Whitefish Housing Authority
Board of Commissioners Regular Monthly Meeting Agenda

Date: August 26th, 2026	**Location:** Whitefish City Hall	**Time:** 5:15pm

I. Call to Order & Roll Call

II. Consent Agenda

A. Approval of July Regular Board Meeting Minutes (attached)
B. Approval of Agenda

III. Continuing Business

1. ED Report 'Rapid Fire' Updates
   i. MVM / Public Housing
   ii. Housing Choice Vouchers
   iii. Legacy Homes Program
2. Capital Fund 2026-2027 Public Hearing
3. FY2024 Audit Completion
4. Multi-Family Cooperative Conversion Updates

IV. Public Comment 1

V. Committee Reports

A. Executive Committee	Members: Kate Berry + Thomas Shea
B. Community Housing Committee	Member: Paul Leisher

C. Financial Reports (attached)

VI. New Business

1. Strategic Direction Possibilities
   i) Bonds & Bonding 101
   ii) Housing Authority Geographic Jurisdiction – Columbia Falls
2. Habitat for Humanity Volunteer Day

VII. Closed Session (if necessary)

Pursuant to MCA 2-3-203 for legal or personnel discussion, during this meeting, the board may elect to enter a closed-door session for reasons related to legal and/or personnel issues. Per Montana Code Annotated 2-3-203: The presiding officer of any meeting may close the meeting during the time the discussion relates to a matter of individual privacy and then if and only if the presiding officer determines that the demands of individual privacy clearly exceed the merits of public disclosure. The right of individual privacy may be waived by the individual about whom the discussion pertains and, in that event, the meeting must be open.

VIII. Public Comment 2

Whitefish Housing Authority
COMMUNITY | CONNECTION | COLLABORATION

Board of Commissioners Regular Monthly Meeting Minutes
Date: July 29th, 2026 **Location:** Whitefish City Hall

I. Call to Order & Roll Call

The meeting was called to order at 5:20 PM.

Commissioners Present:

Thomas Shea (Meeting Chair), Katie Boyd, Paul Leisher, Nick Farmer, Jason Suazo

Staff Present:

Riss Getts

Public Present:

None

II. Consent Agenda

A. Approval of June 2026 Regular Board Meeting Minutes

B. Approval of Agenda

Motion: Paul Leisher

Second: Katie Boyd

Vote: Unanimous

Action: Motion carried.

III. Continuing Business

A. **ED Report 'Rapid Fire' Updates**

a. The Mountain View Manor Section 18 conversion is finally moving forward after significant delays related to FEMA and the floodplain. The FEMA Letter of Map Amendment was accepted shortly after the prior Board meeting, allowing the project to proceed with the remaining floodplain process. WHA hopes to hold the final HUD financing/pro-forma meeting by late August or September. The renovation scope was being finalized.

b. Legacy Homes discussion focused on transition of Legacy Homes rental administration to Housing Whitefish. The program is being shared with potential applicants as "workforce rental units" because the Legacy Homes name was not particularly meaningful to prospective renters. A new employee was hired to oversee this program and workforce rental assistance, with an anticipated start date in August. The Board questioned whether the current 70%–80% AMI framework actually produces meaningful affordability, since rents for some of these units are close to or even above what people can find in the ordinary market. The Board discussed potentially restructuring the program so that rents are based more directly on actual market conditions rather than simply AMI percentages**.** There was sensitivity around fairness to people who had previously expressed interest, so the Board discussed maintaining their place/recognizing their earlier interest while transitioning to a more formal qualification process.

B. HCV Program Voluntary Transfer Process

The Board revisited its previous decision to transfer WHA's Housing Choice Voucher program to the Montana Board of Housing. The transfer would need to occur on a January 1 or July 1 cycle, with paperwork due by October 1 for a January 1 transfer. No final decision was made. The Board wanted more information about the Montana Board of Housing's interest in taking the program and wanted to see how much staff time the program actually requires over the next month or two.

