\$ 24,176.67	\$ (5,409.30)
Janitorial/Cleaning Supplies	17.15	137.33	(120.18)	61.89	549.33	(487.44)
Plumbing Repairs	1,487.68	468.17	1,019.51	2,497.37	1,872.67	624.70
Painting & Decorating	977.41	508.17	469.24	5,708.00	2,032.67	3,675.33
Repairs & Maintenance - Supply	2,615.48	3,707.08	(1,091.60)	10,517.39	14,828.33	(4,310.94)
Repairs & Maintenance - Contract	1,605.35	1,727.67	(122.32)	9,760.48	6,910.67	2,849.81
Grounds Maintenance	2,605.00	2,008.33	596.67	8,445.00	8,033.33	411.67

Chico Commons 549
For the Month Ended April 30, 2024
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Pest Control Service	\$ 366.00	\$ 746.08	\$ (380.08)	\$ 4,341.00	\$ 2,984.33	\$ 1,356.67
Fire/Alarm Services	201.87	740.00	(538.13)	1,049.08	2,960.00	(1,910.92)
Capital Improvements - Other	1,388.43	5,209.50	(3,821.07)	7,540.29	20,838.00	(13,297.71)
Capital Improvements - Flooring	1,224.74	2,433.33	(1,208.59)	13,316.44	9,733.33	3,583.11
Capital Improvements - Appliance	2,323.77	858.33	1,465.44	3,547.41	3,433.33	114.08
Capital Improvements - HVAC Repl	20.46	0.00	20.46	8,520.46	0.00	8,520.46
Carpet Cleaning	328.99	66.25	262.74	488.98	265.00	223.98
HVAC Repairs	834.00	820.00	14.00	1,617.00	3,280.00	(1,663.00)
Cable Service	92.65	79.58	13.07	450.15	318.33	131.82
Tenant Services	0.00	41.67	(41.67)	0.00	166.67	(166.67)
Total Maint. & Operating Exp.	\$ 21,844.79	\$ 25,595.66	\$ (3,750.87)	\$ 96,628.31	\$ 102,382.66	\$ (5,754.35)
Utilities:						
Electricity	\$ 911.70	\$ 879.92	\$ 31.78	\$ 3,879.77	\$ 3,519.67	\$ 360.10
Water	1,157.27	2,754.83	(1,597.56)	4,712.20	11,019.33	(6,307.13)
Sewer	1,698.00	2,746.58	(1,048.58)	8,490.44	10,986.33	(2,495.89)
Heating Fuel/Other	1,445.41	1,933.92	(488.51)	7,133.40	7,735.67	(602.27)
Garbage & Trash Removal	2,998.90	2,515.00	483.90	7,764.20	10,060.00	(2,295.80)
Total Utilities	\$ 8,211.28	\$ 10,830.25	\$ (2,618.97)	\$ 31,980.01	\$ 43,321.00	\$ (11,340.99)
Administrative:						
Manager's Salary	\$ 3,881.38	\$ 5,865.67	\$ (1,984.29)	\$ 15,205.37	\$ 23,462.67	\$ (8,257.30)
Management Fees	3,816.00	3,816.00	0.00	15,264.00	15,264.00	0.00
Bad Debt Expense	5,504.50	1,269.25	4,235.25	19,455.29	5,077.00	14,378.29
Auditing	666.67	666.67	0.00	2,666.68	2,666.67	.01
Legal	2,576.30	833.33	1,742.97	2,576.30	3,333.33	(757.03)
Other Administrative Expenses	0.00	14.58	(14.58)	0.00	58.33	(58.33)
Total Administrative Expense	\$ 16,444.85	\$ 12,465.50	\$ 3,979.35	\$ 55,167.64	\$ 49,862.00	\$ 5,305.64
Taxes & Insurance Reserve For:						
Real Estate Taxes	\$ 0.00	\$ 92.67	\$ (92.67)	\$ 0.00	\$ 370.67	\$ (370.67)
Property Insurance	3,386.92	2,992.17	394.75	13,547.68	11,968.67	1,579.01
Total Taxes & Insurance Expense	\$ 3,386.92	\$ 3,084.84	\$ 302.08	\$ 13,547.68	\$ 12,339.34	\$ 1,208.34
Other Taxes & Insurance:						
Payroll Taxes	\$ 778.42	\$ 1,069.75	\$ (291.33)	\$ 3,417.86	\$ 4,279.00	\$ (861.14)
Other Taxes, Fees & Permits	0.00	192.00	(192.00)	820.95	768.00	52.95
Bond Premiums	0.00	32.25	(32.25)	0.00	129.00	(129.00)
Worker's Compensation Insurance	390.09	643.75	(253.66)	1,387.87	2,575.00	(1,187.13)
Personnel Medical Insurance	67.44	1,472.25	(1,404.81)	257.02	5,889.00	(5,631.98)
Total Other Taxes & Insurance	\$ 1,235.95	\$ 3,410.00	\$ (2,174.05)	\$ 5,883.70	\$ 13,640.00	\$ (7,756.30)
Other Project Expenses						

