

AGENDA PACKET

12-12-2023 Board Meeting

NOTE: Any documents that are not privileged provided to a majority of the Board after distribution of the agenda packet, regarding any item on this agenda, will be made available for public inspection upon request.

AGENDA ITEM NO. 5

Item 6: Mobilehome Purchase Documents

AGENDA ITEM NO. 6

MINUTES: Wednesday, August 2, 2023, 10:30 a.m. Board Meeting

AGENDA ITEM NO. 8

Item 1: Management Occupancy Report

Item 2: Management Contracts Summary Report

Item 3: Audited YE 6-30-2023 Financial Statement

Item 4: Grant Program Summary

Item 5: Veteran Program Report

AGENDA 5

Item 6

Mobilehome Purchase Documents

Santiago Communities' (SCI) Proposal to Affordable Community Living Corporation (ACL) Regarding the Purchase of Homes in Santiago Estates Mojave (SEM)

December 12, 2023

The ACL board has previously approved the purchase of homes in SEM to be owned by the park and used to rent to refugees, veterans and low income households. The board also approved SCI to propose future purchases of homes in SEM to use for these same purposes.

At this time, SCI proposes that ACL purchase one home owned by SCI and currently rented to a refugee. The home is described as a 2005 Fleetwood Beacon Hill, 24x44, serial #CAFL508A/B30000BH12 for the appraised value of \$92,500.

The value was established by an appraisal performed by Datacomp Appraisal Services, a licensed third-party appraisal company used often in the manufactured housing industry. The appraisal was performed on 10/19/2023 and is attached.

The total proposed purchase price for the home is \$92,500.

Manufactured Home Appraisal

Prepared by Datacomp Appraisal Services

Ordered by Santiago Communities - Orange CA
Lender
Buyer
Seller / Owner
Retailer Santiago Communities - Orange CA

Subject Property

Park Santiago Estates Of Mojave **County** KERN
Address 15540 Allie St **Lot #** 70
City Mojave **St** CA **Zip** 93501

Community Rating Good **Home Condition** Good

Make Fleetwood **Manufacture Year** 2005

Model Beacon Hill **Bedrooms** 3

Color Tan **Bathrooms** 2

Serial Number CAFL508AB30000BH12 **HUD Tag** PFS921266/267

Size 24 x 44 = 1,056 **Sq. Ft.** **Siding Type** Hardboard

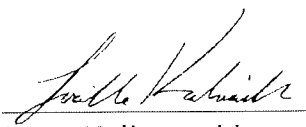
Additional x = **Sq. Ft.** **Roofing Type** Peak Shingled

Additional x = **Sq. Ft.** **Total Sq. Ft.** 1,056

Comments Per the manufacturer's data plate, the date of manufacture is 8/18/05. Title/model year may differ. The best recent available sales from Santiago Estates Of Mojave were used in the report. All of the comps were given consideration and averaged in the final market value determination.

Sale Price **Estimated Market Value** \$92,500
As Is

This is a TYPE 2 appraisal and is subject to the Definitions, Contingencies, and Limiting Conditions set forth in Form # 112 (REV. 1/01 attached). Since it may have been prepared per the unique specifications of the lender and/or ordering entity named above, it can not be relied upon by any other person or entity.

Appraiser Sig 
Lucy Kalinowski **Date** 10/19/2023
I.D. DCA50515603

Datacomp Appraisal Services • 2600 Five Mile Road NE, Grand Rapids, MI 49525 • Phone: (800) 365-1415 • Fax: (800) 841-8062

Comparable Analysis Worksheet

	Subject	Comp # 1	Comp # 2	Comp # 3
Make	Fleetwood	Fleetwood	Fleetwood	Fleetwood
Model	Beacon Hill	Beacon Hill	Beacon Hill	Beacon Hill
Size 1	24 x 44	24 x 44	24 x 44	24 x 44
Size 2				
Size 3				
Year	2005	2006	2006	2005
Selling Price		\$89,900	\$92,000	\$89,000
Option Package	\$7,393	\$7,228	\$6,336	\$7,093
Option Package \$		\$118	\$761	\$216
Quality	Deluxe	Deluxe	Standard +	Standard +
Quality Adjustment			\$5,520	\$5,340
Age Difference		-1	-1	0
Age Adjustment				
Square Feet	1,056	1,056	1,056	1,056
Size Adjustment				
Home Condition Rating	Good	Good	Good +	Good +
Condition Adjustment			\$-2,760	\$-2,670
Community Name	Santiago Estate...	Santiago Estate...	Santiago Estate...	Santiago Estate...
Community Quality	Good	Good	Good	Good
Community Adjustment				
Zip Code	93501	93501	93501	93501
County	KERN	Kern	KERN	KERN
CPI Adjustment				
Date of Sale		11/18/22	06/29/22	06/29/22
Time Adjustment				
Adjusted Market Value		\$90,018	\$95,521	\$91,886
Net Adj %		0%	4%	3%
Gross Adj %		0%	10%	9%

Market Value \$92,500.00
Repairs \$0.00
Estimated Market Value \$92,500.00

AGENDA 6
MINUTES FROM PRIOR MEETING
August 2, 2023

**MINUTES OF REGULAR MEETING OF THE
BOARD OF DIRECTORS
OF
AFFORDABLE COMMUNITY LIVING CORPORATION
A California Non Profit Public Benefit Corporation**

A regular meeting of the Board of Directors of AFFORDABLE COMMUNITY LIVING CORPORATION, a California Non Profit Public Benefit Corporation (the "Corporation") was held on August 2, 2023, at The Villa, 510 E. Katella Avenue, Orange, California 92867 pursuant to notice duly given.

1. Call to Order
2. Roll call. The following directors were present at the meeting:

Gary A. Brendzel
Dennis Kazarian
Jim Duffy
Barry Cole
Thomas LaCroix
John Yeandle
Aaron Brandenburg
Jess Maxcy
Ramon Rodriguez

Who together constitute a quorum of the authorized number of directors of the Corporation.

Staff Present:

Richard Simonian
Shontele Simonian
Steve Churchwell
Marla Merhab Robinson
Scott McReynolds

As a quorum of directors were present, Gary Brendzel called the meeting to order and Marla Merhab Robinson agreed to act as Secretary of the meeting and record the minutes.

3. No Board member reported having a conflict of interest on an agenda item.
4. There were no public comments on any topic not on the agenda.
5. Consent Calendar
 - a. Jess Maxcy moved to approve Consent Calendar Items Nos. 1 through 1.

Ramon Rodriguez seconded the motion. The motion was unanimously carried by the following roll call vote:

AYES: 7 BOARD MEMBERS: Gary A. Brendzel, Dennis Kazarian, Jim Duffy, Barry Cole, Thomas LaCroix, John Yeandle, and Aaron Brandenburg

NOES: 0 BOARD MEMBERS

ABSENT: 0 BOARD MEMBERS

6. Approval of Minutes. Approve minutes of meeting of March 8, 2023. Jess Maxcy moved to approve, Ramon Rodriguez seconded the motion. Unanimously approved.

7. New Business. **BOARD MEMBER REPORTS AND REMARKS**

Item A. Motion to approve the renewal of the line of credit. John Yeandle moved, Jim Duffy seconded the motion, which was unanimously approved.

Ramon Rodriguez moved, Aaron Brandenburg seconded, a motion to donate \$25,000 to American Veterans Assistance Group towards the Corporation's annual contribution.

Aaron Brandenburg moved, Ramon Rodriguez seconded a motion to approve a \$10,000 payment each to Scott McReynolds and John Yeandle recognizing their contributions to the grants, veterans and Afghan refugee programs.

STAFF AND CONSULTANT REPORTS

Shontele Simonian gave the management company contracts report.

Scott McReynolds gave a report on the rehabilitation grant program.