C. Immediate Strategic Direction Possibilities

Staff provided program and administrative updates, including coordination with partners regarding affordability, administration, and future planning. The Board is increasingly interested in acquisition and preservation opportunities rather than only new construction. The Columbia Falls cooperative acquisition represents a potential first step toward WHA serving the broader Flathead Valley. There was considerable enthusiasm for working more closely with Housing Whitefish, NeighborWorks, the land trust, municipalities, and other nonprofits.

a. Cooperative Conversion Technical Assistance: A 32-unit apartment property in Columbia Falls with an expired USDA subsidy was identified as an opportunity to preserve affordable housing. NeighborWorks is working with the residents to potentially purchase the property cooperatively, with the property ultimately going into a land trust. WHA could participate in tenant organizing and technical assistance and receive a fee for its work.
   Motion: Authorize WHA to proceed with and negotiate a preliminary agreement concerning the Columbia Falls cooperative apartment conversion**,** participate in the process, and collect a fee, with final documents returning to the Board for approval.Moved by: Paul Leisher. Second by: Nick Farmer. Vote: Unanimous approval. Action: Motion carried.

b. <u>Aging-in-Place Grant Application:</u> The Board discussed a potential federal grant for home repairs and modifications for older adults. Motion: Give the Executive Director authority to explore and negotiate an agreement with a suitable partner for grant application if possible by grant deadline, subject to final Board approval of any written agreement. Moved by: Paul Leisher. Second by: Jason Suazo. Vote: Motion passed unanimously. **Action:** Motion carried.

D. Section 18 Considerations

The Board discussed potentially separating a portion of the approximately four-acre Mountain View Manor property and negotiating a land swap with or sale to the City of Whitefish. City could potentially use that land as park/open space. The Board recognized that this could be complicated because of subdivision requirements, surveys, county approval, and the need to coordinate the transaction with the Mountain View Manor financing/disposition. It was treated as an opportunity worth investigating rather than a finalized decision. The Board discussed whether WHA should retain office space at Mountain View Manor after the property is transferred to the new partnership. Because the bylaws currently state that the principal office of the Housing Authority is at Mountain View Manor, there may be a legal/administrative reason to retain at least a small amount of space there. The likely concept was to lease a small amount of space back to WHA, potentially for a nominal amount, while allowing the Executive Director to work primarily from home and use the office as needed.

E. Bylaws Review

The Board discussed the age and status of the WHA bylaws. The most recent apparently approved version appears to date to 2016, although a copy was signed again in 2024 for purposes of documentation. There had apparently been an attempt to revise them in 2022, but that effort did not result in a new approved version.

IV. Public Comment 1

None

V. Committee Reports

A. Executive Committee

No report.

B. Community Housing Committee

No report.

C. Financial Report

Staff reviewed current financials, including reserve capacity, grant reconciliation, and federal shortfall funding. Annual reports for FY2025 will be shared at the next board meeting.

D. Executive Director's Report

Discussed above.

E. WHA Future Planning Committee

Committee members reported ongoing strategic planning focused on partnerships, public education, organizational positioning, and long-term housing acquisition and development opportunities. Committee members expressed particular interest in shared-equity housing cooperatives as a bridge between renting and single-family homeownership.

VI. New Business

1. MVM Grievance Process: Discussion bumped to next month.
2. RFP – Monthly Bookkeeping: ED will be getting quotes for monthly bookkeeping services to shift to a more local and less expensive option. Depending on costs it may not end up being an RFP process, but rather simplified quotes.
3. Volunteer Day with Habitat for Humanity: Discussion bumped to next month.

VII. Public Comment 2

None.

VIII. Adjournment

7:57 pm

Part I: Summary

PHA Name: Whitefish Housing Authority	Grant Type and Number Capital Fund Program Grant No. Replacement Housing Factor Grant No. Date of CFFP:	FFY of Grant: FFY of Grant Approval:

Type of Grant

☒ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (Revision No:)**

☐ **Performance and Evaluation Report for Period Ending:** ☐ **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost (1)	
		Original	Revised (2)	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations	$126,014.00			
3	1408 Management Improvement				
4	1410 Administration				
5	1480 General Capital Activity	$15,000.00			
6	1492 MovingToWorkDemonstration				
7	1501 Collater Exp / Debt Srvc				
8	1503 RAD-CFP				
9	1504 Rad Investment Activity				
10	1505 RAD-CPT				
11	1509 Preparing for, Preventing and Responding to Coronavirus (1509)				

(1) To be completed for the Performance and Evaluation Report
(2) To be completed for the Performance and Evaluation Report or a Revised Annual Statement
(3) PHAs with under 250 units in management may use 100% of CFP Grants for operations
(4) RHF funds shall be include here

