



Housing Authority of the City of Bellingham

Notice of Regular Board Meeting
Bellingham Housing Authority Board of Commissioners
October 20, 2026

Location: 321 N. Samish Way, by phone, or by zoom

Time: 1:05pm

AGENDA

- A. ROLL CALL/QUORUM
- B. PUBLIC COMMENT AND RESIDENT INPUT
Public comments are only accepted in writing and must be submitted no later than 5pm on the day prior to the meeting.
- C. REPORTS
 - 1. Executive Director Report (Andrew Calkins, 10 minutes)
 - 2. Fiscal Year 2025 BHA Audit (Andrew Calkins, 10 minutes)
 - 3. Reasonable Accommodations Overview (Steve Grichel, 10 minutes)
- D. DISCUSSION / ACTION ITEMS
 - 1. Approve FY 2027 BHA Housing Choice Voucher Payment Standards
Approve Resolution 2849 (Steve Grichel, 10 minutes)
 - 2. Approve FY 2027 BHA Housing Choice Voucher Utility Allowance Schedule
Approve Resolution 2850 (Steve Grichel, 10 minutes)
 - 3. Approve BHA Public Housing Utility Allowance and Flat Rent Schedule
Approve Resolution 2851 (Robyn Weber, 10 minutes)
 - 4. Election of Chair and Vice Chair (November 2026 - October 2027) (Andrew Calkins, 5 minutes)
- E. CONSENT ITEMS
 - 1. Motion: Approve Cash Disbursements/Vouchers for the month of September 2026
 - 2. Motion: Approve Minutes for the month of September 2026 Regular Board meeting
- F. NEW BUSINESS – COMMISSIONER REPORTS
- G. EXECUTIVE SESSION
To receive and evaluate complaints or charges brought against a public officer or employee pursuant to RCW 42.30.110(1)(f)
- H. ADJOURNMENT

*The Bellingham Whatcom County Housing Authority Board of Commissioners will meet electronically on Tuesday, October 20, 2026. **Board Members and the public can attend this meeting via zoom or in person at the BWCHA Board Room located at 321 N. Samish Way.***

*Those who wish to provide **public comment** may send direct e-mail to publiccomment@bellinghamhousing.org and must be submitted no later than 5pm on the day prior to the meeting.*

Meeting Information

Webinar ID: 868 2734 6793

[Click Here to Join on Computer, Tablet, or Smart Phone](#) (data rates may apply)

To Join via Phone - (phone service provider rates may apply)
(253) 215-8782 (Tacoma); (206) 337-9723 (Seattle)



Bellingham & Whatcom County Housing Authorities

To: Board of Commissioners
From: Andrew Calkins, Executive Director / CEO
Date: October 20, 2026
Re: Executive Director's Update

Staffing Updates

We are currently recruiting for an Accounting Technician, Payroll (Part-time). The position is vacant due to an internal promotion. In September, we also recently welcomed Pam Frost as our new Temporary Director of Finance. Pam brings a wealth of experience to the role, having worked for the Housing Authority of Snohomish County (HASCO) between 2008 and 2025, including 8 years as Finance Director. She will be covering a leave of absence for the next few months.

Emergency Housing Voucher Transition

Under the Continuing Appropriations and Extensions Act, 2027 (the "2027 CR"), HUD announced in late September that it will award tenant protection vouchers (TPVs) in December for all families utilizing an Emergency Housing Voucher (EHV) as of September 30, 2026. These EHV-TPVs will be administered under the Housing Choice Voucher (HCV) program and will remove the risk of termination for many households across the country. EHV-TPVs cannot be reissued when a family leaves the program. BWCHA still has 37 EHV's leased (32 in Whatcom County) which we had planned to transition to the general HCV program late this year or early next. The availability of EHV-TPVs is a long-sought after outcome that will allow for greater leasing opportunities for other households in the general HCV program in 2027.

Housing Advisory Committee Memo on Local Funding Options – Council Next Steps

On September 29th, Whatcom County Housing Advisory Committee (WCHAC) member Paul Schissler and myself provided a brief overview to Whatcom County Council on the committee's memo regarding local funding options. Councilmember Boyle introduced a motion to move the memo's four recommendations forward. A Council sub-committee of three members will work with County staff and members of the WCHAC to move this forward, with reports back to Council on potential next steps due in March 2026.

City of Bellingham Affordable Housing Incentive Ordinance

In September the Bellingham City Council adopted an affordable housing incentive, [Ordinance 25027](#). The purpose of the ordinance is to facilitate the development of permanently affordable housing by reducing regulatory barriers and streamlining approvals for qualifying low-income housing projects. The proposed incentive would exempt eligible developments from certain zoning and land use regulations, while maintaining applicable health, safety, environmental, and infrastructure standards. The ordinance could create more flexibilities for future BHA projects.



Website Redesign

Over the last month work has commenced on a website redesign, being coordinated by Chris Longwell with an external design firm, Propaganda (Spokane, WA). We hope to bring a preview forward later this year.

Community Connections

- The Whatcom County Coalition on Ending Homelessness met on October 1st. The meeting included an update from City and County partners, an overview of the tiny home villages model from Homes Now!, and an overview of a peer support housing stability model from local providers.
- On September 16th I met with Rose Lathrop of Kulshan Community Land Trust to discuss opportunities for collaboration in the local affordable housing space.

HOUSING AUTHORITY OF THE CITY OF BELLINGHAM

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025



Loveridge Hunt & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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Housing Authority of the City of Bellingham

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No

- Significant deficiency(ies) identified that
are not considered to be material weaknesses Yes X No

Noncompliance material to financial statements
noted: Yes X No

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? Yes X No

- Significant deficiency(ies) identified that
are not considered to be material weaknesses Yes X No

Type of auditor's report issued on compliance
for major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with the
Uniform Guidance? Yes X No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Vouchers (Housing Choice Cluster)
14.879	Mainstream Voucher Program (MV) (Housing Choice Cluster)

Housing Authority of the City of Bellingham

Schedule of Findings and Questioned Costs - (Continued)

For the Year Ended December 31, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS - (Continued)

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

\$ 1,000,000

Auditee qualified as low-risk auditee:

 X Yes No

SECTION II - FINANCIAL STATEMENT FINDINGS

Financial statement findings 2025-001 are described below. No other findings were noted.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No federal award findings or questioned costs were noted.

Housing Authority of the City of Bellingham

Schedule of Findings and Questioned Costs - (Continued)

For the Year Ended December 31, 2025

Finding 2025-001

Perspective:

During our review of the financial records prepared by management, we performed procedures to audit the financial statements and underlying financial records, grant agreements, loan documents, and other supporting documentation.

Criteria:

The Authority must properly design, implement, and maintain effective internal controls to ensure that financial information is reliable and properly reported in conformity with U.S. generally accepted accounting principles.

Condition:

During our audit of the Housing Authority's year-end trial balance, we identified that the closing transactions for a land purchase—which included taking on additional debt—were not recorded in the general ledger prior to the commencement of the audit. Consequently, assets were understated by \$2,800,000, and liabilities were understated by \$2,800,000. An audit adjustment was proposed and subsequently accepted by management to properly record the transaction.

Cause:

Management's internal review process did not detect these items in a timely manner.

Effect or potential effect:

The assets and liabilities were understated by \$2,800,000. Potential effects of the condition noted could result in materially misstated financial statements.

Recommendation:

We recommend the Authority develop a process to develop expectations of key account balances based upon current year development activities and to ensure timely review of adjustments that typically are recorded as part of the financial statement drafting process.

Views of Responsible Officials:

See Corrective Action Plan.



**Bellingham &
Whatcom County
Housing Authorities**

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Corrective Action Plan

The Housing Authority of the City of Bellingham respectfully submits the following corrective action plan for the year ended December 31, 2025.

Name and address of independent public accounting firm:

Loveridge Hunt & Co., PLLC
14725 SE 36th Street, Suite 401
Bellevue, WA 98006

Audit Period: January 1, 2025, through December 31, 2025.

The finding from the December 31, 2025, schedule of findings and questioned costs are discussed below.

FINANCIAL STATEMENTS FINDINGS

Finding No. 2025-001

Finding:

At the closing of a land purchase, the closing transactions which included taking on additional debt were not recorded in the general ledger prior to the commencement of the audit. Consequently, assets were understated by \$2,800,000, and liabilities were understated by \$2,800,000.

Action Taken:

We concur with the finding. Management has recorded the necessary correcting entries to properly reflect the land purchase and outstanding debt in the general ledger. To prevent recurrence, Bellingham Housing Authority has strengthened its procedures for recording and reconciling debt transactions and real estate purchases. Finance staff will maintain a schedule of all outstanding loans and other debt obligations and reconcile the schedule to the general ledger on a quarterly basis. Quarterly reviews will include a process for tracking real estate activity and verifying it has been properly recorded. The year-end closing process will also include a review of all real estate activity and debt transactions that occurred throughout the year to verify they were properly recorded.

Contact Person:

Andrew Calkins, Executive Director
Housing Authority of the City of Bellingham
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Loveridge Hunt & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S 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

Board of Commissioners
Housing Authority of the City of Bellingham
Bellingham, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Bellingham (the Authority) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 25, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

INDEPENDENT AUDITOR'S 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 - (CONTINUED)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

The Authority's Response to Findings

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

We noted certain matters that we reported to management of the Authority in a separate letter dated August 25, 2026.

Purpose of This Report

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

Loveridge Hunt & Co., PLLC

Bellevue, Washington
August 25, 2026



Loveridge Hunt & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Commissioners
Housing Authority of the City of Bellingham
Bellingham, Washington

Report on Compliance for Each Major Federal Program

Opinions on each Major Federal Program

We have audited the Housing Authority of the City of Bellingham's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Authority's major federal programs for the year ended December 31, 2025. The Authority's major programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Housing Authority of the City of Bellingham complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal programs for the year ended December 31, 2025.

Basis for Opinion on the Major Federal Programs

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE - (CONTINUED)

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE - (CONTINUED)

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Loveridge Hunt & Co., PLLC

Bellevue, Washington
August 25, 2026



Loveridge Hunt & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Bellingham
Bellingham, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Bellingham (the Authority), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority, as of December 31, 2025, and the respective changes in financial position and 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 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 Housing Authority of the City of Bellingham 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.

INDEPENDENT AUDITOR'S REPORT - (CONTINUED)

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 Housing Authority of the City of Bellingham's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of the City of Bellingham'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 Housing Authority of the City of Bellingham'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.

INDEPENDENT AUDITOR'S REPORT - (CONTINUED)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 15 to 20 and information on Schedules of OPEB Changes in Total Liability and Related Ratios and Schedules of Net Pension Liability and Pension Contribution on pages 56 to 61 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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 supplemental 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. The Financial Data Schedule and Actual Modernization Cost Certificates are presented for the purpose of additional analysis as required by HUD, and is also not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards accepted in United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT - (CONTINUED)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Loveridge Hunt & Co., PLLC

Bellevue, Washington

August 25, 2026

FINANCIAL SECTION

Housing Authority of the City of Bellingham Management's Discussion and Analysis For the Year Ended December 31, 2025

As management of the Housing Authority of the City of Bellingham (the Authority), we offer readers of the Authority's Financial Statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with the Authority's Financial Statements.

The Financial Statements include not only the Authority (known as the primary government), but also other entities for which the Authority is financially accountable (discretely presented component units). Information included in the Management's Discussion and Analysis focuses on the activities of the primary government. Accordingly, information in this discussion does not include the activities of discretely presented component units. Separate Financial Statements may be obtained by writing to the address listed at the bottom of the last page of this discussion.

Overview of the Housing Authority of the City of Bellingham

The Housing Authority of the City of Bellingham, created in 1945, is a political subdivision of the State of Washington created under the authority of Revised Code of Washington (RCW) Chapter 35.82. The Authority provides assistance to approximately 3,500 households and 7,000 individuals each year through federally funded rental assistance programs and other locally developed affordable housing properties.

The Authority is also contracted to manage the Whatcom County Housing Authority. The Authority is governed by a five-member Board of Commissioners. The Authority's mission is to offer opportunities for people to thrive by ensuring access to quality, affordable homes.

Financial Highlights

- The Authority's net position (total assets plus deferred outflows of resources over total liabilities plus deferred inflows of resources) at the close of 2025 was \$101.1 million, compared to \$99.7 million at the end of the prior fiscal year, an increase of \$1.4 million. Increases were due to normal operations.
- The Authority's cash balance at the close of the 2025 fiscal year was \$18 million, an increase of \$0.8 million from the prior fiscal year. Non-restricted cash and cash equivalents increased by \$0.9 million due to performance from component unit properties.
- In 2025, the Authority closed on the acquisition of two parcels of land in Bellingham's King Mountain neighborhood for future development of affordable housing. The Authority used \$0.7 million in agency resources and obtained a \$2.8 million dollar loan to make this purchase.
- At the close of 2025, operating revenues increased to \$40.1, an increase of \$4.1 million from the prior fiscal year. The Authority's programs received \$31.2 million in federal grant operating revenues during the 2025 fiscal year, compared to \$28.3 million received during the prior fiscal year. Increased federal grant operating revenues were primarily due to increases in funding for the Housing Choice Voucher (HCV) program.

Overview of the Financial Statements

The Management's Discussion and Analysis is intended to serve as an introduction to the Authority's Financial Statements. The Authority's Financial Statements are comprised of three components: 1) Fund Financial Statements; 2) Notes to the Financial Statements; and 3) Required Supplementary Financial information.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has only one fund type: proprietary fund. The Authority has decided to report all programs as one major fund in its financial statements. For more information on the separate programs within the fund, they are listed separately on the Schedule of Expenditures of Federal Awards and in the Financial Data Schedule financial statements. The Authority is considered a Special Purpose Government and the U.S. Department of Housing and Urban Development (HUD) recommends that this model be used.

In accordance with GAAP reporting requirements, the fund financial statements include: a) Statement of Net Position; b) Statement of Revenues, Expenses and Changes in Net Position; and c) Statement of Cash Flows.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the proprietary fund Financial Statements. They are intended to disclose all pertinent matters as prescribed under GAAP.

The financial performance discussed in the following analyses does not include component unit tax credit partnerships, which are owned by separate limited partnerships or companies where the Authority acts as a general partner or managing member. Because of the different corporate structures of the partnerships, their operations are not carried directly on the books of the Authority. Instead, they are listed as component units on the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and are further detailed in Note 10 - Discretely Presented Component Units. With those exceptions, neither these component units, nor their financial data, are included in the analyses and financial reports that follow.

Supplementary Financial Information

Effective September 1, 1998, the Department of Housing and Urban Development's Real Estate Assessment Center (REAC) established standards for the submission of Uniform Financial Reporting Standards for HUD Housing Programs. The standards included the creation of GAAP-based Financial Data Schedules and electronic reporting requirements. The report is a more easily readable fund-based columnar format that is inclusive of all HUD and public fund financial reports of the Authority. The reports include a Balance Sheet and a Statement of Operations.

In addition to the REAC standard reporting, the Authority prepares a Schedule of Expenditures of Federal Awards (SEFA). This report is based on a full accrual GAAP basis, where the grant revenues are recognized when earned.

Authority-Wide Financial Analysis

As required by Governmental Accounting Standards Board (GASB) Statement 34, the following provides a brief comparative analysis of the Authority's current and prior year financial position and performance.

	Net Position (in thousands)	
	2025	2024
Current and Other Assets	\$ 111,053	\$ 114,919
Capital Assets	51,681	\$ 45,527
Total Assets	162,734	\$ 160,446
Total Deferred Outflows of Resources	1,259	\$ 1,211
Long-Term Debt Outstanding	55,037	\$ 53,717
Other Liabilities	5,505	\$ 5,892
Total Liabilities	60,542	\$ 59,609
Total Deferred Inflows of Resources	2,398	\$ 2,326
Net Investment in Capital Assets	25,786	\$ 21,264
Restricted	2,421	\$ 2,461
Unrestricted	72,846	\$ 75,997
Total Net Position	\$ 101,053	\$ 99,722

A portion of the Authority's assets are invested in capital assets, which include land, buildings, capitalized improvements, and equipment. These capital assets are used to provide affordable housing to low and moderate-income households. Consequently, these assets are not available for future spending. As of December 31, 2025, the total investment in capital assets, net of accumulated depreciation, amounted to \$51.6 million and accounted for 32% of the total assets. This was a net increase of \$6.2 million from the prior year. The increase in capital assets is due to the capitalization of the Authority's administrative offices, developed as part of the Samish Commons apartment community in the amount of \$5.6 million and the King Mountain purchase, reduced by normal depreciation. Further information on the Authority's capital assets can be found in Note 3 – Capital Assets.

Most of the Authority's liabilities are in long-term debt. The Authority incurs long-term debt, consisting of loans, notes, and bonds, to acquire and modernize real properties to provide affordable housing to low and moderate-income households, and to make loans to tax credit partnerships of which the Authority is the general partner or managing member. As of December 31, 2025, the total long-term debt outstanding amounted to \$55 million (of which \$0.5 million was classified as current portion) and accounted for 91% of total liabilities. This was an increase of \$1.3 million from the prior year, which resulted from a new \$2.8 million loan for the purchase of King Mountain land reduced by paydowns on principal.

The Authority is in good standing with all debt obligations and foresees no imminent difficulties with meeting its scheduled debt payments. The Authority's debt schedule can be found in Note 7 – Long Term Debt and Liabilities.

The Authority had a total of \$5.5 million in other liabilities, 30% are attributable to accrued pension and other post-employment benefits (OPEB) liabilities. This amounted to a decrease of \$.4 million in other

liabilities from the year before. The decrease was mainly due to a change in OPEB and Net Pension liabilities and an increase in accrued liabilities.

The Authority's net position serves as a useful indicator of a governmental entity's financial health. In the case of the Authority, total assets plus deferred outflows of resources exceeded total liabilities plus deferred inflows of resources by \$101.2 million at the close of the 2025 fiscal year, which was an increase of \$1.5 million or 2% from the prior year in total net position. The unrestricted net position of the Authority, totaling \$72.8 million and representing 72% of the total net position, was available for future use to provide additional housing services and resources.

Changes in Net Position*			
	2025	2024	\$ Change
Operating Revenues			
Net Tenant Revenues	\$ 7,161	\$ 5,868	\$ 1,293
HUD operating subsidies & grants	31,163	28,286	2,877
Other governmental grants	233	374	(142)
Other revenue	1,535	1,452	83
Total operating revenues	40,092	35,980	4,112
Non-operating revenue			
Interest and investment revenue	4,382	3,833	549
Fraud recovery	15		15
Gain/Loss - asset disposition & special items		1,249	(1,249)
Total non-operating revenues	4,397	5,082	(685)
Operating Expenses			
Administrative	5,587	3,665	1,922
Tenant services	58	25	33
Utilities	1,221	1,108	113
Maintenance & operation	3,607	3,449	158
Protective services	129	110	19
Insurance premiums	453	397	56
General expenses	30	975	(945)
Bad debt	105	140	(35)
Housing assistance payments	26,520	24,562	1,958
Depreciation expense	3,142	2,239	903
Total operating expenses	40,852	36,670	4,182
Non-operating Expenses			
Commercial lease expenses	90	50	40
Interest expense	2,403	2,117	286
Total nonoperating expenses	2,493	2,167	326
Excess (deficiency) before contributions	1,144	2,225	(1,081)
Capital grant contributions/Capital transfers	187	1,322	(1,135)
Change in Net Position	1,331	3,547	(2,216)
Net Position - Beginning of Year	99,722	96,175	3,547
Net Position - End of Year	\$ 101,053	\$ 99,722	\$ 1,331
* In Thousands			

For the year ended December 31, 2025, total revenues increased \$3.6 million from the 2024 fiscal year and total expenses increased by \$4.5 million. In addition, capital grants contributed \$0.2 million to the ending net position. Overall, total revenues exceeded total expenses, adding \$1.5 million to the ending net position.

Total operating revenues increased by \$4.1 million or 11% from the prior year. The increase mostly resulted from an increase in HUD operating subsidies and grants. Total non-operating revenues decreased by \$.7 million from the prior year due to the gain recorded for the blending of properties previously reported as discretely presented component units in 2024.

Total operating expenses increased \$4.2 million from the year before. The increase was partially the result of increases in pass-through Housing Assistance Payments (HAP) for the Housing Choice Voucher program (increased \$2 million), and administration expenses (increased \$1.9 million). Increases in administrative expenses are primarily attributable to the blending of previously discretely presented tax credit properties, which have now been included in the Authority's Financial Statements for a full year.

Conditions and Future Events that will Financially Impact the Authority

The Authority is dependent upon the federal government for a significant portion of its operating revenue and as such is subject to fluctuations in priorities and programming stemming from congressional appropriations decisions. The Authority continues to operate two federally funded housing programs, the Housing Choice Voucher (HCV) and the Low-Income Public Housing programs. While funding for the HCV program has risen in recent years, funding for Public Housing has lagged behind actual program and property needs. This is particularly true for the Public Housing Capital Fund program, which is used by the agency to make significant rehabilitation and modernization investments.

Operating funds and administrative fee rates are consistently prorated to levels below what is needed to effectively operate the federally funded programs, further impacting our ability to provide services. The Authority continues to streamline operational processes wherever possible. The Authority continues to maintain high performer scores under the Section 8 Management Assessment Program (SEMAP) and Public Housing Assessment System (PHAS) evaluation programs. Within the HCV program, maintaining high performer status under SEMAP remains a challenge as Bellingham and Whatcom County continue to experience increasing rents, low vacancy rates, and an overall lack of affordable housing, which impacts current and new program participants' ability to secure housing. Transportation, proximity to health and other services, schools, and employment are important factors when seeking affordable units in the area.

There continues to be a demand for affordable housing in the region. Whatcom County has one of the highest percentages of households paying more than 30% of their income on rent in the state, with 52% of all renter households being cost burdened. Whatcom County continues to have an extremely tight rental market plagued by low vacancies and high rents. Currently 80% of the participants in the HCV program, 90% of the participants in the PBV program, and 82% of participants in the Authority's Public Housing program are extremely low-income (under 30% Area Median Income), 77% are elderly and/or disabled, and 72% are reliant upon fixed income sources.

Furthermore, as the community focuses on serving vulnerable populations, including people experiencing homelessness, the need for supportive services is becoming more critical to obtain and maintain stable housing. This comes at a time when local governments are experiencing increased demands on their limited funding. The Authority continues to search out and leverage partnerships.