Scott McReynolds reported on a successful audit with Housing and Community Development. Mr. McReynolds reported on an application for an additional \$5M under the current rehabilitation grant program. Mr. McReynolds reported on the Mortgage Assistance Program. Mr. McReynolds reported on the Federal Grant Application for "Solar For All."

A general discussion was had regarding the Federal Grant.

Dennis Kazarian moved, Ramon Rodriguez, seconded a motion to approve the COO signing the application for the Federal Grant for the maximum amount recommended by staff. Aaron Brandenburg abstained from voting, all others voted in favor of the motion.

Scott McReynolds gave the AVAG report.

No closed session.

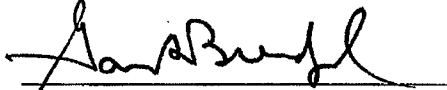
ADJOURNMENT

There being no further business to come before the Board, Barry Cole moved to adjourn, which was seconded by Dennis Kazarian and unanimously carried. The meeting adjourned.



Marla Merhab Robinson
Secretary of the Meeting

APPROVED:

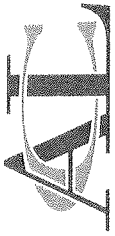


Gary A. Brendzel
Chairman

AGENDA 8

Item 1

Management Occupancy Report



affordablecommunityliving

MANAGEMENT STAFF REPORT

AFFORDABLE COMMUNITY LIVING CORP. OCCUPANCY INFORMATION as of November 30, 2023 December 12, 2023 Board Meeting

	Park	Total Spaces	Occupancy Rate	Vacant Lots and Homes
NSM	Ninth Street MHP San Bernardino, California	109	100% Occupied	
SSC	Santiago Silver Creek Safford, Arizona	84	62% Occupied	3 Lots 28 Homes
SEG	Santiago Estates Grandview San Jacinto, CA	58	99% Occupied	1 Home
SEM	Santiago Estates Mojave Mojave, CA	83	74% Occupied	15 Lots 7 Homes

AGENDA 8

Item 2

Management Contracts Summary Report

Contract loans @ 10-31-2023

Loan	Original Credit	Loan Bal @ 10-31-2023	Payment Amt	Avail Credit	Loan Dates		
					Start	Maturity	
Enterprise Bank RLOC # 4220827	\$ 3,000,000.00	\$ 580,294.78	\$ 4,083.13	\$ 2,419,705.22	Int Only	12/1/2015	4/4/2025
Enterprise Bank Term 5 #4221450	\$ 1,999,303.11	\$ 1,445,424.41	\$ 13,567.20	\$ -	Prin/Int	1/28/2019	1/28/2024
Loan Totals	\$ 4,999,303.11	\$ 2,025,719.19	\$ 17,650.33	\$ 2,419,705.22			

	Month to Date	Year to Date
Interest Revenue	\$ 77,159.05	\$ 316,392.56
Interest Expense	\$ 10,438.41	\$ 47,612.57
Remarketing Fees	\$ -	\$ -
Contract Servicing	\$ 7,150.00	\$ 28,950.00
Cash Flow	\$ 59,570.64	\$ 239,829.99

Principle payments \$ 32,878.96 \$ 130,126.87

Contracts: as of 10-31-2023
 Original principle of contracts: \$12,354,154.03 / current principal balance \$10,182,135.43

Total Contracts: 141	
Contracts at 5%: 11	
Contracts at 6%: 9	
Contracts at 7%: 50	
Contracts at 8%: 1	
Contracts at 8.95%: 1	
Contracts at 9.5%: 9	
Contracts at 9.9%: 12	
Contracts at 10%: 2	
Contracts at 10.25%: 1	
Contracts at 10.375%: 33	
Contracts at 10.95%: 11	
Contracts at 12%: 1	

AVE INTEREST RATE 8.41%

NODs currently issued: 9
 Foreclosures done fiscal YTD: 1
 SIGN-BACKS: 1

AGENDA 8

Item 3

YE 6-30-2023 Audited Financial Statement

AFFORDABLE COMMUNITY LIVING CORPORATION

**Financial Statements and
Independent Auditor's Report**

Year Ended June 30, 2023

AFFORDABLE COMMUNITY LIVING CORPORATION

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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Independent Auditor's Report

PARTNERS

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Leena Shanbhag, CPA, MST, CGMA
Bradford A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

Board of Directors
Affordable Community Living Corporation
Santa Ana, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Affordable Community Living Corporation (the Corporation) (a nonprofit organization), which comprise the statement of net position as of June 30, 2023, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of June 30, 2023, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and if applicable, 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 Corporation 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 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 Corporation's ability to continue as a going concern for one year after the date the financial statements are issued.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Revenues and Expenses by Mobile Home Park is presented for purposes of additional analysis and is not a required part of the 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.

Such 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 information is fairly stated, in all material respects, in relation to the 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 September 29, 2023, on our consideration of the Corporation'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 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 Corporation's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
September 29, 2023

AFFORDABLE COMMUNITY LIVING CORPORATION

Management's Discussion and Analysis For the Year Ended June 30, 2023

The Corporation

The Affordable Community Living Corporation (Corporation) is organized and operates as a nonprofit organization. The Corporation was created for the purpose of providing assistance to governmental entities in their redevelopment efforts to promote economic development within their cities in order to increase the availability of low and moderate income housing within their cities and to further include financial assistance for housing to low and moderate income veterans and active military or disabled veterans.

The Basic Financial Statements

Affordable Community Living Corporation is engaged in activities that support itself through revenue from lease income, and fees for services. Accordingly, the accompanying financial statements are presented in the format prescribed for proprietary funds by the Governmental Accounting Standards Board (GASB).

These financial statements consist of three interrelated statements designed to provide the reader with relevant, understandable data about the Corporation's financial condition and operating results. They are (1) the Statement of Net Position, (2) the Statement of Revenues, Expenses and Changes in Net Position, and (3) the Statement of Cash Flows.

The Statement of Net Position presents the Corporation's assets, liabilities and the difference, or net position, between what is owned and what is owed as of the last day of the Corporation's fiscal year. The Statement of Revenues, Expenses and Changes in Net Position describes the financial results of the Corporation's operations for the year reported. These results, or changes in net position, are

caused by the increases or decreases in the bottom line of the Statement of Net Position.

The Statement of Cash Flows conveys to financial statement users how the Corporation managed cash resources during the year. This statement converts the Change in Net Position presented on the Statement of Revenues, Expenses and Changes in Net Position into actual cash provided by, or used for, operations. The Statement of Cash Flows also details how the Corporation obtains cash through financing and investing activities and, conversely, how cash is spent for these purposes.

Summary of Financial Information and Analysis

During the year ended June 30, 2023, the Corporation's total net position increased by \$3,592,556 from \$5,136,643 to \$8,729,199. Total assets and deferred outflow of resources increased \$1,727,512 and liabilities decreased \$1,865,044.

The increase in net position can largely be attributed to nonoperating transfers from subsidiaries totaling \$4,426,693. The increase in total assets is largely due to receivables due from related entities.

The decrease in liabilities is due to the retirement of long-term debt totaling \$3,607,880.

AFFORDABLE COMMUNITY LIVING CORPORATION

Management's Discussion and Analysis For the Year Ended June 30, 2023

Financial Statement Summary (In Thousands)

	6/30/23	6/30/22
Total Assets & Deferred Outflows of Resources	\$31,894	\$30,167
Total Liabilities	23,165	25,030
Operating Revenue	3,093	2,467
Operating Expense	(3,814)	(3,080)
Excess of Revenue Over (Under) Expense	(721)	(613)
Nonoperating Revenues (Expenses)	4,314	5,582
Change in Net Position	3,593	4,969

Categories of Net Position

The Corporation is required to present its net position in three categories: Invested in Capital Assets, Restricted, and Unrestricted.