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Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost (1)	
		Original	Revised (2)	Obligated	Expended
12	9000 Debt Reserves				
13	9001 Bond Debt Obligation				
14	9002 Loan Debt Obligation				
15	RESERVED				
16	RESERVED				
17	RESERVED				
18a	RESERVED				
18ba	RESERVED				
19	RESERVED				
20	RESERVED				
21	Amount of Annual Grant: (sum of lines 2-20)	$141,014.00			

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Part I: Summary

PHA Name: Whitefish Housing Authority	Grant Type and Number Capital Fund Program Grant No. Replacement Housing Factor Grant No. Date of CFFP:	FFY of Grant: FFY of Grant Approval:

Type of Grant

- [X] **Original Annual Statement**
- [ ] **Reserve for Disasters/Emergencies**
- [ ] **Revised Annual Statement (Revision No:)**
- [ ] **Performance and Evaluation Report for Period Ending:**
- [ ] **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost (1)	
		Original	Revised (2)	Obligated	Expended
22	Amount of line 21 Related to LBP Activities				
23	Amount of line 21 Related to Section 504 Activities				
24	Amount of line 21 Related to Security - Soft Costs				
25	Amount of line 21 Related to Security - Hard Costs				
26	Amount of line 21 Related to Energy Conservation Measures				

Signature of Executive Director	Date	Signature of Public Housing Director	Date

(1) To be completed for the Performance and Evaluation Report
(2) To be completed for the Performance and Evaluation Report or a Revised Annual Statement
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Part II: Supporting Pages

PHA Name: Whitefish Housing Authority	Grant Type and Number Capital Fund Program Grant No. Replacement Housing Factor Grant No. CFFP(Yes/No):	Federal FFY of Grant:

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost (2)		Status of Work
				Original	Revised (1)	Funds Obligated	Funds Expended	
MT015000001 - MOUNTAIN VIEW MANOR	1406 Operations (Operations (1406)) Description : Operations funding	1406		$126,014.00				
MT015000001 - MOUNTAIN VIEW MANOR	Non-Routine Unit Turnaround (Dwelling Unit-Interior (1480)) Description : Non-routine unit turnaround	1480		$15,000.00				
	Total:			$141,014.00				

(1) To be completed for the Performance and Evaluation Report or a Revised Annual Statement

(2) To be completed for the Performance and Evaluation Report

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: Whitefish Housing Authority					**Federal FFY of Grant:**
Development Number Name/PHA-Wide Activities	**All Fund Obligated (Quarter Ending Date)**		**All Funds Expended (Quarter Ending Date)**		**Reasons for Revised Target Dates** [1]
	Original Obligation End Date	**Actual Obligation End Date**	**Original Expenditure End Date**	**Actual Expenditure End Date**	

(1) Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S, Housing Act of 1937, as amended.

Civil Rights Certification *(Qualified PHAs)*	**U.S. Department of Housing and Urban Development** Office of Public and Indian Housing **OMB Approval No. 2577-0226** **Expires: 09/30/2027**

Civil Rights Certification

Annual Certification and Board Resolution

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairperson or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the 5-Year PHA Plan, hereinafter referred to as "the Plan," of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) for the fiscal year beginning 2026*, in which the PHA receives assistance under 42 U.S.C. 1437f and/or 1437g in connection with the submission of the Plan and implementation thereof:*

The PHA certifies that it will carry out the public housing program of the agency in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d—4), the Fair Housing Act (42 U.S.C. 3601-19), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), Title II of the Americans with Disabilities Act (42 U.S.C. 12101 *et seq.*), the Violence Against Women Act (34 U.S.C. § 12291 et seq.), and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of all HUD programs. In addition, if it administers a Housing Choice Voucher Program, the PHA certifies that it will administer the program in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act, the Violence Against Women Act, and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of all HUD programs. The PHA will affirmatively further fair housing in compliance with the Fair Housing Act, 24 CFR § 5.150 et seq., 24 CFR § 903.7(o), and 24 CFR § 903.15, which means that it will take meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially or ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws (24 CFR § 5.151). Pursuant to 24 CFR § 903.15(c)(2), a PHA's policies are designed to reduce the concentration of tenants and other assisted persons by race, national origin, and disability. PHA policies include affirmative steps stated in 24 CFR § 903.15(c)(2)(i) and 24 CFR § 903.15(c)(2)(ii). Furthermore, under 24 CFR § 903.7(o), a PHA must submit a civil rights certification with its Annual and 5-year PHA Plans, except for qualified PHAs who submit the Form HUD-50077-CR as a standalone document. The PHA certifies that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing.