Building and planning for the operation of new affordable housing also continues to be increasingly difficult. Inflationary pressures on building materials, professional services, construction labor, utilities, and other costs contribute to a difficult environment for affordable housing construction. While recent

federal action has increased access to private activity bonds (PABs) necessary to access 4% Low-Income Housing Tax Credits (LIHTC), the 9% LIHTC program continues to be highly competitive.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director at the Bellingham & Whatcom County Housing Authorities at PO Box 9701, Bellingham, WA 98227.

BELLINGHAM HOUSING AUTHORITY
Statement of Net Position
December 31, 2025

	Primary Government	Component Units See Note 10
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 16,071,558	\$ 3,663,438
Restricted cash - tenant security deposits	356,136	490,784
Restricted cash - other	1,641,882	-
Accounts receivable (net)		
Tenants	412,625	338,760
Fraud recovery	2,825	-
Miscellaneous	1,080,143	64,795
Current portion of notes receivable		
Component units	334,949	-
Short term lease	171,663	-
Prepaid expenses	973,789	578,066
Inventories	23,385	-
Total Current Assets	<u>21,068,955</u>	<u>5,135,843</u>
<i>Non-Current Assets</i>		
Restricted investments	-	7,630,490
Accrued interest receivable	12,820,123	-
Notes receivable		
Component units	73,635,470	-
Long term lease receivable	2,113,975	-
Investment in tax credit partnerships	608,451	-
Unamortized bond expenses	-	424,623
Net Pension Asset	806,742	-
Capital assets		
Non-depreciable	9,885,145	8,971,571
Net depreciable	41,795,904	120,900,815
Total Non-Current Assets	<u>141,665,810</u>	<u>137,927,499</u>
Total Assets	<u><u>162,734,765</u></u>	<u><u>143,063,342</u></u>
<i>Deferred Outflows of Resources</i>		
Amounts related to pensions	1,238,213	-
Amounts related to OPEB	20,634	-
Total Deferred Outflows of Resources	<u>\$ 1,258,847</u>	<u>\$ -</u>
LIABILITIES		
<i>Current Liabilities</i>		
Accounts payable	\$ 830,260	\$ 552,213
Tenant security deposits	383,689	499,479
Unearned revenues	169,924	364,370
Accrued liabilities - other	739,292	139,947
Short term lease liability	32,124	-
Short term compensated absence	433,271	-
Current portion of long term debt		
Capital projects	354,758	-
Component units	159,296	-
Total Current Liabilities	<u>3,102,614</u>	<u>1,556,009</u>
<i>Non-Current Liabilities</i>		
Accrued interest payable	905,860	13,911,781
Bonds, notes and loans payable		
Capital projects	25,540,443	99,635,825
Component units	28,982,318	-
Long term compensated absences	316,780	-
Long term lease liability	10,605	-
Other post employment benefits	1,491,224	-
Net pension liability	192,490	-
Total Non-Current Liabilities	<u>57,439,720</u>	<u>113,547,606</u>
Total Liabilities	<u><u>60,542,334</u></u>	<u><u>115,103,615</u></u>
<i>Deferred inflows of resources</i>		
Amounts related to pensions	281,175	-
Amounts related leases	2,117,122	-
Total Deferred Inflows of Resources	<u><u>2,398,297</u></u>	<u><u>-</u></u>
NET POSITION		
Net investment in capital assets	25,785,848	30,236,561
Restricted	2,421,071	7,621,795
Unrestricted	72,846,062	(9,898,629)
Total Net Position	<u><u>\$ 101,052,981</u></u>	<u><u>\$ 27,959,727</u></u>

BELLINGHAM HOUSING AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2025

	Primary Government	Component Units See Note 10
<i>Operating Revenues</i>		
Tenant rents	\$ 7,048,806	\$ 13,150,446
Other tenant charges	111,977	24,089
HUD operating subsidies & grants	31,163,099	-
Lease revenue	232,524	-
Other revenue	1,535,254	447,542
Total operating revenues	<u>40,091,660</u>	<u>13,622,077</u>
<i>Operating Expenses</i>		
Administrative	5,587,116	2,762,143
Tenant services	57,487	-
Utilities	1,221,329	934,709
Maintenance & operation	3,607,300	3,525,282
Protective services	128,976	-
Insurance premiums	453,375	1,052,406
General expenses	29,852	252,963
Bad debt	105,067	-
Housing assistance payments	26,519,639	-
Depreciation expense	3,141,492	5,485,041
Total operating expenses	<u>40,851,633</u>	<u>14,012,544</u>
Operating income (loss)	<u>(759,973)</u>	<u>(390,467)</u>
<i>Nonoperating Revenues (Expenses)</i>		
Interest and investment revenue	4,382,208	22,422
Other non operating	15,160	-
Commercial lease expenses	(89,961)	-
Interest expense	(2,402,945)	(4,742,870)
Total nonoperating revenues (expenses)	<u>1,904,462</u>	<u>(4,720,448)</u>
Income (loss) before contributions	1,144,489	(5,110,915)
Capital grant contributions/Capital transfers	186,503	(5,265,684)
Change in Net Position	1,330,992	(10,376,599)
Net Position - Beginning of Year	99,721,989	38,336,326
Net Position - End of Year	<u><u>\$ 101,052,981</u></u>	<u><u>\$ 27,959,727</u></u>

BELLINGHAM HOUSING AUTHORITY
Statement of Cash Flows
Year Ended December 31, 2025

	Primary Government 2025
Cash flows from operating activities:	
Cash received from tenants	\$ 7,197,506
Cash received from partnership	240,745
Other operating cash receipts	973,666
Cash received from HUD operating grants	31,057,736
Cash payments to employees for services	(3,751,932)
Cash payments to suppliers for goods and services	(8,071,277)
Cash payments for housing assistance	(26,520,109)
Net cash provided by operating activities	<u>1,126,335</u>
Cash flows from noncapital financing activities:	
Cash outflow for tax credit partnerships and related parties	(90,130)
Net cash used by noncapital financing activities	<u>(90,130)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(3,647,328)
Capital grant contributions from HUD	186,503
Proceeds from long-term notes payable	2,800,000
Repayments on revenue bonds and long-term notes payable	(1,479,959)
Interest paid on revenue bonds and long-term notes payable	(2,525,265)
Net cash used by capital and related financing activities	<u>(4,666,049)</u>
Cash flows from investing activities:	
Receipt of interest on investments and long-term receivables	3,479,126
Repayments received on long-term notes receivable	1,014,245
Net cash provided by investing activities	<u>4,493,371</u>
Net increase in cash and cash equivalents	863,527
Cash and cash equivalents at January 1, 2025	17,206,049
Cash and cash equivalents at December 31, 2025	<u><u>\$ 18,069,576</u></u>
 Cash and cash equivalents	 \$ 16,071,558
Restricted cash - tenant security deposits	356,136
Restricted cash - other	1,641,882
Cash, Statement of Net Position, ending	<u><u>\$ 18,069,576</u></u>

BELLINGHAM HOUSING AUTHORITY
Statement of Cash Flows - (Continued)
Year Ended December 31, 2025

	Primary Government 2025
Reconciliation of income (loss) from operations to net cash provided by operating activities:	
Operating loss	\$ (759,973)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation and amortization	3,141,492
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(71,914)
(Increase) decrease in prepaid items	(686,583)
(Increase) decrease in lease receivables	(228,804)
(Increase) decrease in net pension asset	(43,870)
Increase (decrease) in security deposits	50,660
Increase (decrease) in accounts payable	17,176
Increase (decrease) in accrued liabilities	(36,911)
Increase (decrease) in net pension liability	(115,553)
Increase (decrease) in lease liabilities	(34,022)
Increase (decrease) in unearned income	(105,363)
Net cash provided by operating activities:	<u>\$ 1,126,335</u>
Noncash investing, financing and capital activities:	
Increase in capital assets due to reclassification of investment in tax credit partnerships	5,648,094

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Housing Authority of the City of Bellingham (the Authority) conform to generally accepted accounting principles (GAAP) as applicable to proprietary funds of governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the most significant policies:

a. Reporting Entity

The Authority is a public entity organized under RCW 35.82 and governed by an appointed board of commissioners. As required by generally accepted accounting principles, management has considered all potential component units in defining the reporting entity. These financial statements present the Bellingham Housing Authority and its component units. The Authority has seven blended component units and seven discretely presented component units. The component units discussed below are included in the Authority's reporting entity because of the significance of the operational or financial relationships with the Authority.

Blended Component Units, despite being legally separate from the Authority, are, in substance, the same as the primary government. These component units are reported as if they are part of the Authority. The Authority has seven blended component units - namely, River House Associates L.P., Laurel Street Housing LLC, Laube Housing Associates LLC, Meadow Wood Associates LLC, Meadow Wood II Associates LLC, State Street Housing Associates, LLC, and Walton Place Two, LLC. All are Low-Income Housing Tax Credit projects - where the Authority owns a 99.9% interest in the partnership and where the project's governing body is substantially the same as the Authority's board of commissioners. For more information, see Note 9 Blended Component Unit. Separate audited financial statements for the project can be obtained by contacting the Authority.

Discretely Presented Component Units are presented in the component unit's column in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. They are reported in a separate column to emphasize that they are legally separate from the Authority. They are included in the reporting entity of the Authority because the Authority has the ability to otherwise access the majority of the entity's economic resources received or held. For more information, see Note 10 Discretely Presented Component Units. Separate audited financial statements for these Low-Income Housing Tax Credit projects can be obtained by contacting the Authority.

The Authority, serving as the "General Partner", and the Whatcom County Housing Authority, serving as the "Initial Limited Partner", form limited partnerships pursuant to the provisions of the Washington Uniform Limited Partnership Act, RCW 25.10 et Seq. (the "Act"). All of these partnerships were formed for the purpose of acquiring real property, to develop and construct housing units, and to operate, manage, and lease the projects in a manner that qualified the projects for low-income housing credit under Section 42 of the Internal Revenue Code of 1986, as amended. The General Partner ownership interests have been deemed not significant to the Authority's financial statements.

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

b. Basis of Accounting and Presentation

The accounting records of the Authority are maintained and reported in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW and the Federal Department of Housing and Urban Development. The Authority must report using GAAP; however, it has the option to use either the single enterprise proprietary fund or special purpose governmental fund model.

The Authority has elected to report as a single-enterprise proprietary fund and uses the accrual basis of accounting. The measurement focus is on the flow of economic resources. The proprietary fund is composed of a number of programs. These programs are designed to provide low income individuals with housing.

Proprietary funds are used to account for activities that are operated in a manner similar to private enterprise business. Under this method revenues are recognized when earned and expenses are recognized when incurred. Capital asset purchases are capitalized, and long-term liabilities are accounted for in the fund.

c. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

d. Capital Assets

See Note 3 Capital Assets.

e. Restricted Assets

In accordance with bond resolutions and certain other agreements, separate restricted accounts are required to be established. The assets held in these accounts are restricted for specific uses, including debt service and other special reserve requirements. Restricted resources are currently held for the following purposes:

	<u>Primary Government</u>	<u>Component Units</u>
Debt Service Reserves	\$ -	\$ 1,399,319
Replacement Reserves	949,860	3,072,661
Operating Reserves	692,022	1,950,556
Tenant Security Deposits	356,136	490,784
Security Deposit Liability	(383,689)	(499,479)
Restricted - Other		1,207,954
Net Pension Assets	806,742	-
Total	<u>\$ 2,421,071</u>	<u>\$ 7,621,795</u>

f. Tenant Account Receivables

Tenant account receivables are reported net of allowance for doubtful accounts. An allowance of \$211,855 was recorded for the year ended December 31, 2025. The Authority's policy is to send out a first notice and a statement of account within 30 days after a tenant with an unpaid balance has moved out; 30 days after which a second notice and a notification that repayment agreements are available. After another 30 days a third and final notice is sent. At the end of another 30 days the account is then written off the Authority's books and sent to collection.

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

g. Leases Receivables and Deferred Inflows of Resources

Leases receivable consist of amounts recorded in compliance with GASB 87, *Leases*. The Authority has recorded the Lease Receivable and Deferred Inflows of Resources.

At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term using the straight-line basis.

Key estimates and judgements related to lease include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease liability are composed of fixed payments from the lessee.

The Authority monitors changes in circumstances that would require a measurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

h. Lease Liability and Right to Use Asset

Lease Liability consists of amounts recorded in compliance with GASB 87, *Leases*. The Authority has recorded the Lease Liability and associated Intangible, right to use, asset.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right of use asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the right of use asset is amortized using the straight-line basis over the same useful lives as the asset category of the underlying assets. If the assets life is equivalent to the lease term, the Authority's right to use asset is amortized over the life of the lease from implementation through lease term end.

Key estimates and judgements related to lease include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) Lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

The Authority monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

See Note 5 for more information.

i. Inventories

Inventories include expendable supplies, held for consumption, valued at cost which approximates the market value.

j. Investments

The Authority uses fair value for reporting of investment balances. See Note 2 Deposits and Investments.

k. Compensated Absences

The Authority accounts for compensated absences, such as vacation leave, sick leave, and similar benefits. Liabilities for compensated absences are recognized when earned by employees and expected to be paid. Key policies include:

- Accrued Liabilities are recognized in the financial statements for amounts attributable to employees' services rendered through the end of the reporting period.
- Liabilities for compensated absences are measured based on pay rates in effect at reporting date and include applicable salary-related payments.
- The liability is categorized as current or noncurrent liability based on the timing of expected payments.
- Accrual of sick leave liabilities is based on policies allowing employees to receive payment for unused balances upon termination or retirement.
- The compensated absence liability is valued on the first-out (FIFO) basis. Future sick leave taken is assumed to be paid out of the amount accrued at year end.

l. Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

m. Operating Revenues/Expenses

The Authority reports operating revenues as defined in GASB Statement No. 9. Operating revenues result from fees and charges from providing services in connection with the ongoing operations of providing low income housing. Housing and Urban Development (HUD) subsidies and grants for operating activities are classified as operating revenues, based on guidance from HUD, the primary user of the financial statements, which is a departure from GAAP. Other operating subsidies and grants are reported as non-operating revenues and are presented as cash flows from non-capital financial activities in the statement of cash flows.

**Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025**

Operating expenses are those expenses that are directly incurred in the operation of providing low income housing.

This presentation where HUD subsidies and grants for operating activities are classified as operating revenues results in an operating income that is higher than the one in a non-operating revenue presentation by the amount of the subsidies and grants. Overall, it does not affect the presentation of net income or the

change in net position in the Statement of Revenues, Expenses, and Changes in Net Position, or the presentation of cash and cash equivalents in the Statement of Cash Flows.

n. Restricted Net Position

The restricted component of net position consists of restricted assets reduced by liabilities related to those assets. It is noncapital assets whose use is restricted through debt covenants, grantors, contributors, or laws and regulations of other governments. The Authority's restricted net position is composed of replacement and operating reserves, net pension assets, net security deposits, as well as the restricted net assets of the Housing Choice Voucher and Mainstream Voucher programs, totaling \$2,420,521. It is the Authority's policy to first use restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

o. Certain Risk Disclosures

The Authority adopted GASB Statement No. 102, Certain Risk Disclosures, for the year ended December 31, 2025. Management evaluated the Authority's concentrations and constraints and determined that no associated events have occurred or are more likely than not to occur within 12 months of financial statement issuance, that would require disclosure under this Statement.

NOTE 2 - DEPOSITS AND INVESTMENTS

a. Deposits

For the year ended December 31, 2025, the Bellingham Housing Authority held demand deposits totaling \$18,069,575. The Authority's deposits and certificates of deposits are entirely insured by the Federal Depository Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). The Authority has no formal investment policy, nor a policy related to custodial credit risk; however, all deposits are insured.

b. Investments

The Authority held investments in the Washington State Local Government Investments Pool (LGIP) in the amount of \$6,240,084 at the 2025 fiscal year end. LGIP was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP advisory committee. The discretely presented Component Units held a total of \$7,630,490 restricted assets deposited in various bank accounts for debt service, replacement, and operating reserves, and in trustee escrow accounts.

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

NOTE 3 - CAPITAL ASSETS

Major expenses for capital assets and major repairs that increase useful lives, are capitalized. Maintenance and repairs, and minor renewals are expensed when incurred. Obligations under capital and operating leases are disclosed in Note 5 Lease Commitments.

Capital assets, which are land, structures, and equipment, are reported in the financial statements at historical cost. Contributed or donated capital assets are valued at acquisition cost, as per GASB 72, Fair Value Measurement and Application. The Authority defines capital assets as assets with an initial individual cost of \$5,000 or more with an estimated useful life exceeding one year. Capital asset activity for the year ended December 31, 2025 was as follows:

BELLINGHAM HOUSING AUTHORITY

Capital Assets Rollover

As of 12/31/2025

	Balance 12/31/2024	Increase	Decrease	Balance 12/31/2025
Non-Depreciable Assets:				
Land	\$ 6,107,826	\$ 3,517,482		\$ 9,625,308
Lease Asset	143,103	11,490		154,593
Construction in progress	119,869		14,625	105,244
Total Non-Depreciable Assets	6,370,798	3,528,972	14,625	9,885,145
Depreciable Assets				
Site Improvements	2,058,466		10,014	2,048,452
Buildings and improvements	89,484,541	5,673,638		95,158,179
Lease Asset	-			-
Furniture and Equipment	3,943,438	126,710	9,259	4,060,890
Total Depreciable Assets	95,486,445	5,800,349	19,273	101,267,521
Accumulated Depreciation	(56,330,124)	(3,141,493)		(59,471,617)
Net Depreciable Capital Assets	39,156,321	2,658,856	19,273	41,795,904
Net Capital Assets	\$ 45,527,119	\$ 6,187,828	\$ 33,898	\$ 51,681,049

NOTE 4 - CONSTRUCTION IN PROGRESS

Construction in progress represents capital assets under construction or modernization improvements with an open capital grant or contract. These improvements will be capitalized when the construction project is completed, and the asset is placed into service. As of December 31, 2025, the Authority had construction in progress totaling \$105,244.

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

NOTE 5 - LEASES

Authority as Lessor

At December 31, 2025, The Authority had eight leases receivable in which it is acting as Lessor.

Lease Type	Start Date	Initial Term	Extensions up to:	Assume Full Extension?	Lease Receivable at 12/31/2025
Deli Shop	01/2022	10 Year	10 years	Yes	\$ 438,498
Cell Phone Tower Space	09/2015	5 Year	10 years	Yes	770,529
Cell Phone Tower Space	12/2016	5 Year	10 years	Yes	276,821
Cell Phone Tower Space	12/2017	5 Year	10 years	Yes	347,361
Cell Phone Tower Space	6/2022	5 Year	10 years	Yes	263,682
Antique Store	01/2018	5 Year	5 years	Yes	21,883
Retail Store	04/2021	3 Year	6 years	Yes	41,728
Cosmetology Retail	06/2021	3 Year	6 years	Yes	125,136
Total:					<u>2,285,638</u>

For the leases, the Authority assumed that all extensions would be exercised. During 2025, the inflows of resources recognized in calendar year 2025 from leases is \$253,153.

The Authority's schedule of future payments included in the measurement of the lease receivable is as follows:

Lease Receivables			
	Principal	Interest	Total
2026	\$ 235,889	\$ 87,318	\$ 323,207
2027	254,001	77,803	331,804
2028	261,543	67,754	329,297
2029	280,692	57,203	337,895
2030	264,187	46,115	310,302
2031-2035	688,138	128,727	816,865
2036-2040	301,188	22,117	323,305
	<u>\$ 2,285,638</u>	<u>\$ 487,037</u>	<u>\$ 2,772,675</u>

Authority as Lessee

At December 31, 2025, the Authority used its lease policy to evaluate financial agreements that are potential leases in which the Authority serves as the lessee. At December 31, 2025, the Authority has four lease payables in which it is acting as the lessee for vehicles and a copier.

Lease Type	Start Date	Term	Extentions up to:	Lease Payable at 12/31/2025
Vehicle Lease	6/2022	5 Year	0 years	7,705
Vehicle Lease	6/2022	5 Year	0 years	7,875
Vehicle Lease	7/2022	5 Year	0 years	17,468
Copier Lease	1/2023	5 Year	0 years	9,681
Total:				<u>42,729</u>

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

The Authority's schedule of future payments included in the measurement of the lease payable is as follows:

		Lease Payables		
		Principal	Interest	Total
2026	\$	31,071	\$ 1,053	\$ 32,124
2027		11,656	111	11,767
	\$	42,729	\$ 1,164	\$ 43,891

NOTE 6 - SHORT TERM DEBT

The Authority had no line of credit in 2025.

NOTE 7 - LONG TERM DEBT AND LIABILITIES

a. Revenue Bonds

The Authority periodically issues revenue bonds to finance the construction of and improvements to the various low-rent housing buildings owned by the Authority. The revenue bonds are repaid from the Authority's revenues.

The Authority also issues direct placement Low-Income Housing Revenue Bonds. The proceeds are then loaned to tax credit partnerships of which the Authority is the General Partner (See Note 10 Discretely Presented Component Units). Payments of principal and interest on the bonds are secured by the loan payments, monies on deposit in a debt service reserve account and a pledge of the general revenues of the Authority. The Authority issued serial bonds on May 2, 2014 for \$24,050,000 and loaned the proceeds to the Northwest Corner Affordable Housing Partnership project.

As security for repayment of the loan, the partnership irrevocably grants to the Standby Trustee as beneficiary and assignee of the Authority, under the Deed of Trust, a security interest in the land and improvements constituting the project and certain related personal property. In the event of a default in the amounts due under the Loan Agreement, and a subsequent default in the payment of principal of and interest on the bonds, the Standby Trustee will be entitled on behalf of the owners of the bonds to foreclose the security interest.

The Authority has pledged its general revenues, not previously or subsequently pledged to a specific purpose, to pay the bonds, if necessary; however, in certain circumstances there may be prior or competing claims on such general revenues. There are a number of other limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions.