Net Investment in Capital Assets

At June 30, 2023, Net Investment in Capital Assets included Property and Equipment, net of Accumulated Depreciation and reduced by any bonds, mortgages, notes, capital leases or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Net investment in capital assets carried a balance of \$3,197,832 at June 30, 2023.

Unrestricted

The Corporation had \$5,531,367 at June 30, 2023 in unrestricted net position.

Capital Assets

The Corporation's capital assets as of June 30, 2023, amounted to \$15,088,715 (net of accumulated depreciation). This investment in capital assets includes land, leased land, construction in progress, buildings and improvements, and Office furniture and equipment. Additions to capital assets for the current fiscal year totaled \$527,823 and deletions totaled \$5,615.

Long-Term Debt including Capital Leases Payable

As of June 30, 2023, the Corporation's long-term debt including capital leases payable outstanding was \$14,379,941. During the year ended June 30, 2023, there were no additions to long-term debt and capital leases payable and retirements totaled \$3,657,440.

Contacting the Corporation's CFO

This financial report is designed to provide our customers, investors, and creditors with an overview of the Corporation's financial operations and conditions. If you have questions about this report or need additional information, you may contact the Corporation's CFO at P.O. Box 10029, Santa Ana, CA 92711.

Statement of Net Position
June 30, 2023**ASSETS**

Current Assets:

Cash	\$ 1,286,550
Investments	302,496
Accounts receivable, net	1,289,392
Prepaid expenses	2,769
Prepaid insurance	110,437
Mobile home inventory	3,110,848
Contracts receivable - current	266,122
Total Current Assets	<u>6,368,614</u>

Noncurrent Assets:

Capital Assets:

Land	3,698,913
Buildings and improvements	6,310,157
Office furniture and equipment	53,841
Vehicles	49,489
Right to use asset - land	7,041,234
Less: accumulated depreciation and amortization	<u>(2,064,919)</u>
Total Capital Assets	15,088,715

Contracts receivable - non-current	10,378,744
Deposits	<u>20,200</u>

Total Noncurrent Assets	<u>25,487,659</u>
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Total Assets	<u>31,856,273</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred loss on debt refunding	<u>38,109</u>
Total Deferred Outflows of Resources	<u>38,109</u>

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

Statement of Net Position, Continued
June 30, 2023**LIABILITIES**

Current Liabilities:

Accounts payable	\$ 21,911
Accrued liabilities	269,104
Security of other deposits	21,525
Accrued interest payable, current portion	36,863
Line of credit	630,948
Notes payable, current portion	1,646,573
Advance payable	3,552,994
Land leases payable, current portion	50,935
Total Current Liabilities	<u>6,230,853</u>

Noncurrent Liabilities:

Accrued interest payable, long term portion	2,064,601
Note payable - City of San Bernardino	2,187,296
Notes payable, long term portion	5,788,482
Land leases payable	6,893,951
Total Noncurrent Liabilities	<u>16,934,330</u>

Total Liabilities	<u>23,165,183</u>
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NET POSITION

Net investment in capital assets	3,197,832
Unrestricted	<u>5,531,367</u>
Total Net Position	<u>\$ 8,729,199</u>

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

**Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2023**

OPERATING REVENUES	
Rentals	\$ 1,423,974
Utility income	440,653
City fees	11,709
Contributions	15,000
Late charges	35,485
Legal fee reimbursement	3,080
Workers' compensation refund	4,747
Other revenue	26,341
Reimbursements - salary and payroll taxes	104,933
Reimbursements - corporate expenses	56,858
Interest income	969,981
Total Operating Revenues	<u>3,092,761</u>
OPERATING EXPENSES	
Bad debt expense	36,976
Contracted services	89,650
Depreciation and amortization	645,927
Donations	100,000
Insurance expense	134,733
Interest expense	970,597
Lease expense	24,704
Legal expense	12,164
Low income assistance	41,175
Management and accounting services	99,665
Miscellaneous expenses	66,115
Office expense	154,952
Outside services	33,562
Rental assistance	1,200
Repairs and maintenance	105,856
Salaries, wages and benefits	586,245
Security	12,571
Tax preparation and audit fees	7,000
Taxes, licenses and permits	104,798
Tenant expense	103,100
Utilities	471,227
Veterans Program	12,000
Total Operating Expenses	<u>3,814,217</u>
Operating Loss	<u>(721,456)</u>
NONOPERATING REVENUES (EXPENSES)	
Loan costs	(8,668)
Loss on disposal of asset	(1,936)
Transfers to related entity	(105,000)
Transfers from related entities	4,426,693
Unrealized gains on investments	2,923
Total Nonoperating Revenues (Expenses)	<u>4,314,012</u>
Change in Net Position	3,592,556
Net Position, Beginning of Year	<u>5,136,643</u>
Net Position, End of Year	<u>\$ 8,729,199</u>

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

Statement of Cash Flows
For the Year Ended June 30, 2023**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from tenants, including cash deposits	\$ 823,865
Workers' compensation refund	4,747
City fees	11,709
Reimbursements salary and payroll taxes	104,933
Reimbursements corporate expenses	56,858
Other revenue	41,341
Interest received	969,981
Cash paid to suppliers	(1,598,789)
Cash paid to employees (salaries and benefits)	(586,245)
Interest paid	(862,575)
Net Cash (Used for) Operating Activities (See Page 10)	<u>(1,034,175)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Loan costs	(2,805)
Principal payments for notes payable	(3,607,880)
Drawdown on line of credit	1,889,774
Repayments on line of credit	(3,814,263)
Advances from related entity	3,552,994
Transfers from related entities	4,426,693
Transfers to related entity	(105,000)
Net Cash Provided by Non-Capital Financing Activities	<u>2,339,513</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from sale of other assets	(1,936)
Principal payments for land leases payable	(49,560)
Acquisition of mobile home inventory	(1,256,186)
Acquisition and construction of capital assets	(527,823)
Net Cash (Used for) Capital and Related Financing Activities	<u>(1,835,505)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(751,273)
Proceeds from sale of investments	451,700
Loans made	342,365
Net Cash Provided by Investing Activities	<u>42,792</u>

Net Decrease in Cash	(487,375)
Cash and Cash Equivalents, Beginning of Year	<u>1,773,925</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,286,550</u>

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

Statement of Cash Flows, Continued
For the Year Ended June 30, 2023

RECONCILIATION OF OPERATING LOSS TO NET**CASH USED FOR OPERATING ACTIVITIES**

Operating Loss	\$ (721,456)
Adjustments to Reconcile Operating Loss to Net Cash (Used for)	
Operating Activities:	
Depreciation and amortization	645,927
(Increase) Decrease in Assets:	
Accounts receivable, net	(1,079,327)
Prepaid insurance	(42,784)
Prepaid expenses	(426)
Increase (Decrease) in Liabilities:	
Accounts payable	13,976
Deposits	14,125
Accrued liabilities	27,768
Accrued interest payable	<u>108,022</u>
Net Cash (Used for) Operating Activities	<u>\$ (1,034,175)</u>

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

AFFORDABLE COMMUNITY LIVING CORPORATION

Notes to Financial Statements June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Affordable Community Living Corporation (Corporation) is organized and operates as a nonprofit organization. The specific purpose of the Corporation is to lessen the governmental burdens by providing assistance to governmental entities in their efforts to promote economic development and eliminate blighting conditions within such Cities, including, but not limited to, assuming the ownership and operation of mobile home parks in order to increase the availability of low and moderate income housing, and to further include financial assistance for housing to low and moderate income veterans and active military or disabled veterans. The costs associated with the Veterans Affordable Housing Program are reported as Donations and Low-Income Assistance on the Statement of Revenues, Expenses and Changes in Net Position.

The Corporation acquired the following mobile home parks from the City of San Bernardino Economic Development Agency (Agency) on July 1, 1997: Glen Aire Mobile Home Park, Orangewood Mobile Home Park, Friendly Village Mobile Home Park, Sequoia Plaza Mobile Home Park, Pacific Palms Mobile Home Park, Tropicana Mobile Home Park, Ninth Street Mobile Home Park and Rancho Meridian Mobile Home Park.