Chico Commons 549
For the Month Ended April 30, 2024
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Telephone & Answering Service	\$ 107.86	\$ 226.00	\$ (118.14)	\$ 1,315.29	\$ 904.00	\$ 411.29
Internet Service	144.85	271.50	(126.65)	724.25	1,086.00	(361.75)
Advertising	0.00	54.17	(54.17)	0.00	216.67	(216.67)
Office Supplies & Expense	25.43	245.92	(220.49)	1,887.61	983.67	903.94
Postage	68.61	88.75	(20.14)	327.86	355.00	(27.14)
Toner/Copier Expense	133.13	188.08	(54.95)	546.76	752.33	(205.57)
Office Furniture & Equipment Expe	0.00	500.00	(500.00)	43.29	2,000.00	(1,956.71)
Travel & Promotion	29.69	70.92	(41.23)	78.13	283.67	(205.54)
Training Expense	210.92	66.92	144.00	260.92	267.67	(6.75)
Credit Checking	78.29	100.00	(21.71)	399.07	400.00	(.93)
Total Other Project Expenses	\$ 798.78	\$ 1,812.26	\$ (1,013.48)	\$ 5,583.18	\$ 7,249.01	\$ (1,665.83)
Mortgage & Owner's Expense						
Mortgage Payment	\$ 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
Total Mortgage & Owner's Exp.	\$ 6,184.17	\$ 6,184.17	\$ 0.00	\$ 24,736.68	\$ 24,736.67	\$.01
Total Expenses	\$ 58,106.74	\$ 63,382.68	\$ (5,275.94)	\$ 233,527.20	\$ 253,530.68	\$ (20,003.48)
Authorized Reserve - Other	\$ 0.00	\$ 8,087.50	\$ (8,087.50)	\$ 0.00	\$ 32,350.00	\$ (32,350.00)
Total Authorized Reserves	\$ 0.00	\$ 8,087.50	\$ (8,087.50)	\$ 0.00	\$ 32,350.00	\$ (32,350.00)

May 9, 2024

MEMO

To: Banyard Management Board of Directors

From: Hope Stone, CFO
Ed Mayer, President

Subject: Agenda Item – Chico Commons Apartments, Chico, 2023 Audit Report

The Chico Commons 2023 Audit Report has been reviewed and provided for Board acceptance. There were no questioned costs, expenses, concerns or findings.

Recommendation: Motion to approve the 2023 Chico Commons Apartments Audit Report

CHICO COMMONS, L.P.
(A California Limited Partnership)
COMPARATIVE FINANCIAL REPORT
December 31, 2023 and 2022

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B O W M A N
C E R T I F I E D P U B L I C A C C O U N T A N T S

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Chico Commons L.P. (A California Limited Partnership), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income partners' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Bauman & Company, L.L.P.

Stockton, California
March 10, 2024

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

BALANCE SHEETS
December 31, 2023 and 2022

ASSETS	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 247,732	\$ 219,298
Cash and cash equivalents - partnership reserve	361,365	200,117
Accounts receivable - tenant, net	17,145	7,496
Prepaid expenses	49,238	39,645
Total current assets	<u>675,480</u>	<u>466,556</u>
 RESTRICTED DEPOSITS AND FUNDED RESERVES		
Tax and insurance impounds	31,797	2,753
Tenant security deposits	44,775	44,775
Reserve for replacements	46,083	101,881
	<u>122,655</u>	<u>149,409</u>
 PROPERTY AND EQUIPMENT, at cost		
Land	607,476	607,476
Building and improvements	5,618,942	5,520,052
Furniture and equipment	233,816	215,616
	<u>6,460,234</u>	<u>6,343,144</u>
Less accumulated depreciation	<u>(4,129,518)</u>	<u>(3,960,340)</u>
	<u>2,330,716</u>	<u>2,382,804</u>
 OTHER ASSETS		
Syndication fees, net of accumulated amortization of \$152,130 and \$147,059 in 2023 and 2022, respectively	<u>50,705</u>	<u>55,776</u>
Total assets	<u><u>\$ 3,179,556</u></u>	<u><u>\$ 3,054,545</u></u>