The direct placement revenue bonds currently outstanding are as follows:

Purpose	Original Amount	Issue Date	Mature Date	Interest Date	Outstanding Amount
Willow Creek	70,000	11/01/97	11/01/27	6.57%	\$ 10,328
Northwest Corner	24,050,000	05/02/14	05/01/54	6.10%	22,245,000
Total					\$ 22,255,328

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

Direct placement revenue bond debt service requirements to maturity:

Year Ending	Principal	Interest
2026	\$ 264,995	\$ 1,348,354
2027	280,333	1,332,113
2028	290,000	1,314,804
2029	310,000	1,296,301
2030	330,000	1,276,730
2031-2035	1,990,000	4,859,082
2036-2040	2,690,000	5,334,628
2041-2045	3,650,000	4,372,353
2045-2049	4,950,000	3,067,690
2051-2054	7,500,000	1,602,241
Total	<u>\$ 22,255,328</u>	<u>\$ 25,804,296</u>

b. Arbitrage

The Authority issued the City of Bellingham Multifamily Housing Revenue Bonds, 2014 on May 2, 2014 to finance the acquisition and rehabilitation of the Northwest Corner project. A loan agreement between the Authority (the issuer of the bonds) and Northwest Corner Affordable Housing Partners LLLP (NWCAHP, the borrower) was made as of May 2, 2014. Per Section 6.10(c) of the Loan Agreement, NWCAHP, with the Authority as the General Partner, will cause a qualified rebate analyst to calculate the rebate amount no later than 45 days after the fifth anniversary of the issue date and each five years thereafter and agrees that NWCAHP will pay all costs associated with the rebate. An Indenture of Trust was entered as of May 2, 2014 by the Authority (the issuer) and the Bank of New York Mellon Trust Company (the trustee). Per Section 4.5(c) of the Trust Indenture, a “Rebate Fund” is established with the trustee, and the Authority agrees that it will not commit any act, or omit any action, that would cause the bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and the applicable regulations.

c. Real Estate Mortgages

The Authority has long-term direct borrowing loans secured by capital assets. These loans were used to acquire capital assets to provide low income housing. They are being repaid from revenues generated by the Authority. In addition, the Authority has Low-Income Housing Real Estate Mortgages of which the proceeds were loaned to tax credit partnerships. These mortgages are secured by capital assets and notes receivable from the tax credit partnerships of which the Authority is the General Partner. See Note 10 Discretely Presented Component Units for further information. Most direct borrowings from private lenders contain prepayment penalties that are sufficient to make the lenders financially indifferent to the decision to repay the principal prior to its maturity date by enabling the lenders to obtain approximately the same investment yield that they would have received otherwise. All outstanding notes from direct borrowings and direct placements contain an event of default that changes the timing of repayment of outstanding amounts to become immediately due if the Authority is unable to make payment.

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

Direct Borrowing Lender	Original Amount	Issue Date	Mature Date	Interest Rate	Outstanding Balance
Various*	\$ 1,256,194	various	various	various	\$ 2,125,493
Dept of Commerce	\$ 2,800,000	3/7/2025	3/7/2033	1.00%	\$ 2,800,000
Dept. of Commerce	950,000	12/01/06	04/30/48	0.00%	749,039
City of Bellingham	250,000	12/21/06	03/31/48	2.00%	184,961
Whatcom County	125,678	10/01/07	04/30/48	8.00%	125,678
Homestead	26,000	10/01/07	04/30/48	8.00%	26,000
Dept. of Commerce	1,484,694	12/01/04	08/31/56	0.00%	1,002,551
City of Bellingham	303,500	12/20/04	01/31/48	5.00%	303,500
City of Bellingham	146,500	12/20/04	01/31/48	5.00%	146,500
Dept. of Commerce	490,000	04/30/07	04/30/47	0.00%	311,725
Whatcom County	390,000	09/01/08	03/15/46	1.00%	315,571
Dept. of Commerce	1,500,000	10/01/07	09/30/48	0% & 1%	1,320,071
Whatcom County	378,536	11/01/07	09/30/48	1.00%	378,535
City of Bellingham HOME	200,000	10/01/08	03/31/48	1.00%	131,365
City of Bellingham HOME	45,743	04/01/14	04/15/32	3.32%	16,689
City of Bellingham CDBG	140,599	04/01/14	04/15/32	3.32%	56,374
Dept. of Commerce	206,372	04/25/14	04/15/42	3.32%	167,147
Dept. of Commerce	1,800,000	04/25/14	09/30/54	1.00%	1,800,000
City of Bellingham CDBG	150,000	11/15/00	01/31/32	2.00%	41,034
City of Bellingham HOME	50,000	11/15/00	01/31/32	2.00%	13,678
City of Bellingham HOME	474,144	07/01/09	06/01/49	0.00%	202,005
Dept. of Commerce	494,560	01/01/17	06/01/51	1.00%	535,587
Dept. of Commerce	357,053	12/20/17	06/30/50	1.00%	311,160
Dept. of Commerce	182,089	12/20/17	12/31/50	1.00%	158,685
Dept. of Commerce	355,516	12/20/17	12/31/48	1.00%	309,821
WA Comm Reinvestment WCRA	2,400,000	08/01/08	07/01/38	7.25%	1,618,597
WA Comm Reinvestment WCRA	1,300,000	09/01/07	08/01/37	7.13%	820,406
WA Comm Reinvestment WCRA	800,000	07/01/08	06/01/38	6.63%	521,564
WA Comm Reinvestment WCRA	2,200,000	07/01/09	06/01/50	6.25%	1,896,610
Wash. State HFC	5,800,000	01/01/10	06/30/49	0.00%	5,800,000
Banner Bank	3,975,000	07/01/19	06/01/42	3.00%	3,590,872
Whatcom County 260	250,000	07/01/11	12/31/61	1.00%	250,000
Dept. of Commerce	2,700,000	07/01/08	02/28/49	1.00%	2,932,312
WA Comm Reinvestment WCRA	1,750,000	12/21/09	06/01/42	1.00%	1,318,066
City of Bellingham	447,000	11/30/09	03/31/52	0.00%	320,109
Dept. of Commerce	358,400	12/31/97	12/31/46	1.00%	179,782
				Total	\$ 32,781,487

* See Note 9 Blended Component Unit for further information.

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

Service requirements to maturity for the real estate mortgages are as follows:

Year Ending	Principal	Interest
2026	\$ 434,859	\$ 686,673
2027	455,975	673,203
2028	600,695	657,646
2029	495,843	604,941
2030	494,408	586,681
2031-2035	6,005,137	2,670,635
2036-2040	2,573,487	2,182,934
2041-2045	3,474,479	2,008,079
2046-2050	13,762,375	1,709,185
2051-2055	3,923,752	204,184
2056-2060	156,906	23,298
2061-2065	358,596	22,559
2066-2067	44,975	675
Total	\$ 32,781,487	\$ 12,030,693

d. Changes in Long-Term Liabilities

During the year ended December 31, 2025, the following changes occurred in long-term liabilities:

	Balance			Ending	Due Within
	1/1/25	Additions	Subtractions	Balance	One Year
Revenue Bonds Payable	\$ 22,500,006		244,678	\$ 22,255,328	\$ 264,995
Mortgages Payable	31,216,766	2,800,000	1,235,279	32,781,487	249,059
Compensated Absences	742,911	50,608	43,468	750,051	433,271
Long Term Lease Liability	76,750		34,021	42,729	32,124
Other Post Employment Benefits	1,799,945		308,721	1,491,224	
GASB 68 Pension Liability	308,043		115,553	192,490	
Total Long-Term Liabilities	\$ 56,644,421	2,850,608	1,981,720	\$ 57,513,309	\$ 979,449

NOTE 8 – PENSIONS AND OTHER POST EMPLOYMENT BENEFITS

PENSION PLANS

The following table represents the aggregate pension amounts for all plans for the year 2025:

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$ 192,490
Pension Asset	\$ 806,742
Deferred outflows of resources	\$ 1,238,213
Deferred inflows of resources	\$ (281,175)
Pension expense/expenditures	\$ (55,916)

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

State Sponsored Pension Plans

Substantially all Authority full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Or the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.20 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2025 were as follows:

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee
January – June 2025:		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.55%	
Administrative Fee	0.20%	
Total	9.11%	6.00%
July -September 2025:		
PERS Plan 1	5.58%	6.00%
PERS Plan 1 UAAL	0.00%	
Administrative Fee	0.20%	
Total	5.78%	6.00%

PERS Plan 2/3 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.20 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2025 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2
January - June 2025:		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	2.55%	
Administrative Fee	0.20%	
Employee PERS Plan 3		Varies
Total	9.11%	6.36%
July – December 2025:		
PERS Plan 2/3	6.91%	6.91%
PERS Plan 1 UAAL	0.00%	
Administrative Fee	0.20%	
Employee PERS Plan 3		varies
Total	7.11%	6.91%

The Authority's actual PERS plan contributions were \$46,238 to PERS Plan 1 and \$212,601 to PERS Plan 2/3 for the year ended December 31, 2025.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2024 with a valuation date of June 30, 2024. The actuarial assumptions used in the valuation are summarized in the Actuarial Section of DRS' *Comprehensive Annual Financial Report* located on the DRS employer-resource GASB webpage. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of the 2013-2018 Demographic Experience Study Report and the 2024 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2024 Actuarial Valuation Report. <https://leg.wa.gov/osa/>

The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2025. Plan liabilities were rolled forward from June 30, 2024, to June 30, 2025, reflecting each plan's normal cost (using the entry age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increases.
- **Investment rate of return:** 7.0%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates, which vary by member status (eg, active, retiree, or survivor), as our base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project

**Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025**

mortality rates for every year after the 2010 base table. Under “generational” mortality, a member is assumed to receive additional mortality improvements in each future year, throughout their lifetime.

Actuarial results that OSA provided within this publication reflect the following changes in assumptions and methods:

Assumption Changes:

- Assumptions did not change from the prior contribution rate setting June 30, 2022 Actuarial Valuation Report (AVR).

Method Changes:

- OSA adjusted their methods for calculating UAAL contribution rates in PERS I and TRS I to reflect the delay between the measurement date of calculated Plan I rates and when the rates are collected.
- OSA made adjustment to their model to reflect past inflation, experience when modeling future COLAs for current annuitants in all plans except PERS I and TRS I.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.00 percent. To determine that rate, an asset sufficiency test was completed to test whether each pension plan’s fiduciary net position was sufficient to make all projected future benefit payments for current plan members.

Based on the assumptions described in OSA’s certification letter within the DRS ACFR, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.00% was used to determine the total liability.

Long-Term Expected Rate of Return

OSA selected a 7.00% long-term expected rate of return on pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

The CMAs contain three pieces of information for each class of assets WSIB currently invests in:

- Expected annual return.
- Standard deviation of the annual return.
- Correlations between the annual returns of each asset class with every other asset class.

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns at various future times.

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025, are summarized in the table below. The inflation component used to create the table is 2.5 percent and represents the WSIB's long-term estimate of broad economic inflation consistent with their 2024 CMAs.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	19%	2.1%
Tangible Assets	8%	4.5%
Real Estate	18%	4.8%
Global Equity	30%	5.6%
Private Equity	25%	8.6%
	100%	

Additional Information

Financial and pension plan information supporting the preparation of the "Schedules of Collective Pension Amounts" and "Schedules of Employer and Nonemployer Allocations" for the fiscal year ended June 30, 2025 is located in DRS' Annual Comprehensive Financial Report located on the DRS employer-resource GASB webpage, www.drs.wa.gov. Supporting actuarial information for the implementation of GASB 68 is included above. Additional actuarial and pension plan information is included in the DRS 2025 ACFR including descriptions of actuarial data, assumptions, methods and plan provisions relied on for the preparation of GASB 67 and GASB 68. Additional details regarding this information are included in OSA's 2024 Actuarial Valuation Report, leg.wa.gov/osa.

Sensitivity of the Net Pension Liability/ (Asset)

The table below presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00 percent) or 1-percentage point higher (8.00 percent) than the current rate.

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
PERS 1	324,977	192,490	76,484
PERS 2/3	1,309,827	(806,742)	(2,545,802)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

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

At June 30, 2025, the Authority reported a total pension liability of \$192,490 for its proportionate share of the net pension liabilities and a net pension asset of \$806,742 as follows:

Plan	Liability or (Asset)
PERS 1	192,490
PERS 2/3	(806,742)

At June 30, the Authority's proportionate share of the collective net pension liabilities was as follows:

Plan	Proportionate Share 6/30/2024	Proportionate Share 6/30/25	Change in Proportion
PERS 1	.017337%	.0116335%	.001002%
PERS 2/3	.022607%	.021151%	.001456%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans.

The collective net pension liability (asset) was measured as of June 30, 2025, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2024, with update procedures used to roll forward the total pension liability to the measurement date

Pension Expense

For the year ended December 31, 2025, the Authority recognized pension expense as follows:

Plan	Pension Expense
PERS 1	(36,790)
PERS 2/3	(19,154)

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment on pension plan investments.	\$ -	\$ (13,233)
Contributions subsequent to the measurement date	4,039	
TOTAL	\$4,039	(\$13,233)
PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$589,841	\$ -
Net difference between projected and actual investment earnings on pension plan investments		(181,672)
Changes in assumptions	311,776	(22,277)
Changes in proportion and differences between contributions and proportionate share of contributions	225,257	(63,993)
Contributions subsequent to the measurement date	107,300	
TOTAL	\$1,234,174	(\$267,942)
TOTAL ALL PLANS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$589,841	\$ -
Net difference between projected and actual investment earnings on pension plan investments		(194,905)
Changes in assumptions	311,776	(22,277)
Changes in proportion and differences between contributions and proportionate share of contributions	225,257	(63,993)
Contributions subsequent to the measurement date	111,339	
TOTAL	\$1,238,213	(\$281,175)

Deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS 1	PERS 2/3
2026	12,634	314,213
2027	(9,203)	144,531
2028	(9,558)	137,366
2029	(7,113)	64,683
2030		137,209
Thereafter		61,376

**Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025**

DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB 75 for the year 2025:

<u>Aggregate OPEB amounts – All Plans</u>	
OPEB Liabilities	\$1,491,224
Deferred outflow of resources	20,634
OPEB Expense	(499,545)

OPEB Plan Description

The Authority administers a Post-Retirement Health Care Program under a single employer defined benefit Other Post Employment Benefit (OPEB) plan. This plan is administered by the Health Care Authority (HCA) Per RCW 41.05.065, the Public Employees Benefits Board (PEBB) created within the HCA, is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage, including establishment of eligibility criteria for both active and retired employees. PEBB programs include medical, dental, life and long-term disability. Benefits are offered to retirees at a subsidized rate.

The benefits are provided in accordance with a substantive plan, in which the plan terms are understood by the employers and plan member, but not formalized in a contract of plan document. The PEBB retiree OPEB plan is available to employees who elect to continue coverage and pay the administratively established premiums at the time they retire under the provisions of the retirement system to which they belong.

At December 31, 2025, there were 48 active employees and 11 inactive employees receiving benefits and no inactive employees entitled to but not yet receiving benefits.

The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

Assumptions and Other Input

The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about retirement ages, mortality, and the healthcare cost trend. The actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The Authority's total OPEB liability of \$1,491,224 was measured as of June 30, 2025 with a valuation date of June 30, 2025. The alternative method permitted under GASB 75 was used to calculate the liability instead of an actuarial valuation. The Entry Age actuarial cost method and recognized immediately amortization method were used in this calculation. There are no assets in this plan, therefore, no asset valuation method was used.

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement period, unless otherwise specified:

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

Discount Rate – Beginning of Measurement Year	3.93%
Discount Rate – End of Measurement Year	5.20%
Projected Salary Changes	3.25% + Service-Based Increases
Healthcare Trend Rates	Initial Rate is ranges from about 4.5-19.5%, reaching an ultimate rate of approximately 3.8% in 2080.
Inflation Rate	2.40%
Post-Retirement Participation Percentage	60%
Percentage with Spouse Coverage	45%

The source of the discount rate is Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the RP-2000 report’s “Combined Healthy Table” and “combined Disabled Table”. The Society of Actuaries publishes this document. The Washington State Actuary applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Age setback of one year was used. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

Specified assumptions are as follows:

- We assumed 3/4 of members select a UMP plan and 1/4 select a Kaiser Permanente (KP) plan.
 - UMP Pre- and Post-Medicare costs and premiums are equal to the Uniform Medical Plan (UMP)Classic.
 - The KP pre-Medicare costs and premiums are a 40/60 blend of KP Classic and KP Value.
 - The KP post-Medicare costs and premiums are equal to the KP Medicare.
- We estimated retirement service for each active cohort based on the average entry age of 35, with a minimum service of 1 year. For example, an age 47 member is assumed to have 12 years of service. Service is a component of benefit eligibility.
- Assumptions for retirement, disability, termination, and mortality are based on the most recent PEBB OPEB AVR. We made the following changes for simplicity. Assumed all employees are retirement eligible at age 55 and all retire at the age of 70. Based on an average expected retirement age of 65, we applied active mortality rates for ages less than 65 and retiree mortality rates for 65+.
- Each cohort is assumed to be a 50/50 male/female split.
- We assume a 45% likelihood that current (and future) retirees cover a spouse. We further assume that eligible spouses are the same age as the primary member.
- We selected the age-based cohorts for the AMM Online Tool based upon the overall distribution of State employees and retirees that participate in PEBB.
- We did not include dental benefits when calculating the Total OPEB Liability.

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

Sensitivity Rates

The following presents the total OPEB liability of the Authority calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point low or 1-percentage point higher than the current rate.

Healthcare Trend Rate Sensitivity		
1% Decrease	Current Healthcare Trend Rate	1% Increase
\$1,260,806	\$1,491,224	\$1,784,306

The following presents the total OPEB liability calculated using the discount rate, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point low or 1-percentage point higher than the current rate.

Discount Rate Sensitivity		
1% Decrease	Current Healthcare Trend Rate	1% Increase
\$1,746,775	\$1,491,224	\$1,285,384

The Authority reported (\$499,545) as OPEB expense for the calendar year 2025.

At December 31, 2025, the Authority reported deferred outflows of resources only for deferred outflows subsequent to the measurement date in the amount of \$20,634. This will be recognized as a reduction in the OPEB liability in the period ending December 31, 2025.

NOTE 9 – BLENDED COMPONENT UNIT

As of December 31, 2025, the Authority reports River House Associates, L.P., a tax credit limited partnership where the Whatcom County Housing Authority (a related party) is the General Partner and the Authority is the substitute Limited Partner with a 99.9% interest, as a blended component unit.

During 2023, Enterprise GP, LLC, the limited partner of Laurel Street Housing LLC (a low-income housing tax credit limited partnership where the Authority was the general partner), donated its interest to the Authority, for 1 dollar. The property became wholly owned by the Authority. As a result, Laurel Street Housing is no longer a discreetly presented component unit to the Authority. A capital transfer of \$1,864,527 was recorded under the Discretely Presented Component Units column to account for the removal of the beginning balance as Laurel Street's net position.

During 2023, National Equity Fund, the limited partner of Laube Housing Associates LLC (a low-income housing tax credit limited partnership where the Authority was the general partner), donated its interest to the Authority, for 1 dollar. The property became wholly owned by the Authority. As a result, Laube Housing Associates is no longer a discreetly presented component unit to the Authority. A capital transfer of \$2,387,553 was recorded under the Discretely Presented Component Units column to account for the removal of the beginning balance as Laube Housing's net position.

During 2023, Enterprise GP, LLC, the limited partner of Meadow Wood Associates LLC (a low-income housing tax credit limited partnership where the Authority was the general partner), donated its interest to the Authority, for 1 dollar. The property became wholly owned by the Authority. As a result, Meadow Wood Associates is no longer a discreetly presented component unit to the Authority. A capital transfer of

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

\$1,649,607 was recorded under the Discretely Presented Component Units column to account for the removal of the beginning balance of Meadow Wood Associate's net position.

During 2023, Enterprise GP, LLC, the limited partner of Meadow Wood II Associates LLC (a low-income housing tax credit limited partnership where the Authority was the general partner), donated its interest to the Authority, for 1 dollar. The property became wholly owned by the Authority. As a result, Meadow Wood II Associates is no longer a discretely presented component unit to the Authority. A capital transfer of \$106,761 was recorded under the Discretely Presented Component Units column to account for the removal of the beginning balance of Meadow Wood II Associate's net position.

As of June 30, 2024, Enterprise GP, LLC, the limited partner of State Street Housing Associates, LLC (a low-income housing tax credit limited partnership where the Authority was the general partner), donated its interest to the Authority, for 1 dollar. The property became wholly owned by the Authority. As a result, State Street Housing Associates is no longer a discretely presented component unit to the Authority. A capital transfer of \$1,567,537 was recorded under the Discretely Presented Component Units column to account for the removal of the beginning balance of State Street Housing's net position.

As of September 30, 2024, Enterprise GP, LLC, the limited partner of Walton Place Two, LLC (a low-income housing tax credit limited partnership where the Authority was the general partner), donated its interest to the Authority, for 1 dollar. The property became wholly owned by the Authority. As a result, Walton Place Two, LLC is no longer a discretely presented component unit to the Authority. A capital transfer of \$353,139 was recorded under the Discretely Presented Component Units column to account for the removal of the beginning balance of Walton Place Two's net position.

Below are the Condensed Statement of Net Position, the Condensed Statement of Revenues, Expenses, and Changes in Net Position, and the Condensed Statement of Cash Flows, as required by GASB No.61 *The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No.14 and No.34*.

Bellingham Housing Authority
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For the Year Ended December 31, 2025

	Condensed Statement of Net Position	Blended Component Units
ASSETS		
Current Assets		\$ 1,241,625
Restricted deposits & funded reserves		2,092,277
Capital Assets		27,424,507
Total Assets		<u>30,758,409</u>
LIABILITIES		
Current liabilities		1,093,545
Long-term liabilities		23,013,761
Total Liabilities		<u>24,107,306</u>
PARTNER'S EQUITY		<u>\$ 6,651,103</u>
Condensed Statement of Revenues, Expenses, and Changes in Net Position		
OPERATING REVENUES		
Tenant rents		\$ 4,634,856
Interest		12,971
Other tenant charges		138,363
		<u>4,786,190</u>
OPERATING EXPENSES		
Administrative		832,065
Utilities		344,108
Management and partnership fees		217,618
Repairs and maintenance		1,184,407
Other general expenses		847,821
Depreciation and amortization		1,618,444
		<u>5,044,463</u>
Operating Income		(258,273)
Non-operating Income		(444,502)
Change in Net Position		(702,775)
Beginning Net Position		7,353,878
Ending Net Position		<u>\$ 6,651,103</u>
Condensed Statement of Cash Flows		
Net cash provided by operating activities		\$ 951,480
Net cash provided by capital and related financing activities		(914,992)
		36,488
Beginning cash balance		2,822,456
Ending cash balance		<u>\$ 2,858,944</u>

NOTE 10 – DISCRETELY PRESENTED COMPONENT UNITS

A summary of significant transactions between the tax credit partnerships and the Authority as of December 31, 2025 is presented in the following table.