On April 1, 2001, the assets and liabilities of the Sequoia Plaza Mobile Home Park were transferred to the Sequoia Plaza Mobile Home Park Corporation, a wholly owned subsidiary of the Affordable Community Living Corporation.

On April 1, 2001, the assets and liabilities of the Rancho Meridian Mobile Home Park were transferred to the Rancho Meridian Mobile Home Park Corporation, a wholly owned subsidiary of the Affordable Community Living Corporation.

On December 31, 2001, the assets and liabilities of the Glen Aire Mobile Home Park were transferred to the Glen Aire Mobile Home Park Corporation, a wholly owned subsidiary of the Affordable Community Living Corporation.

On December 31, 2001, the assets and liabilities of the Pacific Palms Mobile Home Park were transferred to the Pacific Palms Mobile Home Park Corporation, a wholly owned subsidiary of the Affordable Community Living Corporation.

On March 1, 2004, the assets and liabilities of the Friendly Village Mobile Home Park, dba Santiago Hillside Estates, were transferred to the Friendly Village Mobile Home Park Corporation, a wholly owned subsidiary of the Affordable Community Living Corporation.

On March 1, 2004, the assets and liabilities of the Orangewood Mobile Home Park were transferred to the Orangewood Mobile Home Park Corporation, a wholly owned subsidiary of the Affordable Community Living Corporation.

On November 4, 2004, the Corporation acquired the Sunrise Village Mobile Home Park located in the City of Palm Springs, California. Upon purchase, the assets and liabilities of the Park were transferred to the Santiago Sunrise Village Mobile Home Park Corporation, a wholly owned subsidiary of the Affordable Community Living Corporation.

AFFORDABLE COMMUNITY LIVING CORPORATION

Notes to Financial Statements June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Nature of Activities, (continued)

On June 26, 2006, the Corporation sold the Tropicana Mobile Home Park.

On October 1, 2015, the Corporation entered into a land lease for the Santiago Silver Creek Mobile Home Park (See Note 5).

On November 10, 2021, the Corporation acquired the Santiago Estates Grandview Mobile Home Park located in the City of San Jacinto, California.

On December 3, 2021, the Corporation acquired Santiago Estates Mojave Mobile Home Park and entered into a land lease for the Park (See Note 5) located in the City of Mojave, California.

Basis of Accounting

The Corporation uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Corporation has elected to follow all pronouncements of the Governmental Accounting Standards Board (GASB).

Net Position

Net Position is classified as follows:

Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation 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. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted net position – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position consists of items that do not meet the definition of “restricted” or “net investment in capital assets.”

AFFORDABLE COMMUNITY LIVING CORPORATION

Notes to Financial Statements June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Net Position, (continued)

It is the Corporation's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Income Taxes

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization that is not a private foundation. A comparable exemption has been granted by the State of California under the Revenue and Taxation Code 23701(d).

The Corporation files informational tax returns in the U.S. federal jurisdictions and the state of California. The Corporation is subject to potential examination by taxing authorities for income tax returns filed in the U.S. federal jurisdiction and the State of California. The tax years that remain subject to potential examination for the U.S. federal jurisdiction are fiscal years June 30, 2020, and forward. The State of California tax jurisdiction is subject to potential examination for fiscal years June 30, 2019, and forward.

Cash and Investments

For the purpose of the statement of cash flows, cash and cash equivalents include all highly liquid investments (including restricted assets) with maturity of three months or less when purchased. Cash and cash equivalents are presented on the balance sheet as cash.

Investments are stated at fair value.

Accounts Receivable

Accounts receivable are recorded net of an allowance for doubtful accounts. No interest is charged on these accounts. The allowance is estimated based on historical performance and current economic conditions. Losses are charged to the reserve when management deems further collection efforts will not produce additional recoveries. Periodically, management evaluates the accounts and writes off any amounts considered uncollectible. On June 30, 2023, the allowance for doubtful accounts was \$11,436.

AFFORDABLE COMMUNITY LIVING CORPORATION

Notes to Financial Statements June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Capital Assets

Property, plant and equipment with a cost of \$2,000 or more are capitalized and recorded at cost, except for donated assets, which are recorded at their acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized in proprietary funds. Depreciation has been computed on the straight-line method over the assets' estimated useful lives. The estimated useful lives are as follows:

Furniture, fixtures and equipment	5 – 7 years
Vehicles	5 – 7 years
Buildings and improvements	10 – 40 years

Financial Instruments

The carrying amount of all financial instruments approximates fair value. The carrying amounts for cash and cash equivalents, accounts receivable, accounts payable and short-term debt approximate fair value because of the short maturity of these instruments. The fair value of capital lease obligations and long-term debt approximates the carrying amounts based upon the Corporation's expected borrowing rate for debt with similar remaining maturities and comparable risk.

Deferred 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(s) and so will *not* be recognized as an outflow of resources (expense) until then. The Corporation only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

AFFORDABLE COMMUNITY LIVING CORPORATION

Notes to Financial Statements June 30, 2023

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Cash	\$ 1,286,550
Investments	302,496
	<u>\$ 1,589,046</u>

Cash as of June 30, 2023 consist of the following:

Cash on hand	\$ 300
Deposits with financial institutions	1,286,250
Investments	302,496
	<u>\$ 1,589,046</u>

Authorized Investments

The Corporation may invest in the following types of investments as authorized by the California Government Code:

- Securities of the U. S. Government or its agencies
- Negotiable certificates of deposits
- Bankers' acceptances
- Commercial paper
- Repurchase agreements

Interest Rate Risk

Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Corporation's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Corporation's investments by maturity:

<u>Investment Type</u>	<u>Fair Value</u>	<u>12 Months or Less</u>	<u>13 to 24 Months</u>
U.S. Treasury obligations	<u>\$ 302,496</u>	<u>\$ 302,496</u>	<u>\$ -</u>

AFFORDABLE COMMUNITY LIVING CORPORATION

**Notes to Financial Statements
June 30, 2023**

NOTE 2: CASH AND INVESTMENTS, (continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the minimum rating required by (where applicable) the California Government Code or the Corporation’s investment policy and the actual rating as of year-end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Not Rated</u>
U.S. Treasury obligations	<u>\$ 302,496</u>	N/A	<u>\$ 302,496</u>

Concentration Credit Risk

The investment policy of the Corporation contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Government Code. The Corporation had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the Corporation’s total investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Corporation’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2023, the Corporation’s deposits with financial institutions were \$835,145 in excess of federal depository insurance limits. On a quarterly basis the Corporation reviews the financial condition of each institution that carry account balances exceeding the \$250,000 FDIC insurance amount.

AFFORDABLE COMMUNITY LIVING CORPORATION

Notes to Financial Statements June 30, 2023

NOTE 2: CASH AND INVESTMENTS, (continued)

Fair Value Measurements

Generally accepted accounting principles provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly. *Level 2* inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level 3 inputs are unobservable inputs for the asset or liability.