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

BALANCE SHEETS (Cont.)
December 31, 2023 and 2022

LIABILITIES AND PARTNERS' EQUITY	<u>2023</u>	<u>2022</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 24,587	\$ 25,305
Accrued interest expense, current portion	<u>31,250</u>	<u>31,250</u>
Total current liabilities	<u>55,837</u>	<u>56,555</u>
 DEPOSIT LIABILITIES		
Tenant security deposits	<u>40,870</u>	<u>40,885</u>
 LONG-TERM LIABILITIES		
Accrued interest expense, less current portion	147,910	147,910
Note payable - Redevelopment Agency of the City of Chico	<u>625,000</u>	<u>625,000</u>
	<u>772,910</u>	<u>772,910</u>
Total liabilities	<u>869,617</u>	<u>870,350</u>
 PARTNERS' EQUITY		
	<u>2,309,939</u>	<u>2,184,195</u>
Total liabilities and partners' equity	<u><u>\$ 3,179,556</u></u>	<u><u>\$ 3,054,545</u></u>

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

STATEMENTS OF INCOME
Years Ended December 31, 2023 and 2022

	2023	2022
REVENUE		
Tenant rental income	\$ 825,220	\$ 759,544
Tenant charges	11,206	10,717
Laundry	10,401	8,141
Interest income	2,921	286
Other income	7,176	5,949
Total revenue	856,924	784,637
 OPERATING AND MAINTENANCE EXPENSES		
Repairs and maintenance	149,417	211,840
Utilities	105,297	99,578
Wages and salaries	106,017	84,255
Property management fees	43,200	38,880
Services	15,604	10,853
Insurance	31,889	28,349
General and administrative	9,892	15,516
Payroll taxes and workers' compensation insurance	12,967	10,793
Professional fees	13,575	13,857
Bad debt expense	22,903	40,605
Health insurance and other employee benefits	341	872
Other taxes and licenses	1,619	3,440
Total operating and maintenance expenses	512,721	558,838
 Net operating income	344,203	225,799
 OTHER EXPENSES		
Interest expense	31,250	31,250
Depreciation expense	169,178	163,636
Amortization expense	5,071	5,071
Partnership management fee	12,960	12,960
Total other expenses	218,459	212,917
 Net income (loss)	\$ 125,744	\$ 12,882

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

STATEMENTS OF PARTNERS' EQUITY
Years Ended December 31, 2023 and 2022

	Banyard Management	HACB	Total
Balance, December 31, 2021	\$ 255,602	\$ 1,960,198	\$ 2,215,800
Partner distributions	(22,466)	(22,021)	(44,487)
Net income (loss)	129	12,753	12,882
Balance, December 31, 2022	233,265	1,950,930	2,184,195
Net income (loss)	1,257	124,487	125,744
Balance, December 31, 2023	\$ 234,522	\$ 2,075,417	\$ 2,309,939

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

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 125,744	\$ 12,882
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	174,249	168,707
Change in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	(9,649)	5,802
Prepaid expenses	(9,593)	(3,664)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(24,613)	(14,772)
Tenant security deposits	(15)	(590)
Net cash provided by (used in) operating activities	256,123	168,365
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(93,195)	(52,845)
Net cash provided by (used in) investing activities	(93,195)	(52,845)
CASH FLOWS FROM FINANCING ACTIVITIES		
Partners distributions	--	(44,487)
Net cash provided by (used in) financing activities	--	(44,487)
Increase (decrease) in cash, cash equivalents, and restricted cash	162,928	71,033
Cash, cash equivalents and restricted cash		
Beginning	568,824	497,791
Ending	\$ 731,752	\$ 568,824
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	\$ 31,250	\$ 31,250
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES		
Acquisition of equipment using credit	\$ 23,895	--
CASH, CASH EQUIVALENTS AND RESTRICTED CASH SUMMARY		
Cash and cash equivalents	\$ 247,732	\$ 219,298
Cash and cash equivalents - partnership reserve	361,365	200,117
Tax and insurance impounds	31,797	2,753
Tenant security deposits	44,775	44,775
Reserve for replacements	46,083	101,881
	\$ 731,752	\$ 568,824

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, cash equivalents and restricted cash

For purposes of reporting the statements of cash flows, the Partnership includes all cash and restricted cash accounts as cash.