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

Tax Credit Partnership	Partnership Formed	BHA Ownership	Seller Note Payable to BHA	Developer Fee Payable to BHA	Pass-thru Loans from BHA to Partnership	Partnership Net Financing Gain/(Loss) in Current FY	BHA Share of Net Financing Gain/(Loss)	Capital Contri from/(Distrib to) BHA	BHA Equity Balance
Varsity Village	12/17/2009	0.01%	2,333,685		250,000	106,950	11		219,408
Orleans	12/9/2011	0.01%	657,777		-	(33,048)	(3)	-	(119)
Northwest Corner	3/28/2012	0.01%	22,985,748		22,004,999	(119,538)	(120)	(9)	(1,908)
Bakerview	1/24/2017	0.01%	8,234,000	-	3,590,871	(917,689)	(92)	-	(474)
Samish Family	12/1/2019	0.01%	8,290,061			(1,349,124)	(135)	-	320,722
Samish Senior	12/1/2019	0.01%	1,732,928			(887,706)	(80)	232,549	232,414
Samish Way	12/1/2019	0.01%	1,817,859	-		(837,084)	(84)		(307)
			46,052,058	-	25,845,870	(4,037,239)	(503)	232,540	769,736

Please note that Willow Creek Associates, a tax credit limited partnership where the Authority is the General Partner and Whatcom County Housing Authority, a related party, is the Limited Partner, is considered a blended component unit to Whatcom County Housing Authority. Accordingly, Willow Creek Associates is not presented here as part of the Authority's discretely presented component units.

Varsity Village Associates, LLC The Limited Liability Company was formed on December 17, 2009. The company was organized to own, rehabilitate, and operate a 101-unit apartment project located in Bellingham, Washington. The property was previously owned by HUD. On March 4, 2011, the Authority signed a Real Estate Purchase and Sale Agreement for the sale of the Varsity Village and Varsity Village Extension properties. The sale of the property completed in April 2011 and rental operations began at that time. The Authority is the General Partner with a \$219,931 initial capital contribution and a 0.01% partnership ownership.

The Company has received an allocation of federal low-income housing tax credits under Section 42 of the Internal Revenue Code administered by the Washington State Housing Finance Commission (WSHFC). Under this program, housing provided by the Company is subject to monitoring of tenant eligibility by WSHFC. The Company has agreed to maintain 100% of the apartment units as both rent restricted and occupied by low-income tenants for a minimum period of 40 years beginning 2011.

Orleans Place Affordable Housing Associates LLC The Limited Liability Company was formed as a limited liability company on December 9, 2011 with the Bellingham Housing Authority as the managing member. Effective with the First Amended and Restated Operating Agreement on March 22, 2013, Wincopin Circle LLLP, a Maryland Limited Liability Limited Partnership, was admitted as the investor member. Under the terms of the transfer agreement, as stated in the Operating Agreement, the investor member's interest transferred to Enterprise Housing Partners XXV, Limited Partnership, a Maryland Limited Partnership in July 2014.

The Company was organized to acquire, own, develop, rehabilitate, and operate a 24-unit apartment project known as Orleans Place, located in Bellingham, Washington. The project was rehabilitated during 2013 and rental operations began in March 2013. The Company has received an allocation of federal low-income housing tax credits under Section 42 of the Internal Revenue Code administered by the Washington State Housing Finance Commission (WSHFC). Under this program, housing provided by the Company is subject to monitoring of tenant eligibility by WSHFC. The Company has agreed to maintain 100% of the apartment units as both rent restricted and occupied by low-income tenants for a minimum period of 40 years beginning 2013.

Northwest Corner Affordable Housing Partners, LLLP The Limited Liability Limited Partnership was formed on March 28, 2012 with the Bellingham Housing Authority as the General Partner and the Whatcom County Housing Authority as the initial Limited Partner. Effective with the Second Amended and Restated

Bellingham Housing Authority
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Agreement of Limited Partnership on May 2, 2014, AHP Housing Fund 54 LLC, A Delaware Limited Liability Company, was admitted as the substitute Limited Partner.

The partnership was organized to acquire, own, develop, rehabilitate, and operate a total of seven apartment complexes located in Bellingham, Ferndale, Blaine, and Sumas, Washington. Rental operations began in May 2014. The rehabilitation of the apartment complexes began in 2014 and completed in 2015. The partnership has received an allocation of federal low-income housing tax credits under Section 42 of the Internal Revenue Code administered by the Washington State Housing Finance Commission (WSHFC). Under this program, housing provided by the Company is subject to monitoring of tenant eligibility by WSHFC. The partnership has agreed to maintain 75% of the apartment units as both rent restricted and occupied by low-income tenants for a minimum period of 40 years beginning 2014.

North Whatcom Affordable Housing Partners LLC (NWAHP) was created on January 3, 2013 by the Bellingham Housing Authority, the “Sole Member.” On May 2, 2014, NWAHP was duly appointed in the Second Amended and Restated Agreement of Limited Partnership between the Bellingham Housing Authority and the Limited Partner, AHP Housing Fund 54, LLC to serve as the “Developer” for the Northwest Corner Affordable Housing Partners LLLP (NWSAH).

In accordance with the Development Agreement between NWSAH (the Partnership) and NWAHP (the Developer), the Partnership paid the Developer a development fee of \$6,000,000 for services performed. As of December 31, 2018, NWAHP earned and recorded the full amount, with an outstanding receivable of \$842,968 from NWSAH, and a corresponding payable to the Authority. During fiscal year 2018, NWAHP received in cash \$382,426 of the developer fees earned and passed the same proceeds to its sole member, the Authority, as compensation for the required development services.

Bakerview Redevelopment Partners, LLLP The Limited Liability Limited Partnership was formed on February 24, 2017 with the Bellingham Housing Authority as the General Partner and the Whatcom County Housing Authority as the initial Limited Partner. Effective with the first Amended and Restated Agreement of Limited Partnership on December 18, 2017, Wincopin Circle LLLP, a Maryland Limited Liability Limited Partnership, was admitted as the substitute Limited Partner.

The partnership was organized to acquire, develop, rehabilitate, operate, manage, and maintain four affordable rental housing projects located in Bellingham, Washington. Rental operations began in December 2017. The rehabilitation of the apartment complexes began in early 2017 and was completed in mid-2019. The partnership has received an allocation of federal low-income housing tax credits under Section 42 of the Internal Revenue Code administered by the Washington State Housing Finance Commission (WSHFC). Under this program, housing provided by the Company is subject to monitoring of tenant eligibility by WSHFC. The partnership has agreed to maintain 100% of the apartment units as both rent restricted and occupied by low-income tenants for a minimum period of 38 years beginning 2017.

Samish Way Redevelopment Partners, LLLP The Limited Liability Limited Partnership was formed by Resolution on March 15, 2016 with the Bellingham Housing Authority as the General Partner and the Whatcom County Housing Authority as the Initial Limited Partner, and incorporated under the Secretary of State of Washington on April 1, 2016. Effective with the first Amended and Restated Agreement of Limited Partnership on December 1, 2019, RBC-Samish Way, LLC, a Delaware Limited Liability Partnership, was admitted as the Limited Partner, and RBC Tax Credit Manager II, Inc., a Delaware corporation, was admitted as the Special Limited Partner.

The partnership was organized to develop, construct, own, maintain, and operate a 69-unit multifamily apartment complex for rental to individuals and families of low-income consisting of 1 residential building to

Bellingham Housing Authority
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be known as Samish Way and to be located in Bellingham, Washington. Construction of the apartment complex began in early 2020 and was completed in 2021. The partnership has received an allocation of federal low-income housing tax credits under Section 42 of the Internal Revenue Code administered by the Washington State Housing Finance Commission (WSHFC). Under this program, housing provided by the Partnership is subject to monitoring of tenant eligibility by WSHFC. The partnership has agreed to maintain 100% of the apartment units as both rent restricted and occupied by low-income tenants for a minimum period of 40 years beginning 2021.

Samish Way Senior Housing, LLLP The Limited Liability Limited Partnership was formed by Resolution on July 16, 2019 with the Bellingham Housing Authority as the General Partner and the Whatcom County Housing Authority as the Initial Limited Partner, and incorporated under the Secretary of State of Washington on July 24, 2019. Effective with the first Amended and Restated Agreement of Limited Partnership on October 1, 2021, RBC-Samish Way, LLC, a Delaware Limited Liability Partnership, was admitted as the Limited Partner, and RBC Tax Credit Manager II, Inc., a Delaware corporation, was admitted as the Special Limited Partner.

The partnership was organized to develop, construct, own, maintain, and operate a 53-unit multifamily apartment complex for rental to seniors who are fifty-five years or older of low-income consisting of 1 residential building to be known as Samish Way II and to be located in Bellingham, Washington. Construction of the apartment complex began in late 2021 and will be completed in 2023. The partnership has received an allocation of federal low-income housing tax credits under Section 42 of the Internal Revenue Code administered by the Washington State Housing Finance Commission (WSHFC). Under this program, housing provided by the Partnership is subject to monitoring of tenant eligibility by WSHFC. The partnership has agreed to maintain 100% of the apartment units as both rent restricted and occupied by low-income tenants for a minimum period of 40 years beginning 2023.

Samish Way Family Housing, LLLP The Limited Liability Limited Partnership was formed by Resolution on July 16, 2019 with the Bellingham Housing Authority as the General Partner and the Whatcom County Housing Authority as the Initial Limited Partner, and incorporated under the Secretary of State of Washington on July 24, 2019. Effective with the first Amended and Restated Agreement of Limited Partnership on October 1, 2021, RBC-Samish Way, LLC, a Delaware Limited Liability Partnership, was admitted as the Limited Partner, and RBC Tax Credit Manager II, Inc., a Delaware corporation, was admitted as the Special Limited Partner.

The partnership was organized to develop, construct, own, maintain, and operate a 49-unit multifamily apartment complex for rental to individuals and families of low-income consisting of 1 residential building with approximately 3,338 square feet of retail space to be known as Samish Way III and to be located in Bellingham, Washington. Construction of the apartment complex began in late 2021 and was completed in mid-2023. The partnership has received an allocation of federal low-income housing tax credits under Section 42 of the Internal Revenue Code administered by the Washington State Housing Finance Commission (WSHFC). Under this program, housing provided by the Partnership is subject to monitoring of tenant eligibility by WSHFC. The partnership has agreed to maintain 100% of the apartment units as both rent restricted and occupied by low-income tenants for a minimum period of 40 years beginning 2023.

NOTE 11 - RELATED PARTY DISCLOSURE

Bellingham Housing Authority and Whatcom County Housing Authority (Authorities) have combined operations and share the board of commissioners. Overhead that cannot be directly charged is allocated to various projects within the Authorities based on equivalent units. The Local Fund of Bellingham Housing Authority owns the office building where the Authorities operate. Rent on the office building is charged to

Bellingham Housing Authority
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all funds in both Authorities based on equivalent units. Rent paid by each Authority for the year ended December 31, 2025 was:

Bellingham Housing Authority Public Housing	\$ 260,855
Whatcom County Housing Authority Public Housing	\$ 10,236

The Authority has accounts receivable and accounts payable that are not distinguished separately on the financial statements due to the immateriality of the balances and the certainty of their payment. The Authority also has related party lease agreements that are disclosed in Note 5 Lease Commitments.

The Authority, in addition to developer fees and seller's notes receivable from its tax credit properties, makes loans to its tax credit properties when approved by Board Resolution. These are described in detail in the LLC's published financial statements, which are available from the Authority upon request. Separate audited financial statements for the Whatcom County Housing Authority can also be obtained by writing to the Bellingham/Whatcom County Housing Authorities.

See Note 7 Long Term Debt and Liabilities and Note 10 Discretely Presented Component Units for a summary of other related-party transactions

NOTE 12 - CONTINGENCIES AND COMMITMENTS

On May 2, 2014, the Authority issued a \$24,050,000 Multifamily Housing Revenue Bonds and concurrently loaned the proceeds to Northwest Corner Affordable Housing Partners (NWCAHP), LLLP, with the Authority as the sole General Partner. NWCAHP is obligated to make loan payments in accordance with a promissory note in the amounts and at the times corresponding to the debt service and other payments required in respect of the Bonds. The Authority, as guarantor, entered into a Guaranty of Completion agreement with the Bank of New York Mellon Trust Company, as trustee. The Authority's guarantor obligations shall terminate upon removal or withdrawal as the General Partner of NWCAHP. The Authority unconditionally and irrevocably guarantees to the Trustee:

- (1) the full and complete renovation of the project,
- (2) the payment of all project costs,
- (3) the payment of any and all costs and expenses incurred by the Trustee in connection with the enforcement of NWCAHP's obligation to complete renovation of the project, and
- (4) the maintenance of a minimum net worth of at least \$10,000,000 and an amount equal to \$1,500,000 in cash or cash equivalents.

On December 18, 2017, the Authority issued the Housing Authority of the City of Bellingham Revenue Bond, 2017 (Bakerview Redevelopment Portfolio) in the principal amount of \$10,000,000, and concurrently loaned the proceeds to Bakerview Redevelopment Partners (BRP), LLLP, with the Authority being the sole General Partner. At the closing of the loan, Banner Bank purchased the Bond, and the Authority assigned its interest in the loan to Banner Bank. BRP, as the borrower, is obligated to make loan payments in accordance with a promissory note from BRP to the Authority in the amounts and at the times corresponding to the debt service and other payments required in respect of the Bond. The Authority, as the guarantor of the indebtedness, entered into a Commercial Guaranty agreement with Banner Bank, as the lender. The Authority guarantees at all times the performance and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of all indebtedness of BRP.

The Authority, on December 18, 2017, entered into an Operating Subsidy Contract with Bakerview Redevelopment Partners LLLP. The purpose of this contract is to provide operating subsidy payments for

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the project whose households are Qualified Households, defined as household whose income is less than 80% of Whatcom County's area median income. Commencing January 1, 2019, the Authority agrees to make an annual operating subsidy payment of \$50,760, increased by 3% as of each January 1, to the partnership. The initial term of this contract for all contract units expires on December 31, 2037.

In addition, the Authority is obligated to fund operating deficits, as set forth in the Partnership Agreements. The Authority has agreed to make up to the following amounts in operating deficit loans to fund operating deficits.

TaxCredit Partnership	Operating Deficit Loan	Termination Conditions
Bakerview	\$ 446,000	Meeting the required debt service coverage for two consecutive calendar years beginning three years after stabilization; operating reserve equals or exceeds the required amount.

NOTE 13 - SUBSEQUENT EVENTS

The Authority has evaluated events and transactions occurring after December 31, 2025, through August 25, 2026, the date the financial statements were available for issuance, for recognition or disclosure in the financial statements. The Authority has identified four subsequent events to disclose. First, the Authority entered into an agreement with KeyBank for a \$20,000,000 Line of Credit (LOC) with tax-exempt and taxable draw options, for a term of two years. The LOC is available for financing or refinancing the acquisition, construction, rehabilitation, and equipping of housing and related improvements, and other corporate purposes. Second, August 21, 2026, the Authority purchased Sehome Court for \$12,500,000. Sehome court is a 57-unit multifamily housing community. The Authority financed the acquisition using the short-term LOC. Third, the Authority also entered into a contract January of 2026 in the amount of \$1,785,455 to replace heating systems in all three public housing high-rises; Lincoln Square, Washington Square, and Chuckanut Square. Fourth, August 10, 2026, the Authority entered into a contract for \$1,337,902 with Wellman & Zuck Constructors LLC for construction work at Samish Commons Early Learning Center.

NOTE 14 - RISK MANAGEMENT

The Authority is a member of Housing Authorities Risk Retention Pool (HARRP). Utilizing Chapter 190.080 ORS and 48.62 RCW (self-insurance regulation) and Chapter 39.34 (Interlocal Cooperation Act), fifty-five public housing authorities in the states of Washington, Oregon and California originally formed HARRP in March 1987. HARRP was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. HARRP is a U.S. Department of Housing and Urban Development (HUD) approved self-insurance entity for utilization by public housing authorities. HARRP has a total of eighty-three member/owner housing authorities in the states of Washington, Oregon, California, and Nevada. Thirty-four of the eighty-three members are Washington State public housing entities.

New members are underwritten at their original membership and thereafter automatically renew on an annual basis. Members may quit upon giving notice to HARRP prior to their renewal date. Members terminating membership are not eligible to rejoin HARRP for three years. HARRP can terminate the members after giving a sixty (60) day notice prior to the renewal date. Termination does not relieve a former member from its unresolved losses incurred during membership.

Bellingham Housing Authority
Notes to Financial Statements
For the Year Ended December 31, 2025

General and Automobile Liability Coverage is written on an occurrence basis, without member deductibles. Errors and Omissions coverage (which includes Employment Practices Liability) is written on claims made basis, and the members are responsible for 10% of the incurred costs of the claims. (Due to special underwriting circumstances, some members may be subject to greater deductibles and E&O copayments). Coverage limits for General Liability, Automobile Liability, as well as Errors and Omissions, are \$2,000,000 per occurrence with a \$2,000,000 aggregate.

The Property coverage offered by HARRP is on a replacement cost basis, with deductibles ranging from \$2,500 to \$25,000. Our Property coverages include Equipment Breakdown, as well as Fidelity coverage with limits of \$2,000,000 for employee dishonesty, forgery, or alteration and \$200,000 for theft, with a \$1,000 deductible.

HARRP self-insures coverage for liability lines. HARRP self-insures the first \$2,000,000 for property, then purchases \$45 million of excess insurance from Munich Reinsurance for a combined total of \$47,000,000. The HARRP Board of Directors determines the limits and coverage terms, at its sole discretion.

HARRP provides loss control and claim services with in-house staff and retained third party contractors.

HARRP is fully funded by member contributions that are adjusted by the HARRP Board on the basis of independent actuarial studies. These assessments cover loss, loss adjustment expenses, excess insurance, reinsurance, and other administrative expenses. HARRP does not have the right to assess the membership for any shortfall in its funding. Such shortfalls are made up through future rate adjustments.

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The Authority is not aware of any loss exposures that may need specialized coverage traditionally excluded in property and casualty insurance.

**BELLINGHAM HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDING DECEMBER 31, 2025**

GRANTOR AGENCY	PROGRAM NAME	ASSISTANCE LISTING NUMBER	OTHER IDENTIFICATION NUMBER	PASS- THROUGH AWARDS	DIRECT AWARDS	TOTAL
UNITED STATES DEPT. OF HUD	PUBLIC AND INDIAN HOUSING	14.850	SF-261		1,280,486	1,280,486
	PUBLIC HOUSING CAPITAL FUND	14.872	WA19P025501-23		56,334	
	PUBLIC HOUSING CAPITAL FUND	14.872	WA19P025501-24		<u>130,169</u>	186,503
	MAINSTREAM VOUCHERS	14.879	86-0320-0-3-371		1,964,007	
	EMERGENCY HOUSING VOUCHERS	14.EHV	WA025EC003		853,976	
	SECTION 8 HOUSING CHOICE VOUCHER	14.871	S-0108V		<u>27,064,630</u>	
	TOTAL HOUSING CHOICE VOUCHER CLUSTER					29,882,613
<u>TOTAL FEDERAL EXPENDITURES</u>					\$	<u>31,349,602</u>

Bellingham Housing Authority
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Award (SEFA) provides a list of all federal assistance programs in which the Authority participate and summarizes the grant transactions of Authority for the year ending December 31, 2025. The SEFA is presented using the same basis of accounting as the financial statements. The Housing Authority uses the accrual basis of accounting as prescribed by generally accepted accounting procedures.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures are recognized following the cost principles contained in the OMB Circular-A-87 and Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Authority has not elected to use the 15 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal portion of the program costs. Entire program costs, including the Bellingham Housing Authority's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 4 - EXPENDITURES

The Schedule of Expenditures of Federal Awards shows expenditures paid and accrued as of fiscal year end. This total does not equal the amount requested during the fiscal year on the Line of Credit Control System Payment Vouchers, due to accruals.

BELLINGHAM HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION - OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN TOTAL LIABILITY AND RELATED RATIOS
LAST EIGHT CALENDAR YEARS

Total OPEB liability	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 55,533	\$ 64,121	\$ 67,872	\$ 111,912	\$ 149,086	\$ 120,203	\$ 92,713	\$ 109,953
Interest	71,677	74,131	79,126	54,843	65,291	99,617	121,005	114,134
Changes of benefit terms	50,180	-	-	-	-	-	-	(163,800)
Change in proportionate share	-	-	-	-	-	-	(43,804)	-
Changes of assumptions or other inputs	(630,938)	(302,777)	(321,010)	(389,072)	(625,765)	(120,961)	(472,351)	41,401
Benefit payments	(27,806)	(30,877)	(27,762)	(19,428)	(16,644)	(22,484)	(74,585)	(46,961)
Net change in total OPEB liability	(481,354)	(195,402)	(201,774)	(241,746)	(428,033)	76,375	(377,022)	54,727
Total OPEB liability beginning	1,788,561	1,983,962	2,185,736	2,427,483	2,855,516	2,779,141	3,156,163	3,101,436
Total OPEB liability ending	\$ 1,307,207	\$ 1,788,561	\$ 1,983,962	\$ 2,185,736	\$ 2,427,483	\$ 2,855,516	\$ 2,779,141	\$ 3,156,163
Covered employee payroll	4,937,046	4,761,047	5,097,304	4,926,285	3,784,424	2,837,175	2,573,520	2,769,354
Total OPEB liability as a percentage of covered employee payroll	26%	38%	39%	44%	64%	101%	108%	114%

Notes to schedule

1. Changes of assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2025	5.20%	5.20%	5.20%
2024	3.93%	3.93%	3.93%

2. The Authority implemented GASB 75 in 2018, therefore no data is presented before then. Eventually, ten years of data will be presented.