Fair value of assets measured on a recurring basis at June 30, 2023, were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Significant Other Observable Inputs (Level 2)</u>
U.S. Treasury obligations	<u>\$ 302,496</u>	<u>\$ 302,496</u>

AFFORDABLE COMMUNITY LIVING CORPORATION

Notes to Financial Statements June 30, 2023

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,698,913	\$ -	\$ -	\$ 3,698,913
Total capital assets, not being depreciated	3,698,913	-	-	3,698,913
Capital assets, being depreciated/amortized:				
Buildings and improvements	5,810,022	505,250	(5,115)	6,310,157
Office furniture and equipment	39,781	14,060	-	53,841
Vehicles	41,476	8,513	(500)	49,489
Right to use asset - land	7,041,234	-	-	7,041,234
Total capital assets, being depreciated	12,932,513	527,823	(5,615)	13,454,721
Less accumulated depreciation/amortization for:				
Buildings and improvements	(1,399,577)	(398,766)	5,115	(1,793,228)
Office furniture and equipment	(17,985)	(5,342)	-	(23,327)
Vehicles	(7,045)	(11,427)	500	(17,972)
Right to use asset - land	-	(230,392)	-	(230,392)
Total accumulated depreciation/amortization	(1,424,607)	(645,927)	5,615	(2,064,919)
Total capital assets, being depreciated/amortized, net	11,507,906	(118,104)	-	11,389,802
Total capital assets, net	<u>\$ 15,206,819</u>	<u>\$ (118,104)</u>	<u>\$ -</u>	<u>\$ 15,088,715</u>

Depreciation and amortization expense for the year ended June 30, 2023 was \$645,927.

NOTE 4: LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes Payable:					
Ninth Street	\$ 2,797,939	\$ -	\$ 46,621	\$ 2,751,318	\$ 48,942
Grandview	2,274,298	-	41,510	2,232,788	44,470
Parent	5,970,698	-	3,519,749	2,450,949	1,553,161
Total Long-Term Debt	<u>\$ 11,042,935</u>	<u>\$ -</u>	<u>\$ 3,607,880</u>	<u>\$ 7,435,055</u>	<u>\$ 1,646,573</u>

AFFORDABLE COMMUNITY LIVING CORPORATION

Notes to Financial Statements June 30, 2023

NOTE 4: LONG-TERM DEBT, (continued)

The annual requirements to amortize the long-term debt outstanding as of June 30, 2023, including interest payments, are as follows:

Year Ending June 30,	Notes Payable					
	Ninth Street		Grandview		Parent	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 48,942	\$ 152,592	\$ 44,470	\$ 87,407	\$ 1,553,161	\$ 119,328
2025	52,163	149,370	46,259	85,619	82,740	63,588
2026	55,147	146,386	48,119	83,758	815,048	15,376
2027	58,302	143,231	50,055	81,822	-	-
2028	61,251	140,282	52,068	79,809	-	-
2029-2031	2,475,513	113,854	1,991,817	256,359	-	-
Total	<u>\$ 2,751,318</u>	<u>\$ 845,715</u>	<u>\$ 2,232,788</u>	<u>\$ 674,774</u>	<u>\$ 2,450,949</u>	<u>\$ 198,292</u>

Notes Payable

Ninth Street Mobile Home Park, One Note as Follows:

Interest at 4.85%, monthly payments of \$7,978 commencing March 1, 2013, through and including February 1, 2043. Secured by a Deed of Trust on the real property located at 780 Ninth Street, San Bernardino, CA, the Ninth Street Mobile Home Park.

In March 2019, the Corporation refinanced the Mortgage Loan with a Promissory Note in the amount of \$2,931,500, issued by the Bank of Hemet (Lender). The principal and interest on the Note is payable in 60 monthly installments of \$16,794 commencing May 1, 2019, and on the first day of each succeeding month until April 1, 2024, with interest calculated on the unpaid principal balances using an interest rate of 5.50%. An interest rate change will occur on May 1, 2024, interest will be calculated on the unpaid principal balances using the index rate in effect as of the date (Weekly Average Yield on United States Treasury Securities adjusted to a Constant Maturity of One (1) Year), plus a margin of 3.00% with a floor rate of 5.50%. Beginning May 1, 2024, principal and interest are payable in 60 monthly installments on the first day of each month until April 1, 2029 (Maturity Date). On the Maturity Date, the balance of the principal remaining unpaid of \$1,801,409, plus accrued interest shall be due and payable. The Note is secured by a Deed of Trust on the real property located at 780 Ninth Street, San Bernardino, CA, the Ninth Street Mobile Home Park. The note contains an event of default that changes the timing of repayment of outstanding amounts to become immediately due if the Corporation is unable to make payment.

The refunding resulted in a difference between the reacquisition price and the net carry amount of the old debt of \$58,630. The difference is reported in the accompanying financial statements as deferred outflows of resources and is being amortized through April 30, 2029 using the straight-line method of amortization. As a result of the refunding, the Corporation increase its debt service cash flow by \$463,351, resulting in an economic loss of \$27,682 (calculated as the difference between the debt service payments under the old and new debt discounted to present value using the effective interest rate).

AFFORDABLE COMMUNITY LIVING CORPORATION

Notes to Financial Statements June 30, 2023

NOTE 4: LONG-TERM DEBT, (continued)

Notes Payable, (continued)

Ninth Street Mobile Home Park, One Note as Follows, (continued):

The Note is subject to prepayment as of the date of the agreement, March 28, 2019. The Corporation may prepay the indebtedness, in whole or in an amount equal to one or more monthly payments of principal next due, provided that such payment is accompanied by the prepayment penalty (expressed as a percentage of the principal amount so prepaid) set forth below:

<u>Prepayment Periods</u>	<u>Prepayment Penalty</u>
March 28, 2019 through March 31, 2021	3%
April 1, 2021 through March 31, 2023	2%
April 1, 2023 through March 31, 2024	1%
April 1, 2024, and thereafter	None

Upon any declaration of the default, the timing of repayment of outstanding amounts may become immediately due or the mortgaged property may be repossessed, and interest rate shall immediately increase by adding an additional 5% point margin.

Santiago Estates Grandview Mobile Home Park, One Note as Follows:

On November 9, 2021, the Corporation obtained a Note with HCN Bank for \$2,300,000 with a maturity date of November 1, 2031. Interest at 3.95%, monthly payments of \$10,990 commencing December 1, 2021, through and including November 1, 2031. Balance due on June 30, 2023, is \$2,232,788. At the end of the term a balloon payment of \$1,802,941 is due and payable. Secured by a Deed of Trust on the real property located at 351 East Seventh Street in the City of San Jacinto, California, the Santiago Estates Grandview Mobile Home Park.

The Note is subject to prepayment as of the date of the agreement, December 1, 2021. The Corporation may prepay the indebtedness, in whole or in an amount equal to one or more monthly payments of principal next due, provided that such payment is accompanied by the prepayment penalty (expressed as a percentage of the principal amount so prepaid) set forth below:

<u>Prepayment Periods</u>	<u>Prepayment Penalty</u>
December 1, 2021 through October 31, 2022	4%
November 1, 2022 through October 31, 2024	3%
November 1, 2024 through October 31, 2025	2%
November 1, 2025 through October 31, 2026	1%
November 1, 2026 and thereafter	None

Upon any declaration of the default, the timing of repayment of outstanding amounts may become immediately due or the mortgaged property may be repossessed, and interest rate shall immediately increase by adding an additional 5% point margin.

AFFORDABLE COMMUNITY LIVING CORPORATION

Notes to Financial Statements June 30, 2023

NOTE 4: LONG-TERM DEBT, (continued)

Term Notes as follows:

Term Note 1 – Refinanced on June 8, 2017, interest at 5.0%, monthly payments of \$3,997 commencing July 8, 2017, through and including January 8, 2022. During fiscal year 2022, the term of the note had been extended through December 15, 2022. Secured by all Assigned Retail Installment Contracts and Security Agreements, Security Agreement Addenda, Financing Agreements, and similar agreements, between the Corporation and various third parties. At June 30, 2023, the term note had been paid-in-full.

Term Note 2 – Refinanced on June 8, 2017, interest at 5.0%, monthly payments of \$9,499 commencing July 8, 2017, through and including June 8, 2022. During fiscal year 2022, the term of the note had been extended through December 15, 2022. Secured by all Assigned Retail Installment Contracts and Security Agreements, Security Agreement Addenda, Financing Agreements, and similar agreements, between the Corporation and various third parties. At June 30, 2023, the term note had been paid-in-full.