The Partnership maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Partnership believes it is not exposed to any significant credit risk on cash.

Replacement reserve

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

Accounts receivable

Accounts receivable are principally from tenants of the Partnership. The Partnership records an allowance for doubtful collections based on a review of outstanding receivables, historical collection information, and existing economic conditions. Management continues to conduct ongoing evaluations of its tenants and identifies those accounts that are determined to be uncollectible and writes them off. At December 31, 2023 and 2022, the allowance for doubtful accounts was \$2,667 and \$14,835, respectively.

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, 2023 and 2022.

Amortization

Syndication costs are amortized over a forty year period, 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

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

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.

Subsequent events

Management has evaluated subsequent events through March 10, 2024, the date the financial statements were available to be issued and determined no events or transactions have occurred that require recognition or disclosure in the financial statements.

Note 2. 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, 2023 and 2022, 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:

	2023	2022
<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, 2023 and 2022. At December 31, 2023 and 2022, accrued interest was \$179,160.</p>	<p style="margin-top: 20px;">\$ <u>625,000</u></p>	<p style="margin-top: 20px;">\$ <u>625,000</u></p>

Note 4. City of Chico Home Program Regulatory Agreement

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

Note 5. Current Vulnerability Due to Certain Concentrations

The Partnership's sole asset is 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 9, 2024

MEMO

To: Banyard Management Board of Directors

From: Hope Stone, CFO
Ed Mayer, President

Subject: Agenda Item - CY 2023 Chico Commons LP Partnership Distributions

The Chico Commons LP 2023 Residuals Receipts from operations are \$208,048 (see attached Chico Commons LP Surplus Cash analysis). The Agreement of Limited Partnership (LPA) provides for surplus cash distribution to the partners after the close of the year.

Section 4.k. of the Second Amendment to the LPA gives the Managing General Partner, Banyard Management, the authority to "...determine the amount and timing of distributions to partners and establish and maintain all required reserves...". HACB is the Investor Limited Partner in the partnership.

Chico Commons Apartments has positive cash flow, no hard debt service, substantial capital needs, and a Replacement Reserves balance of \$407,448.

Per authority determined in the LPA, as amended, staff recommends that the Board of Directors approve the deposit of \$100,000 into property Replacement Reserves, sourced from CY 2023 Surplus Cash Flow. The resulting Replacement Reserve balance would be approximately \$507,448.

The recent history of Chico Commons LP distributions follows. It is recommended that \$76,798 of partnership distribution be made this year.

2018	\$53,656
2019	\$48,419
2020	\$43,586
2021	\$44,487
2022	\$ 0 \$98,744 withheld
5-Year Average	\$38,030
2023 recommended	\$76,798 \$100,000 withheld

Recommendation: Motion to approve the deposit of \$100,000 from 2023 Chico Commons Apartments, Chico Operational Surplus Cash Flow into the Chico Commons Apartments Replacement Reserves account, and distribution of \$76,798 surplus funds to partners as described above.

CHICO COMMONS, L.P.
CALCULATION OF EXCESS CASH CALENDAR
YEAR ENDING DECEMBER 31, 2023

Profit/(Loss) from Operations	125,744.00
ADD: Depreciation; Amortization; Interest on debt issuance	174,249.00
NET CASH FLOW FROM OPERATIONS	299,993.00
SUBTRACT: Transfers to Replacement Reserves	-30,000.00
SUBTRACT: Capital Expenditures	-93,195.00
SUBTRACT: Mortgage Principal Payments	0.00
ADD: Interest Expense - City of Chico Loan	31,250.00
ADD: Transfers from Replacement Reserves	0.00
RESIDUAL RECEIPTS	208,048.00
Interest Payable to the City of Chico from Residual Receipts	-31,250.00
SUBTOTAL	176,798.00
PENDING BOARD APPROVAL TRANSFER TO RESERVES	-100,000.00
NET EXCESS CASH AVAILABLE FOR DISTRIBUTION	76,798.00

<u>Partner Distribution Details</u>		
Banyard Management - General Partner 50% of Excess Cash		38,399.00
Banyard Management - General Partner's Share of excess cash @ 1% of 50%	1.0%	383.99
HACB - Limited Partner's share of excess cash @ 99% of 50%	99.0%	38,015.01
TOTAL PARTNER DISTRIBUTIONS		76,798.00

Banyard	38,782.99
HACB	38,015.01

<u>Gain/Loss</u>	
Banyard	1,257.44
HACB	124,486.56
	125,744.00