3. There are no assets accumulated in a trust that meets the criteria of GASB 75, to pay related benefits.

Bellingham Housing Authority
REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans
Schedule of Proportionate Share of the Net Pension Liability
PERS 1
As of June 30
Last Ten Fiscal Years

<u>Year Ended June 30,</u>	<u>Employer's proportion of the net pension liability (asset)</u>	<u>Employer's proportionate share of the net pension liability</u>	<u>Employer's covered employee payroll</u>	<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2025	0.016335%	\$ 192,490	\$ 4,937,046	3.90%	88.11%
2024	0.017337%	308,043	4,761,047	6.47%	84.05%
2023	0.020083%	458,853	5,097,304	9.00%	80.16%
2022	0.017512%	487,315	4,926,285	9.89%	76.56%
2021	0.020674%	252,485	3,784,424	6.67%	88.74%
2020	0.017834%	629,625	2,836,565	22.20%	68.64%
2019	0.019114%	734,974	2,677,926	27.45%	67.12%
2018	0.019108%	853,415	2,653,096	32.17%	63.22%
2017	0.021009%	996,927	2,649,286	37.63%	61.24%
2016	0.023022%	1,236,445	2,755,935	44.86%	57.03%

Bellingham Housing Authority
REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans
Schedule of Proportionate Share of the Net Pension Liability (Asset)
PERS 2/3
As of June 30
Last Ten Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2025	0.021151%	\$ (806,742)	\$ 4,937,046	-16.34%	105.53%
2024	0.022607%	(762,872)	4,761,047	-16.02%	105.17%
2023	0.025928%	(1,063,676)	5,097,304	-20.87%	107.02%
2022	0.022903%	(848,899)	4,926,285	-17.23%	106.73%
2021	0.026102%	(2,645,998)	3,784,424	-69.92%	120.29%
2020	0.023224%	297,022	2,836,565	10.47%	97.22%
2019	0.024683%	239,749	2,677,926	8.95%	97.77%
2018	0.024648%	420,862	2,653,096	15.86%	95.77%
2017	0.027022%	938,934	2,649,286	35.44%	90.97%
2016	0.029500%	1,485,327	2,755,935	53.90%	85.82%

Bellingham Housing Authority
REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans
Schedule of Employer Contributions
PERS 1
As of December 31
Last Ten Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered employer payroll	Contributions as a percentage of covered employee payroll
2025	\$ 46,238	\$ (46,238)	-	\$ 4,937,046	0.94%
2024	96,921	(96,921)	-	4,761,047	2.04%
2023	122,236	(122,236)	-	5,097,304	2.40%
2022	122,943	(122,943)	-	4,926,285	2.50%
2021	130,490	(130,490)	-	3,784,424	3.45%
2020	142,176	(142,176)	-	2,836,565	5.01%
2019	125,953	(125,953)	-	2,542,915	4.95%
2018	138,232	(138,232)	-	2,729,687	5.06%
2017	127,939	(127,939)	-	2,612,476	4.90%
2016	124,102	(124,102)	-	2,601,718	4.77%

Bellingham Housing Authority
REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans
Schedule of Employer Contributions
PERS 2/3
As of December 31
Last Ten Fiscal Years

<u>Year Ended December 31,</u>	<u>Statutorily or contractually required contributions</u>	<u>Contributions in relation to the statutorily or contractually required contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Covered employer payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
2025	\$ 212,601	\$ (212,601)	\$ -	\$ 4,937,046	4.31%
2024	225,716	(225,716)	-	4,761,047	4.74%
2023	226,932	(226,932)	-	5,097,304	4.45%
2022	208,395	(208,395)	-	4,926,285	4.23%
2021	220,556	(220,556)	-	3,784,424	5.83%
2020	234,872	(234,872)	-	2,836,565	8.28%
2019	196,092	(196,092)	-	2,542,915	7.71%
2018	204,788	(204,788)	-	2,729,687	7.50%
2017	178,863	(178,863)	-	2,612,476	6.85%
2016	162,087	(162,087)	-	2,601,718	6.23%

Bellingham Housing Authority
Notes to Required Supplemental Information - Pension

As of December 31
Last Ten Fiscal Years

Note 1: Information Provided

The schedules show ten years of data.

Note 2: Significant Factors

There were no changes of benefit terms, significant changes in the employees covered under the benefit terms or in the use of different assumptions.

Note 3: Covered payroll

Covered payroll has been presented in accordance with GASB 82, *Pension Issues*. Covered payroll includes all payroll on which a contribution is based.

Note 4: Contribution rates

Rates in effect during the periods covered by the Required Supplemental Information are below:

PERS 1

<u>From this</u>	<u>Through this</u>	
<u>Date</u>	<u>Date</u>	<u>Rate</u>
1/1/2016	6/30/2017	11.18%
7/1/2017	8/31/2018	12.70%
9/1/2018	6/30/2019	12.83%
7/1/2019	6/30/2020	12.86% *
6/30/2020	6/30/2021	12.97%
7/1/2021	6/30/2022	10.25%
7/1/2022	6/30/2023	10.39%
7/1/2023	8/31/2023	9.39%
9/1/2023	12/1/2023	9.11%
7/1/2024	8/31/2024	9.03%
1/1/2024	6/30/2024	9.53%
7/1/2024	8/31/2024	9.03%
9/1/2024	6/30/2025	9.11%
7/1/2025	12/31/2025	5.58%

* Employer contribution rate includes an administrative expense rate of 0.20%

Bellingham Housing Authority
Notes to Required Supplemental Information - Pension - (Continued)

As of December 31
Last Ten Fiscal Years

PERS 2/3

<u>From this</u>	<u>Through this</u>	
<u>Date</u>	<u>Date</u>	<u>Rate</u>
1/1/2016	6/30/2017	11.18%
7/1/2017	8/31/2018	12.70%
9/1/2018	6/30/2019	12.83%
7/1/2019	6/30/2020	12.86% *
6/30/2020	6/30/2021	12.97%
7/1/2021	6/30/2022	10.25%
7/1/2022	6/30/2023	10.39%
7/1/2023	8/31/2023	9.39%
9/1/2023	12/31/2023	9.53%
1/1/2024	6/30/2024	9.90%
7/1/2024	8/31/2024	9.40%
9/1/2024	6/30/2025	9.51%
7/1/2025	12/31/2025	7.11%

* Employer contribution rate includes an administrative expense rate of 0.20%

Housing Authority City of Bellingham (WA025)
Bellingham, WA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	Project Total	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	6.1 Component Unit - Discretely Presented	21.027 Coronavirus State and Local Fiscal Recovery Funds	14.238 Shelter Plus Care	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$2,859,895	\$8,205,495	\$705,145	\$3,678,219	\$237,695	\$3,663,438			\$385,109	\$19,734,996		\$19,734,996
112 Cash - Restricted - Modernization and Development												
113 Cash - Other Restricted		\$1,570,012			\$44,138					\$1,614,150		\$1,614,150
114 Cash - Tenant Security Deposits	\$174,151	\$181,985				\$490,784				\$846,920		\$846,920
115 Cash - Restricted for Payment of Current Liabilities	\$27,733									\$27,733		\$27,733
100 Total Cash	\$3,061,779	\$9,957,492	\$705,145	\$3,678,219	\$281,833	\$4,154,222	\$0	\$0	\$385,109	\$22,223,799	\$0	\$22,223,799
121 Accounts Receivable - PHA Projects												
122 Accounts Receivable - HUD Other Projects												
124 Accounts Receivable - Other Government												
125 Accounts Receivable - Miscellaneous	\$668	\$775,955				\$64,795			\$303,520	\$1,144,938		\$1,144,938
126 Accounts Receivable - Tenants	\$359,209	\$124,363	\$4,749	\$130,718	\$5,441	\$338,760				\$963,240		\$963,240
126.1 Allowance for Doubtful Accounts - Tenants	-\$193,402	\$0	-\$244	-\$18,209	\$0	\$0				-\$211,855		-\$211,855
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0		\$0	\$0	\$0			\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current		\$506,612								\$506,612		\$506,612
128 Fraud Recovery				\$66,229						\$66,229		\$66,229
128.1 Allowance for Doubtful Accounts - Fraud				-\$63,404						-\$63,404		-\$63,404
129 Accrued Interest Receivable												
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$166,475	\$1,406,930	\$4,505	\$115,334	\$5,441	\$403,555	\$0	\$0	\$303,520	\$2,405,760	\$0	\$2,405,760
131 Investments - Unrestricted												
132 Investments - Restricted						\$7,630,490				\$7,630,490		\$7,630,490
135 Investments - Restricted for Payment of Current Liability												
142 Prepaid Expenses and Other Assets	\$256,927	\$662,913	\$2,208	\$26,669	\$576	\$578,066			\$24,494	\$1,551,853		\$1,551,853
143 Inventories									\$23,386	\$23,386		\$23,386
143.1 Allowance for Obsolete Inventories									\$0	\$0		\$0
144 Inter Program Due From									\$234,355	\$234,355	-\$234,355	\$0
145 Assets Held for Sale												
150 Total Current Assets	\$3,485,181	\$12,027,335	\$711,858	\$3,820,222	\$287,850	\$12,766,333	\$0	\$0	\$970,864	\$34,069,643	-\$234,355	\$33,835,288
161 Land	\$685,375	\$8,939,934				\$8,971,571				\$18,596,880		\$18,596,880
162 Buildings	\$37,458,224	\$57,699,954				\$161,704,194				\$256,862,372		\$256,862,372
163 Furniture, Equipment & Machinery - Dwellings	\$2,488,009	\$639,535								\$3,127,544		\$3,127,544
164 Furniture, Equipment & Machinery - Administration	\$155,514	\$166,263	\$1,487	\$32,094					\$217,330	\$572,688		\$572,688
165 Leasehold Improvements	\$1,858,972									\$1,858,972		\$1,858,972
166 Accumulated Depreciation	-\$29,508,414	-\$29,165,764	-\$1,487	-\$32,094		-\$40,803,379			-\$213,721	-\$99,724,859		-\$99,724,859
167 Construction in Progress	\$95,230	\$164,607								\$259,837		\$259,837
168 Infrastructure												
160 Total Capital Assets, Net of Accumulated Depreciation	\$13,232,910	\$38,444,529	\$0	\$0	\$0	\$129,872,386	\$0	\$0	\$3,609	\$181,553,434	\$0	\$181,553,434
171 Notes, Loans and Mortgages Receivable - Non-Current	\$1,133,582	\$72,876,890					\$1,738,973			\$75,749,445		\$75,749,445
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due												
173 Grants Receivable - Non Current												
174 Other Assets	\$273,473	\$13,003,185				\$424,623			\$350,206	\$14,051,487		\$14,051,487
176 Investments in Joint Ventures	\$100	\$608,351				\$0				\$608,451		\$608,451
180 Total Non-Current Assets	\$14,640,065	\$124,932,955	\$0	\$0	\$0	\$130,297,009	\$1,738,973	\$0	\$353,815	\$271,962,817	\$0	\$271,962,817
200 Deferred Outflow of Resources	\$210,686	\$501,697							\$546,465	\$1,258,848		\$1,258,848
290 Total Assets and Deferred Outflow of Resources	\$18,335,932	\$137,461,987	\$711,858	\$3,820,222	\$287,850	\$143,063,342	\$1,738,973	\$0	\$1,871,144	\$307,291,308	-\$234,355	\$307,056,953

Housing Authority City of Bellingham (WA025)
Bellingham, WA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	Project Total	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	6.1 Component Unit - Discretely Presented	21.027 Coronavirus State and Local Fiscal Recovery Funds	14.238 Shelter Plus Care	COCC	Subtotal	ELIM	Total
311 Bank Overdraft												
312 Accounts Payable <= 90 Days	\$278,557	\$246,977	\$33,676	\$130,089	\$2,546	\$552,213		\$1,170	\$371,601	\$1,616,829	-\$234,355	\$1,382,474
313 Accounts Payable >90 Days Past Due												
321 Accrued Wage/Payroll Taxes Payable	\$6,514	\$7,985	\$838	\$9,454	\$139				\$86,358	\$111,288		\$111,288
322 Accrued Compensated Absences - Current Portion	\$67,458	\$56,140	\$9,055	\$98,697	\$1,358				\$200,563	\$433,271		\$433,271
324 Accrued Contingency Liability												
325 Accrued Interest Payable												
331 Accounts Payable - HUD PHA Programs	\$248,339	\$24,868	\$280	\$7,365	\$55					\$280,907		\$280,907
332 Account Payable - PHA Projects												
333 Accounts Payable - Other Government												
341 Tenant Security Deposits	\$173,002	\$210,688				\$499,479				\$883,169		\$883,169
342 Unearned Revenue	\$91,658	\$67,599	\$762	\$8,977	\$929	\$364,370				\$534,295		\$534,295
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		\$354,758								\$354,758		\$354,758
344 Current Portion of Long-term Debt - Operating Borrowings		\$159,296								\$159,296		\$159,296
345 Other Current Liabilities	\$84,811	\$116,620	\$123	\$26,674					\$61,114	\$289,342		\$289,342
346 Accrued Liabilities - Other	\$57,755	\$32,123				\$139,947				\$229,825		\$229,825
347 Inter Program - Due To												
348 Loan Liability - Current												
310 Total Current Liabilities	\$1,008,094	\$1,277,054	\$44,734	\$281,256	\$5,027	\$1,556,009	\$0	\$1,170	\$719,636	\$4,892,980	-\$234,355	\$4,658,625
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$25,940,443				\$99,635,825				\$125,176,268		\$125,176,268
352 Long-term Debt, Net of Current - Operating Borrowings												
353 Non-current Liabilities - Other		\$905,859				\$13,911,781				\$14,817,640		\$14,817,640
354 Accrued Compensated Absences - Non Current	\$49,320	\$41,046	\$6,620	\$72,161	\$993				\$146,639	\$316,779		\$316,779
355 Loan Liability - Non Current		\$28,992,922								\$28,992,922		\$28,992,922
356 FASB 5 Liabilities												
357 Accrued Pension and OPEB Liabilities	\$281,793	\$671,020							\$730,901	\$1,683,714		\$1,683,714
350 Total Non-Current Liabilities	\$331,113	\$56,151,290	\$6,620	\$72,161	\$993	\$113,547,606	\$0	\$0	\$877,540	\$170,987,323	\$0	\$170,987,323
300 Total Liabilities	\$1,339,207	\$57,428,344	\$51,354	\$353,417	\$6,020	\$115,103,615	\$0	\$1,170	\$1,597,176	\$175,880,303	-\$234,355	\$175,645,948
400 Deferred Inflow of Resources	\$47,058	\$2,229,181							\$122,058	\$2,398,297		\$2,398,297
508.4 Net Investment in Capital Assets	\$13,232,910	\$12,549,328	\$0	\$0	\$0	\$30,236,561			\$3,609	\$56,022,408		\$56,022,408
511.4 Restricted Net Position	\$163,902	\$1,862,825	\$0	\$0	\$44,138	\$7,621,795			\$350,207	\$10,042,867		\$10,042,867
512.4 Unrestricted Net Position	\$3,552,855	\$63,392,309	\$660,504	\$3,466,805	\$237,692	-\$9,898,629	\$1,738,973	-\$1,170	-\$201,906	\$62,947,433		\$62,947,433
513 Total Equity - Net Assets / Position	\$16,949,667	\$77,804,462	\$660,504	\$3,466,805	\$281,830	\$27,959,727	\$1,738,973	-\$1,170	\$151,910	\$129,012,708	\$0	\$129,012,708
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$18,335,932	\$137,461,987	\$711,858	\$3,820,222	\$287,850	\$143,063,342	\$1,738,973	\$0	\$1,871,144	\$307,291,308	-\$234,355	\$307,056,953

Housing Authority City of Bellingham (WA025)
Bellingham, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	Project Total	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	6.1 Component Unit Discretely Presented	21.027 Coronavirus State and Local Fiscal Recovery Funds	14.238 Shelter Plus Care	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$2,272,572	\$4,776,234				\$13,150,446				\$20,199,252		\$20,199,252
70400 Tenant Revenue - Other	\$75,789	\$32,187				\$24,089			\$0	\$136,065		\$136,065
70500 Total Tenant Revenue	\$2,352,361	\$4,808,421	\$0	\$0	\$0	\$13,174,535	\$0	\$0	\$0	\$20,335,317	\$0	\$20,335,317
70600 HUD PHA Operating Grants	\$1,280,486		\$1,964,007	\$27,064,630	\$853,976					\$31,163,099		\$31,163,099
70610 Capital Grants	\$282,699									\$282,699	-\$96,196	\$186,503
70710 Management Fee									\$953,027	\$953,027	-\$953,027	\$0
70720 Asset Management Fee									\$60,840	\$60,840	-\$60,840	\$0
70730 Book Keeping Fee									\$224,993	\$224,993	-\$224,993	\$0
70740 Front Line Service Fee									\$812,130	\$812,130	-\$812,130	\$0
70750 Other Fees												
70700 Total Fee Revenue									\$2,050,990	\$2,050,990	-\$2,050,990	\$0
70800 Other Government Grants												
71100 Investment Income - Unrestricted	\$859	\$4,380,872	\$19	\$218	\$8	\$22,422			\$231	\$4,404,629		\$4,404,629
71200 Mortgage Interest Income												
71300 Proceeds from Disposition of Assets Held for Sale												
71310 Cost of Sale of Assets												
71400 Fraud Recovery			\$867	\$10,877	\$3,416					\$15,160		\$15,160
71500 Other Revenue	\$208,236	\$998,181		\$2,235		\$447,542			\$770,808	\$2,427,002	-\$211,682	\$2,215,320
71600 Gain or Loss on Sale of Capital Assets												
72000 Investment Income - Restricted						\$0				\$0		\$0
70000 Total Revenue	\$4,124,641	\$10,187,474	\$1,964,893	\$27,077,960	\$857,400	\$13,644,499	\$0	\$0	\$2,822,029	\$60,678,896	-\$2,358,868	\$58,320,028
91100 Administrative Salaries	\$265,612	\$451,240	\$75,617	\$838,527	\$12,199	\$2,762,143			\$816,536	\$5,221,874		\$5,221,874
91200 Auditing Fees	\$27,409	\$18,349	\$613	\$14,863					\$39,856	\$101,090		\$101,090
91300 Management Fee	\$442,348		\$13,185	\$161,790	\$7,248					\$624,571	-\$624,572	-\$1
91310 Book-keeping Fee	\$44,630		\$19,248	\$161,662	\$4,530					\$230,070	-\$230,070	\$0
91400 Advertising and Marketing	\$871	\$4,056		\$1,961					\$631	\$7,519		\$7,519
91500 Employee Benefit contributions - Administrative	\$29,884	\$340,134	\$30,128	\$326,235	\$4,297				-\$451,837	\$278,841		\$278,841
91600 Office Expenses	\$142,932	\$1,664,892	\$21,773	\$486,612	\$6,629				\$334,470	\$2,657,308	-\$211,682	\$2,445,626
91700 Legal Expense	\$16,028	\$12,677							\$12,951	\$41,656		\$41,656
91800 Travel	\$783	\$6,025	\$29	\$689					\$4,538	\$12,064		\$12,064
91810 Allocated Overhead												
91900 Other	\$230,059	\$129,456	\$33,901	\$411,607	\$24				\$5,917	\$810,964	-\$480,414	\$330,550
91000 Total Operating - Administrative	\$1,200,556	\$2,626,829	\$194,494	\$2,403,946	\$34,927	\$2,762,143	\$0	\$0	\$763,062	\$9,985,957	-\$1,546,738	\$8,439,219
92000 Asset Management Fee	\$0									\$0		\$0
92100 Tenant Services - Salaries		\$20,073								\$20,073		\$20,073
92200 Relocation Costs												
92300 Employee Benefit Contributions - Tenant Services		\$5,761								\$5,761		\$5,761
92400 Tenant Services - Other	\$10,386	\$17,004	\$102	\$4,140	\$21					\$31,653		\$31,653
92500 Total Tenant Services	\$10,386	\$42,838	\$102	\$4,140	\$21	\$0	\$0	\$0	\$0	\$57,487	\$0	\$57,487

Housing Authority City of Bellingham (WA025)
Bellingham, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	Project Total	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	6.1 Component Unit Discretely Presented	21.027 Coronavirus State and Local Fiscal Recovery Funds	14.238 Shelter Plus Care	COCC	Subtotal	ELIM	Total
93100 Water	\$250,681	\$10,217				\$934,709			\$204	\$1,195,811		\$1,195,811
93200 Electricity	\$231,906	\$352,033			\$1,505				\$21,220	\$606,664		\$606,664
93300 Gas	\$195,026	\$10,142								\$205,168		\$205,168
93400 Fuel												
93500 Labor												
93600 Sewer												
93700 Employee Benefit Contributions - Utilities												
93800 Other Utilities Expense	\$133,470	\$10,173							\$4,753	\$148,396		\$148,396
93000 Total Utilities	\$811,083	\$382,565	\$0	\$0	\$1,505	\$934,709	\$0	\$0	\$26,177	\$2,156,039	\$0	\$2,156,039
94100 Ordinary Maintenance and Operations - Labor	\$1,111,141	\$1,840							\$784,404	\$1,897,385		\$1,897,385
94200 Ordinary Maintenance and Operations - Materials and Other	\$313,857	\$53,253	\$265	\$4,243		\$3,525,282			\$27,930	\$3,924,830	-\$812,130	\$3,112,700
94300 Ordinary Maintenance and Operations Contracts	\$354,643	\$1,253,365							\$11,720	\$1,619,728		\$1,619,728
94500 Employee Benefit Contributions - Ordinary Maintenance	\$153,427	\$12							\$349,329	\$502,768		\$502,768
94000 Total Maintenance	\$1,933,068	\$1,308,470	\$265	\$4,243	\$0	\$3,525,282	\$0	\$0	\$1,173,383	\$7,944,711	-\$812,130	\$7,132,581
95100 Protective Services - Labor	\$41,472									\$41,472		\$41,472
95200 Protective Services - Other Contract Costs	\$11,310	\$76,194								\$87,504		\$87,504
95300 Protective Services - Other												
95500 Employee Benefit Contributions - Protective Services												
95000 Total Protective Services	\$52,782	\$76,194	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$128,976	\$0	\$128,976
96110 Property Insurance						\$1,052,406				\$1,052,406		\$1,052,406
96120 Liability Insurance	\$194,278	\$254,257	\$459	\$4,381						\$453,375		\$453,375
96130 Workmen's Compensation												
96140 All Other Insurance												
96100 Total Insurance Premiums	\$194,278	\$254,257	\$459	\$4,381	\$0	\$1,052,406	\$0	\$0	\$0	\$1,505,781	\$0	\$1,505,781
96200 Other General Expenses	\$0	\$20,378	\$4,603		\$4,870	\$252,963				\$282,814		\$282,814
96210 Compensated Absences												
96300 Payments in Lieu of Taxes												
96400 Bad debt - Tenant Rents	\$23,595		\$143	\$22,426						\$46,164		\$46,164
96500 Bad debt - Mortgages												
96600 Bad debt - Other	\$56,461			\$2,441						\$58,902		\$58,902
96800 Severance Expense												
96000 Total Other General Expenses	\$80,056	\$20,378	\$4,746	\$24,867	\$4,870	\$252,963	\$0	\$0	\$0	\$387,880	\$0	\$387,880
96710 Interest of Mortgage (or Bonds) Payable		\$2,402,945				\$4,742,870				\$7,145,815		\$7,145,815
96720 Interest on Notes Payable (Short and Long Term)												
96730 Amortization of Bond Issue Costs												
96700 Total Interest Expense and Amortization Cost	\$0	\$2,402,945	\$0	\$0	\$0	\$4,742,870	\$0	\$0	\$0	\$7,145,815	\$0	\$7,145,815
96900 Total Operating Expenses	\$4,282,209	\$7,114,476	\$200,066	\$2,441,577	\$41,323	\$13,270,373	\$0	\$0	\$1,962,622	\$29,312,646	-\$2,358,868	\$26,953,778
97000 Excess of Operating Revenue over Operating Expenses	-\$157,568	\$3,072,998	\$1,764,827	\$24,636,383	\$816,077	\$374,126	\$0	\$0	\$859,407	\$31,366,250	\$0	\$31,366,250