Term Note 3 – Refinanced on June 8, 2017, interest at 5.0%, monthly payments of \$3,630 commencing July 8, 2017, through and including June 8, 2022. During fiscal year 2022, the term of the note had been extended through December 15, 2022. Secured by all Assigned Retail Installment Contracts and Security Agreements, Security Agreement Addenda, Financing Agreements, and similar agreements, between the Corporation and various third parties. At June 30, 2023, the term note had been paid-in-full.

Term Note 4 – Refinanced on June 8, 2017, interest at 5.0%, monthly payments of \$3,474 commencing July 8, 2017, through and including June 8, 2022. During fiscal year 2022, the term of the note had been extended through December 15, 2022. Secured by all Assigned Retail Installment Contracts and Security Agreements, Security Agreement Addenda, Financing Agreements, and similar agreements, between the Corporation and various third parties. At June 30, 2023, the term note had been paid-in-full.

Term Note 5 – Issued on January 28, 2019, monthly payments of \$14,153 commencing March 5, 2019 through and including January 5, 2024, and one payment on January 28, 2024, with interest calculated on the unpaid principal balances using an interest rate based on the prime rate as published daily in The Wall Street Journal, plus a margin of 0.25%. Secured by all Assigned Retail Installment Contracts and Security Agreements, Security Agreement Addenda, Financing Agreements, and similar agreements, between the Corporation and various third parties. The amount outstanding at June 30, 2023 was \$1,473,660.

Term Note 6 – Issued on August 25, 2020, monthly payments of \$12,195 commencing October 5, 2020 through and including August 5, 2025, and one payment on September 5, 2025, with interest calculated on the unpaid principal balances using an interest rate based on the prime rate as published daily in The Wall Street Journal, plus a margin of 0.25%. Secured by all Assigned Retail Installment Contracts and Security Agreements, Security Agreement Addenda, Financing Agreements, and similar agreements, between the Corporation and various third parties. The amount outstanding at June 30, 2023 was \$977,289.

AFFORDABLE COMMUNITY LIVING CORPORATION

Notes to Financial Statements June 30, 2023

NOTE 4: LONG-TERM DEBT, (continued)

Term Notes as follows, (continued)

All term notes contain an event of default that changes the timing of the repayment of outstanding amounts to become immediately due if the Corporation is unable to make payment.

NOTE 5: LEASES PAYABLE

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Land Leases Payable:					
Santiago Silver Creek	\$ 4,539,930	\$ -	\$ 32,006	\$ 4,507,924	\$ 32,894
Santiago Estates of Mojave	2,454,516	-	17,554	2,436,962	18,041
Total Land Leases Payable	<u>\$ 6,994,446</u>	<u>\$ -</u>	<u>\$ 49,560</u>	<u>\$ 6,944,886</u>	<u>\$ 50,935</u>

Santiago Silver Creek Land Lease

On October 1, 2015, the Corporation entered into a land lease for Santiago Silver Creek Mobile Home Park location. The initial lease liability was recorded in the amount of \$4,571,071. The land is leased for a term of sixty-five (65) years, commencing on October 1, 2015, and terminating on September 30, 2080, unless sooner terminated as provided within the ground lease. The Corporation is required to make monthly payments as follows: A minimum monthly ground rent of the greater of: eighteen percent (18%) of the gross rental income derived from the Lessee's use of the Leased Land ("Operating Income") or \$143,000 for the first year of the Lease term; and eighteen percent (18%) of the Operating Income or \$156,000 for every year of the Lease term thereafter. The lease has an implied interest rate of 2.74%. The amount outstanding for the land lease payable at June 30, 2023 was \$4,507,924. The value of the right to use asset as of June 30, 2023 was \$4,571,071 with accumulated amortization of \$145,942 and is included in right to use asset - land on Note 3.

Santiago Estate Mojave Land Lease

On November 18, 2021, the Corporation entered into a land lease for its new Santiago Estate of Mojave Mobile Home Park location. The initial lease liability was recorded in the amount of \$2,470,163. The land is leased for a term of fifty-nine (59) years, commencing on December 1, 2021, and terminating on September 11, 2080, unless sooner terminated as provided within the ground lease. The Corporation is required to make monthly fixed payments of \$7,049. The lease has an implied interest rate of 2.74%. The amount outstanding for the land lease payable at June 30, 2023 was \$2,436,962. The value of the right to use asset as of June 30, 2023 was \$2,470,163 with accumulated amortization of \$84,450 and is included in right to use asset - land on Note 3.

AFFORDABLE COMMUNITY LIVING CORPORATION

Notes to Financial Statements June 30, 2023

NOTE 5: LEASES PAYABLE, (continued)

The annual requirements to amortize the leases payable outstanding as of June 30, 2023, including interest payments, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 50,935	\$ 189,653	\$ 240,588
2025	52,348	188,240	240,588
2026	53,801	186,787	240,588
2027	55,293	185,295	240,588
2028	56,828	183,760	240,588
2029-2033	308,682	958,718	1,267,400
2034-2038	353,949	848,991	1,202,940
2039-2043	405,856	797,084	1,202,940
2044-2048	465,374	737,566	1,202,940
2049-2053	533,621	669,319	1,202,940
2054-2058	611,876	591,064	1,202,940
2059-2063	701,607	501,333	1,202,940
2064-2068	804,497	398,443	1,202,940
2069-2073	922,476	280,464	1,202,940
2074-2078	1,057,757	145,183	1,202,940
2079-2081	509,986	16,140	526,126
	<u>\$ 6,944,886</u>	<u>\$ 6,878,040</u>	<u>\$ 13,822,926</u>

NOTE 6: NOTES PAYABLE – CITY OF SAN BERNARDINO

Original Notes Payable

In 1997, the Corporation secured eight notes from the Redevelopment Agency of the City of San Bernardino in the aggregate amount of \$4,187,296. The notes consisted of \$1,942,648, which constituted “unreimbursed expenses” as defined in the Agreement for Purchase and Sale and Joint Escrow Instructions by and between the Corporation and Agency, and \$2,244,648, which constituted the cumulative total of installments of principal, and interest owed under the Redevelopment Agency of the City of San Bernardino Promissory Notes made by the Agency. The Sequoia Plaza, Rancho Meridian, Glen Aire, Pacific Palms, Orangewood, Friendly Village and Ninth Street notes were repaid as part of the refunding of the Notes associated with those Parks, and new notes were entered into when the Parks were transferred into their own corporations, as discussed in Note 1. The entire balance of the note however, remained with the Corporation.

On June 26, 2006, the Corporation sold the Tropicana Mobile Home Park and used a portion of the proceeds to repay \$1,806,203 of the Note. The Agency forgave an additional \$1,284,941 of the Note, and added accrued but unpaid interest of \$371,144 which left a note balance of \$2,187,296 on June 30, 2006. During the year ending June 30, 2023, there were no additional reductions in the note due to the Agency.

AFFORDABLE COMMUNITY LIVING CORPORATION

Notes to Financial Statements June 30, 2023

NOTE 6: NOTES PAYABLE – CITY OF SAN BERNARDINO, (continued)

Original Notes Payable (continued)

Outstanding balances under the note accrues interest at 5.6%. The Note is unsecured. Principal and interest payments are to be made from monies on deposit in the Surplus Fund to the extent such funds are available through April 30, 2041. From May 1, 2041, to May 1, 2051, monthly installment payments are required to pay off the note by its maturity date of May 1, 2051. The balance of the note on June 30, 2023 was \$2,187,296. The outstanding principal and accrued interest payable balance of the note are reported as non-current liabilities on the Statement of Net Position.

Effective February 1, 2012 the Note Payables were transferred to the City of San Bernardino as the Housing Successor Agency in accordance with AB1x 26.

NOTE 7: LINE OF CREDIT

On July 4, 2023, the Corporation extended their \$3,000,000 line of credit from First Choice Bank, maturing on March 4, 2025. The line of credit bears an interest rate at prime plus 0.25%, and on June 30, 2023, the rate was 4.5% per annum. It is secured by the collateral listed in the Commercial Pledge Agreement. On June 30, 2023, the outstanding balance was \$630,948 and the amount of unused line of credit was \$2,369,052.

NOTE 8: NET POSITION

Net Investment in Capital Assets

Net position is classified as 1) net investment in capital assets, 2) restricted, or 3) unrestricted. Net position that was classified as net investment in capital assets as of June 30, 2023, was determined as follows:

Capital assets, net of accumulated depreciation	\$ 15,088,715
Less:	
Outstanding principal balance of note payable	(7,435,055)
Outstanding principal balance of land leases payable	(6,944,886)
Portion of loan not expended for capital purposes	2,450,949
Outstanding principal of capital-related debt	<u>(11,928,992)</u>
Add:	
Unamortized balance of deferred loss on capital-related debt refinancing	<u>38,109</u>
Net investment in capital assets	<u>\$ 3,197,832</u>

AFFORDABLE COMMUNITY LIVING CORPORATION

Notes to Financial Statements June 30, 2023

NOTE 9: PROJECT DESCRIPTION

The below four parks are included in the financial reporting of the Company:

Ninth Street Mobile Home Park

Ninth Street Mobile Home Park (Ninth Street) is located at 780 East Ninth Street in the City of San Bernardino, California. The Project consists of 109 mobile home spaces. Ninth Street consists mainly of singlewide spaces; however, there are a few doublewide spaces. Most of the homes have awnings and concrete driveways, as well as covered carports. Ninth Street has a total area of approximately 8.13 acres. The Park was constructed around 1972. The overall range for rents is \$219 to \$650 per month with average rents of \$435 per month, excluding utilities.

Santiago Silver Creek Mobile Home Park

Silver Creek Mobile Home Park (Silver Creek) is located at 1600 E. Highway 70, Safford, Arizona. The Project consists of 84 mobile home spaces. Silver Creek has a total area of approximately 12.1 acres. The overall range for rents is \$385 to \$400 per month with average rents of \$393 per month, excluding utilities.

Santiago Estates Grandview Mobile Home Park

Santiago Estates Grandview Mobile Home Park (Grandview) is located at 351 East Seventh Street in the City of San Jacinto, California. The Park consists of 58 mobile home spaces. The overall range for rents is \$435 to \$680 per month with average rents of \$558 per month, excluding utilities.

Santiago Estates Mojave Mobile Home Park

Santiago Estates Mojave Mobile Home Park (Mojave) is located at 15540 Allie Street in the City of Mojave, California. The park consists of 83 mobile home spaces. The overall range for rents is \$395 to \$415 per month with average rents of \$405 per month, excluding utilities.

AFFORDABLE COMMUNITY LIVING CORPORATION

Notes to Financial Statements June 30, 2023

NOTE 10: TRANSFERS

As of June 30, 2023, the following transfers were made to and from Affordable Community Living Corporation to further the nonprofit activities of the Corporation:

	<u>Transfers in:</u>		
	<u>Affordable Community Living Corp.</u>	<u>Glen Aire MHP</u>	<u>Total Transfers Out</u>
Transfers out:			
Glen Aire MHP	\$ 512,000	\$ -	\$ 512,000
Pacific Palms MHP	214,677		214,677
Rancho Meridian MHP	1,287,600	-	1,287,600
Friendly Village MHP	155,000		155,000
Sequoia Plaza MHP	1,285,000	-	1,285,000
Santiago Sunrise Village MHP	972,416	-	972,416
Affordable Community Living Corp.	-	105,000	105,000
Total Transfers In	<u>\$ 4,426,693</u>	<u>\$ 105,000</u>	<u>\$ 4,531,693</u>

NOTE 11: RELATED PARTY TRANSACTIONS

The Corporation provides services and incurs costs for all the individual parks and invoices each park for their share of these expenses on a monthly basis. These expenses include Director's fees, salaries, insurance, vehicle lease, mileage reimbursements, office rent, legal fees, repairs and maintenance for office facilities, and office supplies and expenses.

**Schedule of Revenues and Expenses by Mobile Home Park
For the Year Ended June 30, 2023**

	Parent	Ninth Street	Silver Creek
OPERATING REVENUES			
Rentals	\$ -	\$ 554,033	\$ 249,493
Utility income	-	67,243	143,447
City fees	-	-	9,363
Contributions	15,000	-	-
Late charges	26,890	2,120	3,525
Legal fee reimbursement	1,800	-	1,280
Workers' compensation refund	3,985	-	762
Other revenue	-	15,747	2,297
Reimbursements - salary and payroll taxes	104,933	-	-
Reimbursements - corporate expenses	56,858	-	-
Interest income	969,460	481	13
Total Operating Revenues	<u>1,178,926</u>	<u>639,624</u>	<u>410,180</u>
OPERATING EXPENSES			
Bad debt expense	1,797	2,640	15,638
Contracted services	89,650	-	-
Depreciation and amortization	7,444	84,685	226,254
Donations	100,000	-	-
Insurance expense	14,674	28,549	29,978
Interest expense	816,987	153,610	-
Lease expense	24,704	-	-
Legal expense	95	5,639	232
Low income assistance	41,175	-	-
Management and accounting services	1,880	32,460	20,549
Miscellaneous expenses	14,261	260	-
Office expense	11,982	57,631	18,483
Outside services	19,855	1,586	2,760
Rental assistance	1,200	-	-
Repairs and maintenance	-	29,819	22,917
Salaries, wages and benefits	187,306	111,035	83,275
Security	-	12,571	-
Tax preparation and audit fees	7,000	-	-
Taxes, licenses and permits	2,162	6,341	19,475
Tenant expense	103,100	-	-
Utilities	-	79,785	132,445
Veterans Program	12,000	-	-
Total Operating Expenses	<u>1,457,272</u>	<u>606,611</u>	<u>572,006</u>
Operating Income (Loss)	<u>(278,346)</u>	<u>33,013</u>	<u>(161,826)</u>
NONOPERATING REVENUES (EXPENSES)			
Loan costs	(8,668)	-	-
Loss on disposal of asset	(1,936)	-	-
Transfers to related entity	(105,000)	-	-
Transfers from related entities	4,426,693	-	-
Unrealized gains on investments	2,121	802	-
Total Nonoperating Revenues (Expenses)	<u>4,313,210</u>	<u>802</u>	<u>-</u>
Change in Net Position	<u>\$ 4,034,864</u>	<u>\$ 33,815</u>	<u>\$ (161,826)</u>