Housing Authority City of Bellingham (WA025)
Bellingham, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	Project Total	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	6.1 Component Unit Discretely Presented	21.027 Coronavirus State and Local Fiscal Recovery Funds	14.238 Shelter Plus Care	COCC	Subtotal	ELIM	Total
97100 Extraordinary Maintenance												
97200 Casualty Losses - Non-capitalized												
97300 Housing Assistance Payments			\$1,611,934	\$23,928,898	\$777,622			\$1,170		\$26,319,624		\$26,319,624
97350 HAP Portability-In				\$200,015						\$200,015		\$200,015
97400 Depreciation Expense	\$1,168,016	\$1,972,253					\$5,485,041		\$1,223	\$8,626,533		\$8,626,533
97500 Fraud Losses												
97600 Capital Outlays - Governmental Funds												
97700 Debt Principal Payment - Governmental Funds												
97800 Dwelling Units Rent Expense												
90000 Total Expenses	\$5,450,225	\$9,086,729	\$1,812,000	\$26,570,490	\$816,945	\$18,755,414	\$0	\$1,170	\$1,963,845	\$64,458,818	\$-2,358,868	\$62,099,950
10010 Operating Transfer In												
10020 Operating transfer Out												
10030 Operating Transfers from/to Primary Government												
10040 Operating Transfers from/to Component Unit							\$-5,265,684			\$-5,265,684		\$-5,265,684
10050 Proceeds from Notes, Loans and Bonds												
10060 Proceeds from Property Sales												
10070 Extraordinary Items, Net Gain/Loss												
10080 Special Items (Net Gain/Loss)												
10091 Inter Project Excess Cash Transfer In												
10092 Inter Project Excess Cash Transfer Out												
10093 Transfers between Program and Project - In												
10094 Transfers between Project and Program - Out												
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$-5,265,684	\$0	\$0	\$0	\$-5,265,684	\$0	\$-5,265,684
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$1,325,584	\$1,100,745	\$152,893	\$507,470	\$38,455	-\$10,376,599	\$0	-\$1,170	\$858,184	-\$9,045,606	\$0	-\$9,045,606
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$24,164,769	\$70,814,199	\$507,611	\$2,959,335	\$243,375	\$38,336,326	\$1,738,973	\$0	-\$706,274	\$138,058,314		\$138,058,314
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$5,889,518	\$5,889,518								\$0		\$0
11050 Changes in Compensated Absence Balance												
11060 Changes in Contingent Liability Balance												
11070 Changes in Unrecognized Pension Transition Liability												
11080 Changes in Special Term/Severance Benefits Liability												
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents												
11100 Changes in Allowance for Doubtful Accounts - Other												
11170 Administrative Fee Equity				\$3,466,805						\$3,466,805		\$3,466,805
11180 Housing Assistance Payments Equity				\$0						\$0		\$0
11190 Unit Months Available	6048		1848	21556	605					30057		30057
11210 Number of Unit Months Leased	5995		1753	21555	605					29908		29908
11270 Excess Cash	\$1,877,989									\$1,877,989		\$1,877,989
11610 Land Purchases	\$0								\$0	\$0		\$0
11620 Building Purchases	\$0								\$0	\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0								\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0								\$0	\$0		\$0
11650 Leasehold Improvements Purchases	\$0								\$0	\$0		\$0
11660 Infrastructure Purchases	\$0								\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0								\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0								\$0	\$0		\$0



Bellingham & Whatcom County Housing Authorities

333 N Samish Way
Bellingham, WA 98225

P.O. Box 9701
Bellingham, WA 98227

Phone: (360) 676-6887

Toll Free: (888) 585-3808

Fax: (360) 527-4630

TTY: (800) 833-6384

www.bellinghamhousing.org

Your Right to Request a Reasonable Accommodation

What is a reasonable accommodation?

If you or someone in your household has a disability, you may ask us to make reasonable changes so you have an equal opportunity to use and enjoy your housing. This may include changing a rule, policy, practice, or service; making a physical change to your unit or the property; or making changes you may need during the application process.

Some examples:

- A reserved accessible parking space
- Extra time to return paperwork or respond to a notice
- Allowing assistance animals in a property with a no-pet policy
- Grab bars, a ramp, or other changes to your unit
- Moving to a ground-floor or accessible unit
- Having a family member or advocate help you communicate with us

Who can ask?

Any applicant or resident with a disability, or someone acting on their behalf, such as a family member, caregiver, or advocate.

How do I ask?

You can ask at any time, in person, by phone, or in writing. You do not have to use a special form or the words "reasonable accommodation." We have a request form you may use if you prefer, and staff can help you fill it out.

What happens after I ask?

- We may ask for information that confirms you have a disability and explains why you need the accommodation. We will not ask about your diagnosis or the details of your medical condition.
- If your disability and your need for the accommodation are already obvious or known to us, we will not ask for verification.
- We will review your request and generally send you our written decision within 10 business days.
- If we cannot approve your request as asked, we will talk with you about other options that could meet your needs.

Your hearing and notice rights

If you receive a notice denying your application or ending your tenancy, you have the right to request a reasonable accommodation to take part in the meeting or hearing process.

Questions or requests

To request an accommodation: Contact your property manager or call our office at (360) 676-6887. TTY users may call (800) 833-6384.

If you believe you have been discriminated against, you may contact HUD's Office of Fair Housing and Equal Opportunity at 1-800-877-0246.



We do business in accordance with the Federal Fair Housing Law (Fair Housing Amendments Act of 1988). Free language assistance and reasonable accommodations are available. Call (360) 676-6887 or TTY (800) 833-6384.



**Bellingham &
Whatcom County
Housing Authorities**

333 N Samish Way
Bellingham, WA 98225

P.O. Box 9701
Bellingham, WA 98227

MEMORANDUM

TO: Board of Commissioners

FROM: Steve Grichel, Housing Programs Manager

DATE: October 20, 2026

SUBJECT: Resolution 2849 – BHA Housing Choice Voucher 2027 Payment Standards

BACKGROUND

The Housing Choice Voucher Program requires Public Housing Authorities (PHAs) to adopt payment standards based on the HUD-established Fair Market Rents (FMR) for the area. FMRs are an estimate of the 40th percentile gross rents for standard quality units, and payment standards are the maximum subsidy a PHA can pay on behalf of a family.

The Department of Housing and Urban Development (HUD) publishes Fair Market Rents (FMR) for units of various bedroom sizes. HUD authorizes PHA's to adopt program wide payment standards within 90% to 110% of the FMR.

SUMMARY

After a review of the projected 2027 program utilization/spending, BHA recommends adopting a payment standard of 100% of the FMR. Based on an analysis of tenant rent burdens using HUD's Tool of Tools, this would lower the percentage of HCV participants paying greater than 31% of their adjusted income from 17.6% in 2026 to 13.4% in 2027.

These BHA payment standards will be universal and consistent for all voucher programs administered by the Housing Authority currently, or in the future, unless superseded or amended by a subsequent resolution.

We recommend approval of Resolution 2849 approving the FY 2027 BHA Housing Choice Voucher Payment Standards that will be effective January 1, 2027.

The following resolution was brought before the Board of Commissioners for consideration:

APPROVE FY 2027 PAYMENT STANDARDS FOR ALL APPLICABLE VOUCHER PROGRAMS

WHEREAS, at least annually the Department of Housing and Urban Development (HUD) publishes Fair Market Rents (FMR) for units of various bedroom sizes; and

WHEREAS, HUD regulations generally allow Housing Authorities to set payment standards between 90% and 110% of FMR without HUD approval; and

WHEREAS, an analysis of the housing market indicates that payment standards set at 100% of the 2027 HUD FMR for all bedroom sizes will improve access to affordable housing;

WHEREAS, a detailed review of financial projections indicates sufficient funding to maximize payment standards while continuing to increase program utilization;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the City of Bellingham that the FY 2027 Housing Choice Voucher payment standards are hereby adopted in accordance with Exhibit A of this resolution, effective January 1, 2027.

DATED this 20th day of October, 2026.

Commissioner _____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by Commissioner _____, and upon roll call, the "ayes" and "nays" were as follows:

AYES

NAYS

The Chair thereupon declared the motion carried and the resolution adopted.

BY: _____
Stephen Gockley, Chair

ATTEST:

Andrew Calkins, Secretary/Treasurer

EXHIBIT A

BOARD OF COMMISSIONERS MEETING OF OCTOBER 20, 2026

FY 2027 PAYMENT STANDARDS

The comparison of HUD 2027 FMRs, BHA's proposed payment standards, and current payment standards is as follows:

	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
2026 FMR	\$1,463	\$1,493	\$1,794	\$2,495	\$3,010
Current Payment Standard (100% of FMR)	\$1,463	\$1,493	\$1,794	\$2,495	\$3,010
2027 FMR	\$1,489	\$1,529	\$1,872	\$2,545	\$3,129
Proposed Payment Standard (100% of FMR)	\$1,489	\$1,529	\$1,872	\$2,545	\$3,129
Difference between 100% for 2026 & Current	\$26	\$36	\$78	\$50	\$119



**Bellingham &
Whatcom County
Housing Authorities**

333 N Samish Way
Bellingham, WA 98225

P.O. Box 9701
Bellingham, WA 98227

MEMORANDUM

TO: Board of Commissioners

FROM: Steve Grichel, Housing Programs Manager

DATE: October 20, 2026

SUBJECT: Resolution 2850 – 2027 BHA Housing Choice Voucher Utility Allowance Schedule

BACKGROUND

Public Housing Authorities (PHA) must maintain a utility allowance schedule for (1) all tenant-paid utilities, (2) the cost of tenant-supplied refrigerators and ranges, and (3) other tenant-paid housing services such as trash collection. The utility allowance schedule is determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality.

Each year BHA solicits a third-party utility allowance update that reflects utility rate changes for the upcoming year. The Nelrod Company, an industry leader in performing utility allowance surveys for public housing authorities, performed this year's update. Nelrod uses consumption-based data to develop this schedule.

SUMMARY

Staff reviewed the proposed utility rates, paying special attention to any allowance that increased or decreased 10% or more over the 2026 schedule. Generally, electric, natural gas, garbage and water/sewer rates increased between -23% - 207%.

The proposed schedule was submitted to the public for comment August 18, 2026 – September 18, 2026.

We recommend approval of Resolution 2850 approving the FY 2027 BHA Housing Choice Voucher Utility Allowance Schedule that will be effective January 1, 2027.

RESOLUTION 2850

The following resolution was brought before the Board of Commissioners for consideration:

APPROVE FY 2027 HOUSING CHOICE VOUCHER UTILITY ALLOWANCE
SCHEDULE

WHEREAS, Department of Housing and Urban Development (HUD) regulations require review of utility allowances on a regular basis; and

WHEREAS, 24 CFR 982.517 requires review of the utility allowances at least annually; and

WHEREAS, The Nelrod Company, a third-party utility allowance survey contractor, completed the update attached in Exhibit A; and

WHEREAS, this new utility allowance schedule will begin on January 1, 2027; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the City of Bellingham, that the Housing Choice Voucher Utility Allowance Schedule, is hereby approved and made a part hereof.

DATED this 20th day of October 2026.

Commissioner _____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by Commissioner _____, and upon roll call, the "ayes", and "nays" were as follows:

AYES

NAYS

The Chair thereupon declared the motion carried and the resolution adopted.

BY: _____
Stephen Gockley, Chair

ATTEST: BY:

Andrew Calkins, Secretary/Treasurer

EXHIBIT A

BOARD OF COMMISSIONERS MEETING OF OCTOBER 20, 2026

FY 2027 HOUSING CHOICE VOUCHER UTILITY ALLOWANCE SCEHDULE

Resolution 2850, Exhibit A includes the following documents:

- The Nelrod Company's comparison of previous and current utility rates
- The Nelrod Company's proposed utility allowance schedule

Comparison of Previous and Current Utility Rates

SECTION 8 HCV PROGRAM

Birch Bay Water & Sewer District continued...

Description - Sewer	Measure	5/2025	5/2026	Amount	Percent
Sewer Minimum Charge (0-2)	per month	\$27.30	\$28.50	\$1.20	5%
Sewer Usage Charge (2.01-10 max)	per ccf	\$3.60	\$3.80	\$0.20	6%
Public Utility Tax	% of total	3.852%	3.852%	0.00	0%

City of Blaine		Rates		Difference	
Description - Water	Measure	5/2025	5/2026	Amount	Percent
Water Base Rate (0-3)	per month	\$23.62	\$27.76	\$4.14	18%
Tier-1 Water Consumption Rate (3.01-8)	per ccf	\$3.59	\$4.22	\$0.63	18%
Tier-2 Water Consumption Rate (over 8)	per ccf	\$4.99	\$5.86	\$0.87	18%
Public Utility Tax	% of total	5.029%	5.029%	0.00	0%
Description - Sewer	Measure	5/2025	5/2026	Amount	Percent
Total Monthly Charges	per month	\$146.63	\$151.18	\$4.55	4%
Public Utility Tax	% of total	3.852%	3.852%	0.00	0%

City of Everson		Rates		Difference	
Description - Water	Measure	5/2025	5/2026	Amount	Percent
Water Base Charge (0-3)	per month	\$19.69	\$20.24	\$0.55	3%
Water Usage Charge (over 3)	per ccf	\$2.62	\$2.62	\$0.00	0%
Utility Tax	% of total	6%	6%	0.00	0%
Description - Sewer	Measure	5/2025	5/2026	Amount	Percent
Sewer Base Rate (0-6)	per month	\$80.00	\$80.00	\$0.00	0%
Sewer Rate (over 6)	per ccf	\$2.00	\$2.00	\$0.00	0%
Utility Tax	% of total	6%	6%	0.00	0%

City of Ferndale (MF/SF)		Rates		Difference	
Description - Water	Measure	5/2025	5/2026	Amount	Percent
Water Base Fee (\$28.25 bi-monthly)	per month	\$13.65	\$14.13	\$0.48	4%
Tier-1 Water Consumption Fee (0 - 5)	per ccf	\$5.99	\$6.20	\$0.21	4%
Tier-2 Water Consumption Fee (5.01-7.5)	per ccf	\$6.60	\$6.83	\$0.23	4%
Tier-3 Water Consumption Fee (7.51-15)	per ccf	\$7.81	\$8.08	\$0.27	4%
Tier-4 Water Consumption Fee (over 15)	per ccf	\$9.21	\$9.53	\$0.32	4%
Description - Sewer (Multi-Family)	Measure	5/2025	5/2026	Amount	Percent
Total Monthly Charges	per month	\$47.76	\$37.05	-\$10.71	-23%
Sewer Consumption Fee	per ccf	\$11.70	\$11.70	\$0.00	0%

Continue...

Comparison of Previous and Current Utility Rates

SECTION 8 HCV PROGRAM

City of Ferndale Continued...

Description - Sewer (Single-Family)	Measure	5/2025	5/2026	Amount	Percent
Total Monthly Charges	per month	\$46.02	\$49.50	\$3.48	8%
Sewer Consumption Fee	per ccf	\$10.91	\$10.91	\$0.00	0%

Lake Whatcom Water & Sewer District		Rates		Difference	
Description - Water	Measure	5/2025	5/2026	Amount	Percent
Water Base Rate (\$94.77 bi-monthly) (0-3)	per month	\$45.35	\$47.39	\$2.04	5%
Tier-1 Water Usage Rate (3.01-12.5)	per ccf	\$12.86	\$13.44	\$0.58	5%
Tier-2 Water Usage Rate (over 12.5)	per ccf	\$16.10	\$16.82	\$0.72	5%
Public Utility Tax	% of total	5.029%	5.029%	0.00	0%
Description - Sewer	Measure	5/2025	5/2026	Amount	Percent
Sewer Service Charge (\$206.36 bi-monthly)	per month	\$99.45	\$103.18	\$3.73	4%
Public Utility Tax	% of total	3.852%	3.852%	0.00	0%

City of Lynden (Multi-Family)		Rates		Difference	
Description - Water	Measure	5/2025	5/2026	Amount	Percent
Water Base Charge	per month	\$39.02	\$40.97	\$1.95	5%
Water Volume Charge	per ccf	\$2.40	\$2.52	\$0.12	5%
Total Taxes	% of total	8.5%	8.5%	0.00	0%

City of Lynden (Single Family)		Rates		Difference	
Description - Water	Measure	5/2025	5/2026	Amount	Percent
Water Base Charge	per month	\$39.02	\$40.97	\$1.95	5%
Tier-1 Water Volume Charge (0-5)	per ccf	\$1.93	\$2.03	\$0.10	6%
Tier-2 Water Volume Charge (5.01-18)	per ccf	\$2.53	\$2.66	\$0.13	6%
Total Taxes	% of total	8.5%	8.5%	0.00	0%
Description - Sewer (MF/SF)	Measure	5/2025	5/2026	Amount	Percent
Total Monthly Charges	per month	\$74.08	\$81.11	\$7.03	10%
Public Utility Tax	% of total	3.852%	3.852%	0.00	0%

City of Nooksack		Rates		Difference	
Description - Water	Measure	5/2025	5/2026	Amount	Percent
Water Basic Rate (0-7500 5500)	per month	\$34.08	\$36.12	\$2.04	6%
Water Rate (over 7500 5500)	per 1000 gals	\$3.88	\$4.11		0%
Public Utility Tax	% of total	6%	6%		0%
Description - Sewer	Measure	5/2025	5/2026	Amount	Percent
Sewer Flat Rate	per month	\$58.88	\$67.71	\$8.83	15%
Public Utility Tax	% of total	6%	6%		0%

Tiers were restructured.

Comparison of Previous and Current Utility Rates

SECTION 8 HCV PROGRAM

Nooksack Valley Disposal & Recycling (Lynden)		Rates		Difference	
Description - Trash Collection	Measure	5/2025	5/2026	Amount	Percent
Total Monthly Charges	per month	\$14.90	\$14.90	\$0.00	0%
Total Taxes	% of total	17.4%	17.4%	0.00	0%

Sanitary Service		Rates		Difference	
Description - Trash Collection	Measure	5/2025	5/2026	Amount	Percent
Trash Collection Charge	per month	\$58.16	\$56.90	-\$1.26	-3%
Public Utility Tax	% of total	3.6%	3.6%	0.00	0%

City of Sumas		Rates		Difference	
Description - Water	Measure	5/2025	5/2026	Amount	Percent
Water Base Charge (0-6)	per month	\$10.40	\$14.00	\$3.60	35%
Water Rate (over 6)	per ccf	\$1.13	\$1.30	\$0.17	16%
Public Utility Tax	% of total	5.029%	5.029%	0.00	0%
Description - Sewer	Measure	5/2025	5/2026	Amount	Percent
Total Monthly Charges	per month	\$15.85	\$16.01	\$0.16	2%
Tier-1 Sewer Rate (0-10.6)	per ccf	\$6.368	\$6.560	\$0.192	4%
Tier-2 Sewer Rate (over 10.6)	per ccf	\$6.368	\$6.890	\$0.522	9%
Public Utility Tax	% of total	3.852%	3.852%	0.00	0%

Tiers were restructured

Comparison of Previous and Current Utility Rates

SECTION 8 HCV PROGRAM

Average Propane Fuel Rate	per gallon	\$2.77	\$2.92	\$0.15	6%
Average Sales Tax	% of total	8.8%	8.8%	0.00	0%

FUEL OIL

Description	Measure	Rates		Difference	
		5/2025	5/2026	Amount	Percent
Coleman Oil					
Fuel Rate	per gallon	\$3.92	\$4.23	\$0.31	8%
Sales Tax	% of total	8.8%	8.8%	0.00	0%

Description	Measure	Rates		Difference	
		5/2025	5/2026	Amount	Percent
Christensen Inc					
Fuel Rate	per gallon	\$4.98	\$5.35	\$0.37	8%
Sales Tax	% of total	8.8%	8.8%	0.00	0%

Average Fuel Oil Rate	per gallon	\$4.45	\$4.79	\$0.34	8%
Average Sales Tax	% of total	8.8%	8.8%	0.00	0%

WATER, SEWER & TRASH COLLECTION

Description - Water	Measure	Rates		Difference	
		5/2025	5/2026	Amount	Percent
City of Bellingham (Multi-Family)					
Water Base Rate	per month	\$41.60	\$46.59	\$4.99	12%
Water Consumption Rate	per ccf	\$2.63	\$2.95	\$0.32	13%
Public Utility Tax	% of total	5.029%	5.029%	0.00	0%
Description - Sewer	Measure	Rates		Difference	
		5/2025	5/2026	Amount	Percent
Total Monthly Charges (0-8)	per month	\$70.03	\$76.78	\$6.75	10%
Sewer Rate	per ccf	\$8.16	\$10.65	\$2.49	31%
Total Usage Charges (over 8)					
Public Utility Tax	% of total	3.852%	3.852%	0.00	0%
Description - Water	Measure	Rates		Difference	
		5/2025	5/2026	Amount	Percent
City of Bellingham (Single Family)					
Water Base Rate	per month	\$28.94	\$32.41	\$3.47	12%
Water Consumption Rate	per ccf	\$2.59	\$2.90	\$0.31	12%
Public Utility Tax	% of total	5.029%	5.029%	0.00	0%
Description - Sewer	Measure	Rates		Difference	
		5/2025	5/2026	Amount	Percent
Total Monthly Charges	per month	\$70.03	\$87.36	\$17.33	25%
Public Utility Tax	% of total	3.852%	3.852%	0.00	0%

Description - Water	Measure	Rates		Difference	
		5/2025	5/2026	Amount	Percent
Birch Bay Water & Sewer District					
Water Minimum Charge (0-2)	per month	\$14.95	\$22.40	\$7.45	50%
Tier-1 Water Usage Charge (2.01-10)	per ccf	\$4.20	\$4.45	\$0.25	6%
Tier-2 Water Usage Charge (over 10)	per ccf	\$8.00	\$8.50	\$0.50	7%
Public Utility Tax	% of total	5.029%	5.029%	0.00	0%

Continue...