**Schedule of Revenues and Expenses by Mobile Home Park
For the Year Ended June 30, 2023**

	Mojave	Grandview	Total
OPERATING REVENUES			
Rentals	\$ 256,055	\$ 364,393	\$ 1,423,974
Utility income	171,487	58,476	440,653
City fees	-	2,346	11,709
Contributions	-	-	15,000
Late charges	850	2,100	35,485
Legal fee reimbursement	-	-	3,080
Workers' compensation refund	-	-	4,747
Other revenue	2,925	5,372	26,341
Reimbursements - salary and payroll taxes	-	-	104,933
Reimbursements - corporate expenses	-	-	56,858
Interest income	20	7	969,981
Total Operating Revenues	<u>431,337</u>	<u>432,694</u>	<u>3,092,761</u>
OPERATING EXPENSES			
Bad debt expense	20,982	(4,081)	36,976
Contracted services	-	-	89,650
Depreciation	248,341	79,203	645,927
Donations	-	-	100,000
Insurance expense	42,998	18,534	134,733
Interest expense	-	-	970,597
Lease expense	-	-	24,704
Legal expense	5,769	429	12,164
Low income assistance	-	-	41,175
Management and accounting services	22,209	22,567	99,665
Miscellaneous expenses	51,594	-	66,115
Office expense	50,676	16,180	154,952
Outside services	5,876	3,485	33,562
Rental assistance	-	-	1,200
Repairs and maintenance	41,782	11,338	105,856
Salaries, wages and benefits	130,517	74,112	586,245
Security	-	-	12,571
Tax preparation and audit fees	-	-	7,000
Taxes, licenses and permits	18,330	58,490	104,798
Tenant expense	-	-	103,100
Utilities	191,612	67,385	471,227
Veterans Program	-	-	12,000
Total Operating Expenses	<u>830,686</u>	<u>347,642</u>	<u>3,814,217</u>
Operating Income (Loss)	<u>(399,349)</u>	<u>85,052</u>	<u>(721,456)</u>
NONOPERATING REVENUES (EXPENSES)			
Loan costs	-	-	(8,668)
Loss on disposal of asset	-	-	(1,936)
Transfers to related entity	-	-	(105,000)
Transfers from related entities	-	-	4,426,693
Unrealized gains on investments	-	-	2,923
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>4,314,012</u>
Change in Net Position	<u>\$ (399,349)</u>	<u>\$ 85,052</u>	<u>\$ 3,592,556</u>



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**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**

PARTNERS

Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradford A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odfe, CPA, MST (Partner Emeritus)

Independent Auditor's Report

Board of Directors
Affordable Community Living Corporation
Santa Ana, California

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA

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 Affordable Community Living Corporation (Corporation) (a nonprofit organization), which comprise the statement of net position as of June 30, 2023, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation's financial statements will not be prevented, or detected and corrected on a timely basis.

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants



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 over financial reporting 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
September 29, 2023

AGENDA 8

Item 4

Grant Program Summary



Affordable Community Living Grant Program Update

AFFORDABLE COMMUNITY LIVING BOARD

DECEMBER 12, 2023

UPDATE AS OF NOVEMBER 30, 2023





Affordable Community Living

Calhome Grant Program Update



- Affordable Community Living (ACL) has been awarded a grant of \$5 million from the State of California for the purpose of making home repair/home replacement loans. Loans are forgivable with no monthly payments and can be used for rehabilitation or replacement of homes. The award contract was signed on 2/2/21 and activated in May with a three year window of operation.
- ACL has been awarded a grant of \$1,831,500 for Mortgage Assistance for first-time home buyers. The contract was executed on 10/19/22. The program provides forgivable down-payment assistance loans of up to 40% or the purchase price. The program projection is 66 loans of \$25,000 each.
- ACL has been awarded another grant of \$5 million from the State of California for the purpose of making home repair/home replacement loans. Loans are forgivable with no monthly payments and can be used for rehabilitation or replacement of homes. The award contract is being prepared and should be signed before year-end.
- These grant applications were prepared with the assistance of Townsend Public Affairs.



affordablecommunityliving

Calhome Grant Program Overview



Rehab/Replacement (OOR)

- The program is complete. \$4,990,034 was used with an unused balance of \$9,966
 - 43 total – 7 rehabs and 36 replacements were completed.
 - Calhome funds of \$4,732,561 have been received. The balance of \$257,473.00 has been requested. The program ends 2/5/2024.
-
- The next \$5mil award should begin 2/24. There is a waiting list of 15 applications.





ACL - Calhome Grant
Out Of Program Cost



- Interim Housing Cost
- Sheds/Fencing

Closed and Funded Homes

36 Total Replacements

Interim Housing Cost	\$220,786
25 Sheds have been replaced	\$138,950
Total	\$359,736 actual





affordablecommunityliving

Callhome Grant Program Overview



Mortgage Assistance First-Time Homebuyer (MA)

- Program requires buyers to qualify as low-income and first-time homebuyers.
- Provides down-payment assistance of up to 40% of purchase price with a maximum grant of \$100,000.
- Projects 33 grants of approx. \$50,000 each, totaling \$1,831,500 (includes ADF).
- Program approved 10/19/22. Program ends 9/19/25.
- To date 12 grants have been approved and funded for \$648,560 with \$1,182,940 remaining.



Proposed Federal Grant Application “Solar for All”



- Solar for All - Inflation Reduction Act authorized the U.S. Environmental Protection Agency (EPA) to implement the Greenhouse Gas Reduction Fund (GGRF). As part of this program, EPA is launching a \$7 billion “Solar for All” competition.
- Program provides funding for residential distributed solar generation and energy storage, including rooftop residential and residential-serving community photovoltaic (PV) solar and storage, to reduce energy costs for low-income and disadvantaged communities.
- Grant request - \$30 million (grant range \$25mil-\$400mil)
- Projected usage – solar for 750 @ \$40k/home
- Notice of Intent filed 8/14/23, full application submitted 10/10/23.
- Award announcement expected 7/2024.
- Grant application prepared with the assistance of Townsend Public Affairs.

AGENDA 8

Item 5

Veteran Program Report and Newsletter



AMERICAN VETERANS ASSISTANCE GROUP

AFFORDABLE COMMUNITY LIVING BOARD
DECEMBER 12, 2023
UPDATE AS OF NOVEMBER 30, 2023





OVERVIEW



The Veterans Affordable Housing Program (VAHP) started in mid 2011 under Affordable Community Living (ACL). American Veterans Assistance Group (AVAG) was started in early 2014 at which time the VAHP program was transferred to AVAG.

The AVAG Board of Directors consists of Ramon Rodriguez (Chairman), Jim Duffy, John Yeandle, Glen Rudolph and Aaron Brandenburg.

Doreen Matsumoto is Chaplain and Scott McReynolds is the Program Director.

AVAG corporate officers are as follows;

- President\Chief Executive Officer – Ramon Rodriguez
- Secretary – Glen Rudolph
- Chief Financial Officer - Shontele Simonian
- Executive Vice-President - Richard Simonian
- Executive Vice-President - Dennis Kazarian



\$1mil Federal Earmark Grant Request



AVAG has applied for and has been awarded a federal earmark grant of \$1mil which was submitted to congress by Congressman Lou Correa. The bill HR 8294 was voted on and passed in December. A letter of agreement has been signed by AVAG and returned to HUD for their signature and is expected anytime.

Agency - - Department of Housing and Urban Development

Account - Community Project Funding

Project - Veteran Housing Assistance Program

Recipient - American Veterans Assistance Group

House Amount - \$1,000,000

House Requestors - Correa

****This opportunity was provided and applied for with the assistance of Townsend Public Affairs**



VETERANS HELPED



Year	Total # helped	Down Payment	Rent Relief	Funds Distributed
2011 (May-Dec)	36	17	19	\$67,352
2012	45	45	0	\$98,393
2013	38	32	6	\$80,950
2014	20	17	3	\$46,800
2015	7	6	1	\$14,300
2016	21	17	4	\$51,800
2017	13	8	5	\$ 25,000
2018	12	4	8	\$ 18,600
2019	18	9	9	\$ 32,700
2020	23	9	14	\$ 39,300
2021	26	2	24	\$26,000
2022	31	10	21	\$49,200
2023	28	6	22	\$40,200
2023-24 (July-Nov)	11	2	9	\$13,400
TOTAL to DATE	308	180	128	\$603,995*
*includes 30 veterans receiving	annual rent relief of	\$35,400		



VETERANS HELPED
Home Repairs and Handicap Improvements
July 2023 – November 2023



July	Paglia	floor damage/replacement	\$780
August	Gutman	floor/roof/replacement	\$9,920
September	Enderlin	floor replacement/roof/termite	\$14,900
October	Grimm	roof repair	\$12,250
October	Fincher	skirting/shed	\$8,600
November	Robbins	paint/porch repair	\$10,250
7/23-11/23	TOTAL 6		\$56,700

PROGRAM 2011 TO DATE	TOTAL 97	\$362,039
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