Comparison of Previous and Current Utility Rates

SECTION 8 HCV PROGRAM

BELLINGHAM-WHATCOM COUNTY HOUSING AUTHORITIES, WA

NOTE: Rates in bold print indicate changes and gray print indicates removal.

(We use the absolute value of the changes which gives us the percentage of change. This is the best way to determine a 10% change in utility rates and charges.)

ELECTRICITY

UPDATE 2026

Puget Sound Energy (Sch 7)		Rates		Difference	
Description	Measure	5/2025	5/2026	Amount	Percent
Basic Charge	per month	\$7.49	\$7.49	\$0.00	0%
Tier-1 Total Energy Chgs (0-600)	per kwh	0.152653	0.187465	0.034812	23%
Tier-2 Total Energy Chgs (over 600)	per kwh	0.172070	0.206882	0.034812	21%
Public Utility Tax	% of total	3.8734%	3.8734%	0.00	0%

City of Blaine		Rates		Difference	
Description	Measure	5/2025	5/2026	Amount	Percent
Base Rate	per month	\$7.63	\$8.39	\$0.76	10%
Energy Consumption Rates	per kwh	0.085629	0.094192	0.008563	11%
Public Utility Tax	% of total	3.8734%	3.8734%	0.00	0%

City of Sumas		Rates		Difference	
Description	Measure	5/2025	5/2026	Amount	Percent
Basic Charge	per month	\$5.50	\$6.50	\$1.00	19%
Energy Rate	per kwh	0.0848	0.0890	0.0042	5%
Public Utility Tax	% of total	3.8734%	3.8734%	0.00	0%

NATURAL GAS

Cascade Natural Gas (Schedule 503)		Rates		Difference	
Description	Measure	5/2025	5/2026	Amount	Percent
Basic Service Charge	per month	\$5.50	\$6.00	\$0.50	10%
Total Energy Charges	per therm	0.53345	1.63742	1.10397	207%
Municipal Taxes	% of total	6.383%	6.383%	0.00	0%

BOTTLE GAS/PROPANE

Northwest Propane		Rates		Difference	
Description	Measure	5/2025	5/2026	Amount	Percent
Fuel Rate	per gallon	\$2.53	\$2.67	\$0.14	6%
Sales Tax	% of total	8.8%	8.8%	0.00	0%

Vanderyacht Propane		Rates		Difference	
Description	Measure	5/2025	5/2026	Amount	Percent
Fuel Rate	per gallon	\$3.01	\$3.16	\$0.15	5%
Sales Tax	% of total	8.8%	8.8%	0.00	0%

Utility Allowance Schedule

See Public Reporting and Instructions on back.

U.S. Department of Housing and Urban
Development

Office of Public and Indian Housing

OMB Approval No. 2577-0169

(exp. 04/30/2026)

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Locality/PHA Bellingham-Whatcom County Housin Authorities, WA		Unit Type: Multi-Family (Apartment)					Date (mm/dd/yyyy) 01/01/2027
Utility of Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas <i>(Includes Monthly Charge)</i>	\$45.00	\$52.00	\$60.00	\$67.00	\$74.00	\$81.00
	Bottle Gas	\$76.00	\$89.00	\$108.00	\$121.00	\$137.00	\$149.00
	Electric <i>(avg)</i>	\$20.00	\$23.00	\$31.00	\$40.00	\$48.00	\$56.00
	Electric Heat Pump <i>(avg)</i>	\$18.00	\$21.00	\$25.00	\$28.00	\$31.00	\$34.00
	Fuel Oil	\$99.00	\$120.00	\$136.00	\$156.00	\$172.00	\$193.00
Cooking	Natural Gas	\$5.00	\$5.00	\$9.00	\$10.00	\$14.00	\$16.00
	Bottle Gas	\$10.00	\$10.00	\$16.00	\$22.00	\$29.00	\$32.00
	Electric <i>(avg)</i>	\$5.00	\$6.00	\$9.00	\$12.00	\$15.00	\$17.00
Other Electric	<i>(avg)</i> <i>(Includes Monthly Charges)</i>	\$28.00	\$31.00	\$40.00	\$49.00	\$58.00	\$68.00
Water Heating	Natural Gas	\$12.00	\$14.00	\$19.00	\$26.00	\$31.00	\$38.00
	Bottle Gas	\$25.00	\$29.00	\$38.00	\$51.00	\$64.00	\$76.00
	Electric <i>(avg)</i>	\$28.00	\$31.00	\$40.00	\$49.00	\$58.00	\$68.00
	Fuel Oil	\$31.00	\$36.00	\$52.00	\$68.00	\$83.00	\$99.00
Water		See Attached Water, Sewer, & Trash Collection Schedule					
Sewer							
Trash Collection							
Range/Microwave		\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Refrigerator		\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00
Actual Family Allowances -May be used by the family to compute allowance while searching for a unit.					Utility/Service/Appliance	Allowance	
					Heating		
Head of Household Name					Cooking		
					Other Electric		
					Air Conditioning		
					Water Heating		
Unit Address					Water		
					Sewer		
					Trash Collection		
					Other		
Number of Bedrooms					Range/Microwave		
					Refrigerator		
					Total		



adapted from form HUD-52667

(04/2023)

Utility Allowance Schedule

See Public Reporting and Instructions on back.

U.S. Department of Housing and Urban
Development

Office of Public and Indian Housing

OMB Approval No. 2577-0169

(exp. 04/30/2026)

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Locality/PHA Bellingham-Whatcom County Housin Authorities, WA		Unit Type Single-Family (Detached House)				Date (mm/dd/yyyy) 01/01/2027	
Utility of Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas <i>(Includes Monthly Charge)</i>	\$62.00	\$73.00	\$83.00	\$93.00	\$104.00	\$114.00
	Bottle Gas	\$111.00	\$130.00	\$152.00	\$175.00	\$194.00	\$216.00
	Electric <i>(avg)</i>	\$46.00	\$54.00	\$63.00	\$72.00	\$82.00	\$91.00
	Electric Heat Pump <i>(avg)</i>	\$25.00	\$30.00	\$35.00	\$39.00	\$44.00	\$48.00
	Fuel Oil	\$146.00	\$167.00	\$198.00	\$224.00	\$250.00	\$276.00
Cooking	Natural Gas	\$5.00	\$5.00	\$9.00	\$10.00	\$14.00	\$16.00
	Bottle Gas	\$10.00	\$10.00	\$16.00	\$22.00	\$29.00	\$32.00
	Electric <i>(avg)</i>	\$5.00	\$6.00	\$9.00	\$12.00	\$15.00	\$17.00
Other Electric	<i>(avg)</i> <i>(Includes Monthly Charges)</i>	\$37.00	\$42.00	\$55.00	\$69.00	\$82.00	\$96.00
Air Conditioning	<i>(avg)</i>						
Water Heating	Natural Gas	\$14.00	\$17.00	\$24.00	\$31.00	\$40.00	\$47.00
	Bottle Gas	\$29.00	\$35.00	\$48.00	\$64.00	\$79.00	\$92.00
	Electric <i>(avg)</i>	\$37.00	\$42.00	\$55.00	\$69.00	\$82.00	\$96.00
	Fuel Oil	\$36.00	\$42.00	\$63.00	\$83.00	\$104.00	\$120.00
Water		See Attached Water, Sewer & Trash Collection Schedule					
Sewer							
Trash Collection							
Range/Microwave		\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Refrigerator		\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00
Actual Family Allowances -May be used by the family to compute allowance while searching for a unit.					Utility/Service/Appliance	Allowance	
Head of Household Name					Heating		
					Cooking		
					Other Electric		
					Air Conditioning		
Unit Address					Water Heating		
					Water		
					Sewer		
					Trash Collection		
					Other		
Number of Bedrooms					Range / Microwave		
					Refrigerator		
					Total		



adapted from form HUD-52667

(04/2023)

BELLINGHAM-WHATCOM COUNTY HOUSING AUTHORITIES, WA

Water, Sewer and Trash Collection

Section 8 HCV Utility Allowances

All Building Types

		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
City of Bellingham	Water (MF)	\$64.00	\$64.00	\$71.00	\$77.00	\$83.00	\$89.00
	Water (SF)	\$49.00	\$49.00	\$55.00	\$62.00	\$68.00	\$74.00
	Sewer (MF)	\$80.00	\$80.00	\$80.00	\$91.00	\$113.00	\$135.00
	Sewer (SF)	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00
Birch Bay Water & Sewer District	Water	\$37.00	\$38.00	\$47.00	\$56.00	\$70.00	\$88.00
	Sewer	\$41.00	\$41.00	\$49.00	\$57.00	\$61.00	\$61.00
City of Blaine	Water	\$37.00	\$38.00	\$47.00	\$58.00	\$70.00	\$82.00
	Sewer	\$157.00	\$157.00	\$157.00	\$157.00	\$157.00	\$157.00
City of Everson	Water	\$26.00	\$27.00	\$33.00	\$38.00	\$44.00	\$49.00
	Sewer	\$85.00	\$85.00	\$87.00	\$91.00	\$95.00	\$100.00
City of Ferndale	Water	\$44.00	\$45.00	\$59.00	\$74.00	\$91.00	\$107.00
	Sewer (MF)	\$93.00	\$96.00	\$119.00	\$143.00	\$166.00	\$190.00
	Sewer (SF)	\$102.00	\$104.00	\$126.00	\$148.00	\$170.00	\$192.00
Lake Whatcom Water & Sewer District	Water	\$75.00	\$78.00	\$107.00	\$135.00	\$163.00	\$193.00
	Sewer	\$107.00	\$107.00	\$107.00	\$107.00	\$107.00	\$107.00
City of Lynden	Water (MF)	\$58.00	\$58.00	\$64.00	\$69.00	\$75.00	\$80.00
	Water (SF)	\$55.00	\$56.00	\$61.00	\$67.00	\$73.00	\$79.00
	Sewer	\$84.00	\$84.00	\$84.00	\$84.00	\$84.00	\$84.00
City of Nooksack Nooksack Valley Disposal & Recycling	Water	\$38.00	\$38.00	\$38.00	\$44.00	\$50.00	\$57.00
	Sewer	\$72.00	\$72.00	\$72.00	\$72.00	\$72.00	\$72.00
	Trash	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00
Sanitary Service	Trash	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00
City of Sumas	Water	\$15.00	\$15.00	\$16.00	\$19.00	\$22.00	\$24.00
	Sewer	\$49.00	\$51.00	\$64.00	\$78.00	\$92.00	\$106.00



adapted from form HUD-52667

(04/2023)



**Bellingham &
Whatcom County
Housing Authorities**

333 N Samish Way
Bellingham, WA 98225

P.O. Box 9701
Bellingham, WA 98227

MEMORANDUM

TO: Board of Commissioners

FROM: Robyn Weber, Affordable Housing Program Manager

DATE: October 20, 2026

SUBJECT: Resolution 2851 – BHA Public Housing Utility Allowance and Flat Rent Schedule

BACKGROUND

Public Housing Authorities (PHAs) are responsible for establishing allowances for utilities purchased directly by residents from utility providers and review them annually. These allowances represent amounts the PHA determines necessary to cover the resident's reasonable utility costs and are fixed dollar amounts that are deducted from a residents' monthly rent.

HUD also requires PHAs to allow families residing in public housing a choice of rent annually. The choice is based on either the family's income or is a "flat rent" amount between 80-100% of the fair market rents for the PHA's jurisdiction as determined by HUD.

Each year BHA solicits a third-party utility allowance update that reflects utility rate changes, considering any applicable property modernization that occurred over the year. The Nelrod Company, an industry leader in performing utility allowance surveys for public housing authorities, performed this year's update. Nelrod uses a mix of consumption-based data, as well as an engineering approach that factors in specific unit features such as unit size, structure type and equipment.

SUMMARY

Staff reviewed the proposed utility rates, paying special attention to any allowance that increased or decreased 10% or more over the 2026 schedule. Generally, electric, gas, garbage and water/sewer rates increased between -3% - 31%, resulting in a \$33 - 64 per month increase to the tenant's utility allowance, depending on their property and unit of residence.

The flat rent schedule is proposed using 80% of the fair market rent.

The proposed schedule was submitted to the public for comment August 18, 2026 – September 18, 2026.

We recommend approval of Resolution 2851 approving the FY 2027 BHA Public Housing Utility Allowance and Flat Rent Schedule that will be effective January 1, 2027.

RESOLUTION 2851

The following resolution was brought before the Board of Commissioners for consideration:

FY 2027 PUBLIC HOUSING UTILITY ALLOWANCES AND FLAT RENT
SCHEDULE

WHEREAS, Public Housing Authorities (PHA) must establish allowances for utilities purchased directly by the resident from a utility supplier; and

WHEREAS, 24 CFR 965.5050 requires review of the utility allowances at least annually; and

WHEREAS, The Nelrod Company, a third-party utility allowance survey contractor, completed the update attached in Exhibit A; and

WHEREAS, the proposed study was posted as required to notify residents of the anticipated increases in conformance with HUD requirements; and

WHEREAS, the Public Housing flat rent schedule has been updated to reflect the new utility allowance schedule and current HUD Fair Market Rent; and

WHEREAS, this new utility allowance schedule will begin on January 1, 2027; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the City of Bellingham that the Public Housing utility allowance and flat rent schedule, are hereby approved, attached hereto and made a part hereof.

DATED this 20th day of October, 2026.

Commissioner _____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by Commissioner _____, and upon roll call, the “ayes”, and “nays” were as follows:

AYES

NAYS

The Chair thereupon declared the motion carried and the resolution adopted.

BY: _____
Stephen Gockley, Chair

ATTEST: BY:

Andrew Calkins, Secretary/Treasurer

EXHIBIT A

BOARD OF COMMISSIONERS MEETING OF OCTOBER 20, 2026

FY 2027 PUBLIC HOUSING UTILITY ALLOWANCE AND FLAT RENT SCEHDULE

Resolution 2851, Exhibit A includes the following documents:

- The Nelrod Company's proposed monthly utility allowances
- The Nelrod Company's comparison of previous and current utility rates
- BHA's 2027 Public Housing utility allowance and flat rent schedule
- BHA's 2026 vs. 2027 utility allowance and flat rent comparison



BELLINGHAM/WHATCOM COUNTY HOUSING AUTHORITIES, WA
CITY OF BELLINGHAM

PUBLIC HOUSING

PROPOSED MONTHLY UTILITY ALLOWANCES

Chart 1

UPDATE 2026

Building Type: Semi-Detached/Duplex

Falls Park Homes, Parkway Homes (EE Equip:Win-V,Ins)	0BR	1BR	2BR	3BR	4BR	5BR
Electricity (L&A,C)			\$83.00	\$94.00		
Natural Gas (H,WH)			\$80.00	\$84.00		
Totals			\$163.00	\$178.00		

Building Type: Semi-Detached/Duplex

Hillside Homes (All Electric) (EE Equip:Win,Ins)	0BR	1BR	2BR	3BR	4BR	5BR
Electricity (L&A,H,WH,C)			\$207.00	\$228.00		

Building Type: Detached House

Hillside Homes (All Electric) (EE Equip:Win,Ins)	0BR	1BR	2BR	3BR	4BR	5BR
Electricity (L&A,H,WH,C)			\$275.00	\$306.00		

Building Type: Semi-Detached/Duplex

Texas Meadows (All Electric) (EE Equip: Win-V,Ins)	0BR	1BR	2BR	3BR	4BR	5BR
Electricity (L&A,H,WH,C)			\$241.00	\$266.00		

Building Type: Semi-Detached/Duplex

Trailside Homes (All Electric) (EE Equip: Ins)	0BR	1BR	2BR	3BR	4BR	5BR
Electricity (L&A,H,WH,C)			\$191.00	\$234.00		

A monthly average cost of the summer and winter adjustments were used for the electric and natural gas costs where applicable.

L&A= Lights & Appliances

EE Equip= Energy Efficient Equipment

H= Space Heating

Win= Windows

WH= Water Heating

Ins= Insulation

C= Cooking

Note: Public Housing utility allowances are calculated similar to the method used by each utility provider. These allowances are not calculated by end use (like Section 8 HCV), but by total usage for each utility type. Utility providers' monthly charges are included in the calculations.

BELLINGHAM/WHATCOM COUNTY HOUSING AUTHORITIES, WA
CITY OF BELLINGHAM
PUBLIC HOUSING

COMPARISON OF CURRENT AND PROPOSED UTILITY ALLOWANCES

Chart 3

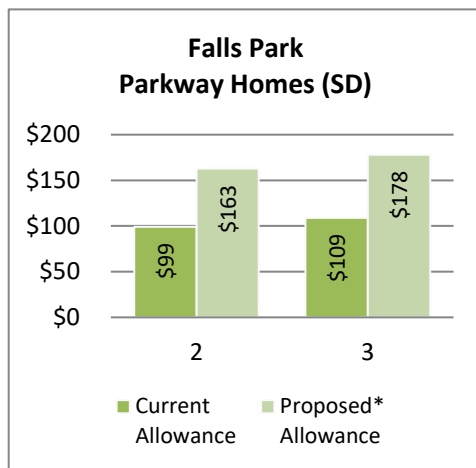
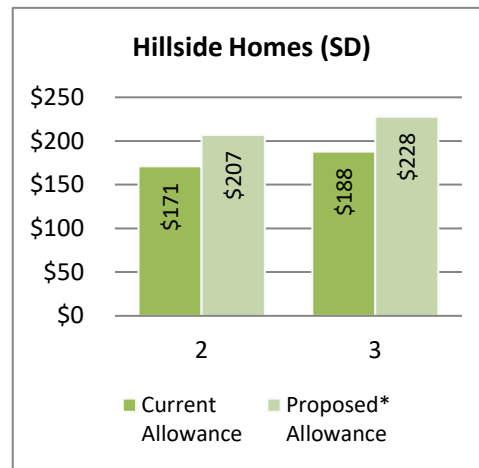
UPDATE 2026

Development	Bedroom Size	Current Allowance	Proposed* Allowance	Difference**
Falls Park Homes, Parkway Homes	2	\$99.00	\$163.00	\$64.00
	3	\$109.00	\$178.00	\$69.00
Hillside Homes (All Electric) (Semi-Detached)	2	\$171.00	\$207.00	\$36.00
	3	\$188.00	\$228.00	\$40.00
Hillside Homes (All Electric) (Detached House)	2	\$228.00	\$275.00	\$47.00
	3	\$254.00	\$306.00	\$52.00
Texas Meadows (All Electric)	2	\$200.00	\$241.00	\$41.00
	3	\$221.00	\$266.00	\$45.00
Trailside Homes (All Electric)	2	\$158.00	\$191.00	\$33.00
	3	\$194.00	\$234.00	\$40.00

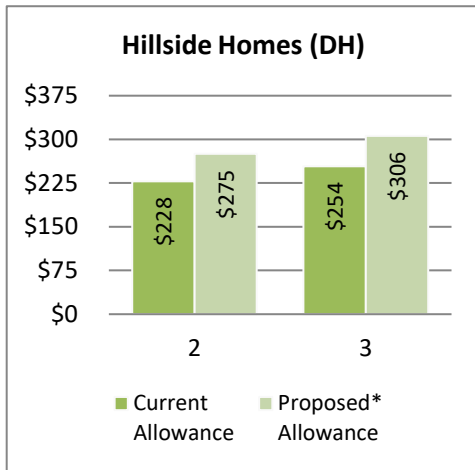
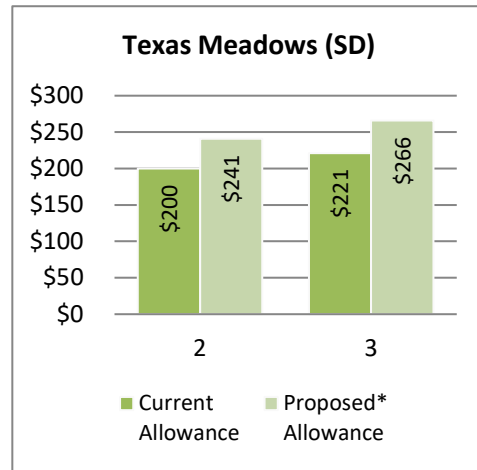
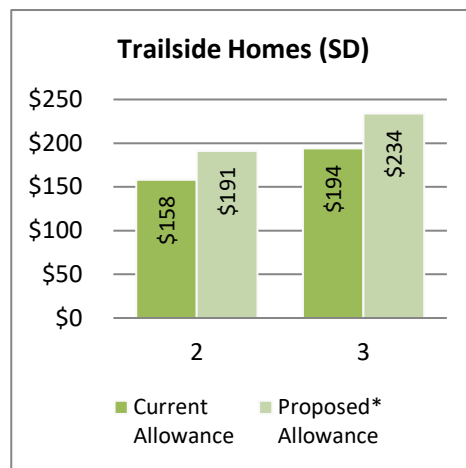
Proposed allowances include the average for electric and natural gas summer and winter months.

*Proposed allowances were rounded to the nearest dollar.

**After rounding.



BELLINGHAM/WHATCOM COUNTY HOUSING AUTHORITIES, WA
CITY OF BELLINGHAM
PUBLIC HOUSING



Public Housing Flat Rent and Utility Allowance Schedule
Effective 1/1/2027

Property	Building Type	Utility Type	Unit Size	Unit	2027 UA	2027 FMR	80% of FMR	Flat Rent with UA Adjustment
Parkway Homes	Semi-detached/ duplex	Electricity & Natural Gas	2-bdrm	1800B 1802A/B 1804A/B 1806A/B 1810A/B 1812A/B 1814A 1816A/B 1820A/B 1822A/B	163	1,794	1,435	1,272
	Semi-detached/ duplex	Electricity & Natural Gas	3-bdrm	1800A 1808A/B 1814B 1824A/B	178	2,495	1,996	1,818
Falls Park	Semi-detached/ duplex	Electricity & Natural Gas	2-bdrm	3603A/B 3605B 3607B 3609A/B 3611B 3613B 3615A/B 3617B 3619A/B 3621A/B 3623A/B 3625A 3627A/B 3629A	163	1,794	1,435	1,272
	Semi-detached/ duplex	Electricity & Natural Gas	3-bdrm	3605A 3607A 3611A 3613A 3617A 3625B 3629B	178	2,495	1,996	1,818
Texas Meadows	Semi-detached/ duplex	All Electric	2-bdrm	1602A/B 1606A/B 1610A/B 1612A/B 1614A/B 1616A/B 1618A/B 1620A/B 1622A/B 1628A/B	241	1,794	1,435	1,194
	Semi-detached/ duplex	All Electric	3-bdrm	1600A/B 1604A/B 1624B 1626A/B	266	2,495	1,996	1,730
Hillside Homes	Semi-detached/ duplex	All Electric	2-bdrm	2140 2144 2150 2154 2156 2164 2168 2172 2176 2178 2182 2188	207	1,794	1,435	1,228
	Semi-detached/ duplex	All Electric	3-bdrm	2142 2146 2148 2152 2158 2162 2166 2170 2174 2180 2184 2186	228	2,495	1,996	1,768
Trailside	Semi-detached/ duplex	All Electric	2-bdrm	2620 2628	191	1,794	1,435	1,244
	Semi-detached/ duplex	All Electric	3-bdrm	2622 2626	234	2,495	1,996	1,762
Birches	Semi-detached/ duplex	Natural Gas	2-bdrm	102A/B 104A/B 107A/B 110A/B 113A/B	382	1,794	1,435	1,053
	Semi-detached/ duplex	Natural Gas	3-bdrm	101A/B 103A/B 105A/B 108A/B 114A/B 115A/B 116A/B	431	2,495	1,996	1,565
	Semi-detached/ duplex	Natural Gas	4-bdrm	106A/B 109A/B	499	3,010	2,408	1,909
	Detached House	Natural Gas	4-bdrm	111 112	444	3,010	2,408	1,964

Baycrest	Detached House	Electricity & Natural Gas	3-bdrm	4660 4661 4662 4663 4664 4665 4667 4669 4671 4673 4675 4676 4677 4678 4679 4680 4681	230	2,495	1,996	1,766
	Detached House	Electricity & Natural Gas	4-bdrm	4670	249	3,010	2,408	2,159
Bay Townhouses	Row House/Townhouse	All Electric	3-bdrm	732 744 748	234	2,495	1,996	1,762
Seamist	Row House/Townhouse	All Electric	3-bdrm	1111 1117 1123 1129 1135 1141 1147 1153 1159 1165 1171 1177	241	2,495	1,996	1,755
Lincoln, Washington, Chuckanut	Highrise	All Electric	0-bdrm		0	1,463	1,170	1,170
			1-bdrm		0	1,493	1,194	1,194
			2-bdrm		0	1,794	1,435	1,435



BELLINGHAM/WHATCOM COUNTY HOUSING AUTHORITIES

Administrative Offices: 208 Unity Street, Lower Level, Bellingham, WA

Mailing Address: PO Box 9701, Bellingham, WA 98227-9701

Tel: (360) 676-6887 Fax: (360) 527-4646 Tty: (360) 527-4655

SUMMARY OF VOUCHERS AND CASH DISBURSEMENTS FOR BELLINGHAM/WHATCOM COUNTY HOUSING AUTHORITY

Vouchers audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified by RCW 42.24.090, have been recorded on a listing which has been made available to the board.

As of this date **10/20/2026** the board, by (unanimous, majority) vote, does approve for payment those vouchers and the cash disbursements for the month **September 2026** described as follows:

Funds	Voucher Numbers	
Payroll 08/05/26:	<u>6935</u> to <u>6991</u>	\$ <u>163,515.60</u>
Payroll 08/22/26:	<u>7001</u> to <u>7057</u>	\$ <u>175,598.90</u>
BHA – Public Housing:	<u>2141</u> to <u>2156</u>	\$ <u>107,374.55</u>
Direct Deposit Checks	<u>1370</u> to <u>1378</u>	\$ <u>742.00</u>
Central Office/Maint. Fund:	<u>33326</u> to <u>33424</u>	\$ <u>290,960.56</u>
Direct Deposit Checks	<u>104</u> to <u>116</u>	\$ <u>289,245.11</u>
Section 8 Vouchers:	<u>133872</u> to <u>134216</u>	\$ <u>849,261.52</u>
Direct Deposit Checks	<u>90434</u> to <u>90596</u>	\$ <u>1,509,383.80</u>
BHA/Local Fund:	<u>10665</u> to <u>10693</u>	\$ <u>320,056.53</u>
Direct Deposit Checks	<u>133</u> to <u>135</u>	\$ <u>367,758.00</u>
WCHA – Public Housing:	<u>7777</u> to <u>7781</u>	\$ <u>8,194.80</u>
Direct Deposit Checks	<u>937</u> to <u>940</u>	\$ <u>524.00</u>
WC/Local Fund:	<u>104</u> to <u>105</u>	\$ <u>1,386.69</u>
Direct Deposit Checks	<u>0</u> to <u>0</u>	\$ <u>2.73</u>
*Misc. ACH & Wire Transfers	<u>JV 26046</u> to <u>JV 26046</u>	\$ <u>-4,416.03</u>

Chair

*Reference attachments are hereto. Supporting documents available upon request.

BELLINGHAM HOUSING AUTHORITY
Board of Commissioners Regular Meeting
September 15, 2026

The Board of Commissioners of Bellingham Housing Authority (“BHA”) held a regular meeting on Tuesday, September 15, 2026 in a hybrid format. The meeting was called to order at 1:25 p.m. by Board Chair Gockley, followed by roll call. Chair Gockley declared a quorum present and the meeting opened for business.

ROLL CALL/QUORUM

Present:

Commissioner Valerie Billmire
Commissioner Stephen Gockley
Commissioner Steven Price

Absent & Excused:

Commissioner Terry Bornemann
Commissioner Alana Pattermann

BWCHA Staff Presenters:

Lindsay Burmeister, Executive Services/HR Manager
Andrew Calkins, Executive Director
Tony Casale, Director of Development
Steve Grichel, Housing Programs Manager
Robyn Weber, Affordable Housing Programs Manager

Guest Presenters:

None

PUBLIC COMMENT AND RESIDENT INPUT

Christina Gomez, Varsity Village Resident – Is concerned about how disabled residents are treated when they are going through changes in household composition, income, housing, or transfer needs. Does not feel that she received clear and consistent information about reasonable accommodations.

A. REPORTS

1. Executive Director Report: Attached to the Agenda
Executive Director Andrew Calkins presented the Executive Director’s Report
2. BHA Quarterly Financial Report: Attached to the Agenda
Executive Director Andrew Calkins introduced the BHA Quarterly Financial Report and asked the commissioners if they had any questions regarding the content of that report. Commissioners had no questions.
3. Quarterly Development Report: Attached to the Agenda
Director of Development Tony Casale presented the quarterly Development Report.
4. Low Income Housing Tax Credit (LIHTC) Portfolio Report: Attached to the Agenda
Asset Manager Myrriah Train presented a LIHTC update, providing an update on the Low Income Housing Tax Credit Properties.

B. HEARINGS / ACTION ITEMS:

RECESS THE PUBLIC MEETING AND OPEN A PUBLIC HEARING OF INTENT TO APPROVE RESOLUTION 2845, FY 2027 BHA PHA PLAN

PUBLIC HEARING

Public Hearing: Intent to Approve Resolution 2845, FY 2027 BHA PHA Plan

Public Comment and Resident Input:
None

CLOSE THE PUBLIC HEARING ON INTENT TO APPROVE RESOLUTION 2845, FY 2027 BHA PHA PLAN

1. Resolution 2845: Approve BHA PHA Action Plan ([Link to doc](#))

Housing Programs Manager Steve Grichel provided an overview of resolution 2845.

Approve Resolution 2845

Commissioner Billmire moved to approve the motion

Commissioner Price seconded the motion and Chair Gockley called the vote.

AYES:
Commissioner Valerie Billmire
Commissioner Stephen Gockley
Commissioner Steven Price

RECESS THE PUBLIC MEETING AND OPEN A PUBLIC HEARING OF INTENT TO APPROVE RESOLUTION 2846, BHA PUBLIC HOUSING 2026-2030 CAPITAL FUND 5-YEAR ACTION PLAN

PUBLIC HEARING

Public Hearing: BHA Public Housing 2026-2030 Capital Fund 5-year Intent to Approve Resolution 2846, FY 2027 BHA PHA Plan

Public Comment and Resident Input:
None

CLOSE THE PUBLIC HEARING ON INTENT TO APPROVE RESOLUTION 2846, BHA PUBLIC HOUSING 2026-2030 CAPITAL FUND 5-YEAR ACTION PLAN

2. Resolution 2846: Approve BHA Public Housing 2026-2030 Capital Fund 5-Year Action Plan

Director of Development Tony Casale provided an overview of resolution 2846.

Approve Resolution 2846

Commissioner Price moved to approve the motion

Commissioner Billmire seconded the motion and Chair Gockley called the vote.

AYES: Commissioner Valerie Billmire
Commissioner Stephen Gockley
Commissioner Steven Price

C. ADDITIONAL DISCUSSION / ACTION ITEMS

1. Resolution 2847: Authorize Issuance of Revenue Bond to Make a Loan to Ubuntu Housing Partners LLLP

Director of Development Tony Casale provided an overview of resolution 2847.

Approve Resolution 2847

Commissioner Billmire moved to approve the motion

Commissioner Price seconded the motion and Chair Gockley called the vote.

AYES: Commissioner Valerie Billmire
Commissioner Stephen Gockley
Commissioner Steven Price

2. Resolution 2848: Authorize the Lease of Property to Ubuntu Housing Partners LLLP

Director of Development Tony Casale provided an overview of resolution 2848.

Approve Resolution 2848

Commissioner Price moved to approve the motion

Commissioner Billmire seconded the motion and Chair Gockley called the vote.

AYES: Commissioner Valerie Billmire
Commissioner Stephen Gockley
Commissioner Steven Price

3. Nomination for Chair and Vice Chair (November 2026 – October 2027)

Commissioner Price nominated Valerie Billmire for Chair and Stephen Gockley for Vice Chair.

D. CONSENT ITEMS

Commissioner Billmire moved to approve the Consent Agenda as follows:

Motion: Approve Cash Disbursement/Vouchers for the Months of August 2026.

Motion: Approve Minutes for the August 2026 Regular BHA Board meeting.

Motion: Approve BOC Meetings Calendar (January 2027 – December 2027)

Commissioner Price seconded the motion and Chair Gockley called the vote.

AYES: Commissioner Valerie Billmire
Commissioner Stephen Gockley
Commissioner Steven Price

NAYES: None

E. COMMISSIONER UPDATES

None

F. EXECUTIVE SESSION

The Board entered Executive Session at 2:33pm pursuant to RCW 42.30.110(1)(f) to receive and evaluate complaints or charges brought against a public officer or employee;

No official action took place during the executive session.

Executive session adjourned at 3:15pm and Public Session was re-opened.

Motion 1: Commissioner Price made the following motion designating the Board of Commissioners' representatives to direct the Board's response to an internal personnel matter.

I move that the BWCHA Board of Commissioners authorize Stephen Gockley, Board Chair, and Valerie Billmire, Board Vice-Chair, as its representatives, acting jointly if possible or individually if needed, to direct activities on behalf of the Board in responding to an internal personnel matter currently before the Board, including engaging professional resources as they deem necessary, incurring related costs, and making decisions to implement reasonable steps in developing a fair and thorough response to the above matter. I further move that the Board of Commissioners approve all actions taken to date by Commissioners Gockley and Billmire for these purposes and hereafter require Commissioners Gockley and Billmire to provide the Board with interim status reports on the above matter every monthly Board meeting.

Commissioner Billmire seconded the motion and Chair Gockley called the vote.

AYES: Commissioner Valerie Billmire
Commissioner Stephen Gockley
Commissioner Steven Price

NAYES: None

Motion 2: Commissioner Price made the following motion establishing a Schedule for the Board of Commissioners Annual Performance Review of the Executive Director / CEO

I move that the BWCHA Board of Commissioners approve a schedule for its annual performance review for the Executive Director/CEO that initiates that review for 2026 in January 2027 and, for subsequent years, initiates that review in November, starting in November 2027.

Commissioner Billmire seconded the motion and Chair Gockley called the vote.

AYES: Commissioner Valerie Billmire
Commissioner Stephen Gockley
Commissioner Steven Price

NAYES: None

G. ADJOURNMENT

The public meeting was adjourned at 3:20PM

Respectfully Submitted,

**Andrew Calkins,
Secretary/Treasurer**

ATTEST:

**Stephen Gockley,
Chair, Board of Commission**

**January 2026 – December 2026 Regular Meeting Schedule of the
Bellingham Whatcom County Housing Authorities Board of Commissioners**

<u>Date and Time</u>	<u>Locations</u>
Tuesday, January 20, 2026 CANCELLED	N/A
Tuesday, February 17, 2026 1:00PM	BWCHA Administrative Building 321 N. Samish Way & Hybrid via Zoom
Tuesday, March 17, 2026 1:00PM	BWCHA Administrative Building 321 N. Samish Way & Hybrid via Zoom
Tuesday, April 21, 2026 1:00PM	BWCHA Administrative Building 321 N. Samish Way & Hybrid via Zoom
Tuesday, May 19, 2026 1:00PM	BWCHA Administrative Building 321 N. Samish Way & Hybrid via Zoom
Tuesday, June 16, 2026 1:00PM	BWCHA Administrative Building 321 N. Samish Way & Hybrid via Zoom
Tuesday, July 21, 2026 CANCELLED	N/A
Tuesday, August 18, 2026 1:00PM	BWCHA Administrative Building 321 N. Samish Way & Hybrid via Zoom
Tuesday, September 15, 2026 1:00PM	BWCHA Administrative Building 321 N. Samish Way & Hybrid via Zoom
*Tuesday, October 20, 2026 1:00PM	BWCHA Administrative Building 321 N. Samish Way & Hybrid via Zoom
Tuesday, November 17, 2026 1:00PM	BWCHA Administrative Building 321 N. Samish Way & Hybrid via Zoom
Tuesday, December 15, 2026 1:00PM	BWCHA Administrative Building 321 N. Samish Way & Hybrid via Zoom

**Notice will be provided if there are changes in dates, times or locations
of any of the above noted meetings.**

*Annual Meeting/Elections

To Watch the Meetings

The Board of Commissioners conduct meetings in a hybrid format to allow for remote participation. Members of the public may join by phone, join by zoom, or watch in person at the BWCHA Board Room located at 321 N. Samish Way, Bellingham.

To Join the Meeting (Members of the Public)

Webinar ID: 868 2734 6793

[Click Here to Join on Computer, Tablet, or Smart Phone](#)

(data rates may apply)

To Join via Phone:

(phone service provider rates may apply)

(253) 215-8782 (Tacoma); (206) 337-9723 (Seattle)

(669) 900-6833 (Portland); (971) 247-1195 (Phoenix); (346) 248-7799 (San Jose)

To Submit Public Comment

Those who wish to provide public comment may present the comment in person at the meeting, or send direct e-mail to publiccomment@bellinghamhousing.org or by mail at PO Box 9701 Bellingham, WA 98227, no later than 5pm on the Monday prior to the meeting.

**January 2027 – December 2027 Regular Meeting Schedule of the
Bellingham Whatcom County Housing Authorities Board of Commissioners**

<u>Date and Time</u>	<u>Locations</u>
Tuesday, January 19, 2027 1:00PM	BWCHA Administrative Building 321 N. Samish Way & Hybrid via Zoom
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**Tuesday, December 14, 2027 1:00PM	BWCHA Administrative Building 321 N. Samish Way & Hybrid via Zoom

**Notice will be provided if there are changes in dates, times or locations
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*Annual Meeting/Elections

**Second Tuesday of the Month

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Annual Board of Commissioners 2026 Meeting Calendar
Bellingham Housing Authority & Housing Authority of Whatcom County

January	February	March
Reports Meeting Cancelled	Reports Quarterly: LIHTC Portfolio Quarterly: Operations Approve HUD SEMAP Certification	Reports Quarterly: Development
Discussion/Action	Discussion/Action SEMAP Review Agency Salaries, co-premiums, CBA	Discussion/Action
April	May	June
Reports Quarterly: Operations Quarterly: Q4 Finance Report	Reports Quarterly: LIHTC Portfolio Quarterly: Q1 Finance Report	Reports Quarterly: Development Bi-Annual: IT Report
Discussion/Action New/Renewing Commissioners	Discussion/Action	Discussion/Action ED Annual Performance Evaluation
July	August	September
Reports Meeting Cancelled	Reports Quarterly: LIHTC Portfolio Annual: HR Safety Report Quarterly: Operations	Reports Quarterly: Development, LIHTC Portfolio and Q2 Finance Report Utility Allowance & PH Flat Rent Schedule HCV Payment Standards
Discussion/Action	Discussion/Action Review PHA Plan Set Public Hearing Date	Discussion/Action Agency Plan Public Hearing Nominate Officers Preliminary 2026- 2027 Board Schedule
October	November	December
Reports Quarterly: Operations Quarterly: Agency 2027 Budget Process FY2025 Audit Exit (Invite SAO)	Reports Quarterly: LIHTC Portfolio Quarterly: Q3 Finance Report ED Annual Performance Evaluation 2027	Reports Quarterly: Development Bi-Annual: IT Report
Discussion/Action Elect Chair & Vice-Chair	Discussion/Action Agency 2027 Budget Adoption Maintenance Schedule of Charges	Discussion/Action Flexible Spending Budget Variances Agency Salaries, co-premiums, CBA

New and changed items are in blue

Annual Board of Commissioners 2027 Meeting Calendar
Bellingham Housing Authority & Housing Authority of Whatcom County

January	February	March
Reports ED Annual Performance Evaluation 2026	Reports Quarterly: LIHTC Portfolio Quarterly: Operations Approve HUD SEMAP Certification	Reports Quarterly: Development
Discussion/Action	Discussion/Action SEMAP Review Agency Salaries, co-premiums, CBA	Discussion/Action
April	May	June
Reports Quarterly: Operations Quarterly: Q4 Finance Report	Reports Quarterly: LIHTC Portfolio Quarterly: Q1 Finance Report	Reports Quarterly: Development Bi-Annual: IT Report
Discussion/Action New/Renewing Commissioners	Discussion/Action	Discussion/Action ED Annual Performance Evaluation
July	August	September
Reports	Reports Quarterly: LIHTC Portfolio Annual: HR Safety Report Quarterly: Operations	Reports Quarterly: Development, LIHTC Portfolio and Q2 Finance Report Utility Allowance & PH Flat Rent Schedule HCV Payment Standards
Discussion/Action	Discussion/Action Review PHA Plan Set Public Hearing Date	Discussion/Action Agency Plan Public Hearing Nominate Officers Preliminary 2026- 2027 Board Schedule
October	November	December
Reports Quarterly: Operations Quarterly: Agency 2027 Budget Process FY2025 Audit Exit (Invite SAO)	Reports Quarterly: LIHTC Portfolio Quarterly: Q3 Finance Report ED Annual Performance Evaluation 2027	Reports Quarterly: Development Bi-Annual: IT Report
Discussion/Action Elect Chair & Vice-Chair	Discussion/Action Agency 2027 Budget Adoption Maintenance Schedule of Charges	Discussion/Action Flexible Spending Budget Variances Agency Salaries, co-premiums, CBA

[New and changed items are in blue](#)



Bellingham & Whatcom County Housing Authorities

333 N Samish Way
Bellingham, WA 98225

P.O. Box 9701
Bellingham, WA 98227

Public Comment Policy

Purpose: The purpose of the policy is to provide clear guidelines, standards, and expectations for members of the public and board members during public comment or public hearing portions of a BWCHA Board of Commissioners meeting.

Public Comment Periods: The Board of Commissioners encourages and welcomes input from the public on issues of interest and importance to the Bellingham & Whatcom County Housing Authorities. Each regular meeting of the Board of Commissioners will provide an opportunity for public comment. During this period, the public may provide input on any issue of import to the board, including those on the agenda.

Unless otherwise posted as part of the meeting notice, public comment will be accepted in the following forms:

- In-Person: Individuals may attend in person to address the board.
- Virtually: Regular board meetings will provide an opportunity for virtual participation. Individuals may provide public comment virtually via Zoom or another utilized and noticed platform.
- In Writing: Comments submitted in writing must be submitted by 5:00PM the day before the board meeting to publiccomment@bellinghamhousing.org. Comments will be distributed to all board members prior to the board meeting.

In-person and virtual comments will be limited to three minutes. Any materials commenters want to submit to the Board shall be submitted to the Secretary or Board coordinator for distribution.

Public Expression Guidelines: BWCHA emphasizes respectful and relevant contributions, allowing residents and interested parties to engage with BWCHA on issues within the Board's purview while maintaining orderly and productive meetings.

Speakers may offer objective comments on housing authority operations and programs that concern them. Speakers shall be courteous in their language and not engage in disruptive behavior. Disruptive behavior includes, but is not limited to: personal attacks; unsubstantiated allegations directed at Commissioners, staff, property managers, or residents; the use of abusive, threatening, or intemperate language; physical aggression or incitement to violence; and refusal to comply with the time limits established in this public comment policy.

Individuals who engage in disruptive behavior may receive a warning and, if necessary, be removed from the meeting.