Whitefish Housing Authority	MT015
PHA Name	PHA Number/HA Code

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012, 1014; 31 U.S.C. §3729, 3802)

Name of Executive Director: Marissa Getts	Name of Board Chairperson: Katherine Berry
Signature: [signature] Date: May 1 2026	Signature: Katherine Berry Katherine Berry (Apr 22, 2026 16:21:11 MDT) Date: Apr 22, 2026

The information is collected to ensure that PHAs carry out applicable civil rights requirements.

Public reporting burden for this information collection is estimated to average 0.16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, REE, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2577-0226. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Notice. The United States Department of Housing and Urban Development is authorized to collect the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

Whitefish Housing Authority

COMMUNITY | CONNECTION | COLLABORATION

STATEMENT OF SIGNIFICANT AMENDMENT

Whitefish Housing Authority defines a significant amendment or modification to the CFP 5-Year Plan as a variation of more than 50% from the originally stated 5-Year Plan or Annual Budget requiring a Statement of Significant Amendment or Modernization. In addition, any proposed use for demolition, homeownership, CFFP proposal, development, RAD conversion, that is inconsistent with the locally approved 5-Year PHA Plan or mixed-finance proposal is considered a Significant Amendment.

If the amendment or modification is a Significant Amendment or modification, the Whitefish Housing Authority:

- May not adopt the amendment or modification until it is approved by the Board of Commissioners in a meeting that is open to the public after a 45-day public notice; and
- May not implement the amendment or modification until notification of the amendment or modification is provided to HUD and the amendment or modification is approved my HUD in accordance with HUD's plan review procedures.

If the change is not a Significant Amendment or modification, no HUD approval is needed.

Marissa Getts

Marissa Getts
Executive Director
Date: May 1, 2026

OMB Approval No. 2577-0157 (Exp. 1/31/2027)

Certification of Payments to Influence Federal Transactions

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Applicant Name

Public Housing - Capital Fund

Program/Activity Receiving Federal Grant Funding

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
Marissa Getts	Executive Director
Signature	Date (mm/dd/yyyy)
Marissa Getts	May 1, 2026

Whitefish Housing Authority

Independent Auditors' Reports,
Management's Discussion and Analysis, and
Supplemental Information

For the Year Ended June 30, 2024

Whitefish Housing Authority
Table of Contents

Independent Auditors' Report on
Financial Statements and Supplementary Information

To the Board of Commissioners of
Whitefish Housing Authority
100 E 4th St. Whitefish, MT 59937

Opinion

We have audited the accompanying financial statements of Whitefish Housing Authority (the Authority) as of and for the year ended June 30, 2024, which includes the statements of net position, revenues and expenses and changes in fund net position, and cash flows, 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 Authority as of June 30, 2024, and the respective changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Board of Commissioners
Whitefish Housing Authority

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Board of Commissioners
Whitefish Housing Authority

Report on Required Supplementary Information (continued)

We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements as a whole. The accompanying program financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Supplementary Information Regarding Pension Liability is presented to supplement the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 27, 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

FJ & Associates, PLLC
Kaysville, Utah
July 27, 2026

INTRODUCTION

The Whitefish Housing Authority (the Authority) was created under the laws of the State of Montana, and certified by the United States Department of Housing and Urban Development (HUD). The purpose of the Authority is to administer programs under the Housing Act of 1937, as amended, and to supervise the construction and operation of low- and moderate-income senior citizen and family housing units within and 10 miles surrounding the City of Whitefish.

The Federal Government subsidizes these programs by direct awards through HUD, and pass-through awards through other state and local government agencies. The Authority is governed by a board of commissioners, which is appointed by the Mayor of Whitefish City. The Board, in turn, elects a chairperson and employs an Executive Director to administer the affairs of the Authority.

The Authority presents this discussion and analysis of its financial performance during the fiscal year ended June 30, 2024 (FY2024), to assist the reader in focusing on significant financial issues and concerns. This discussion and analysis are an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in its Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

The Authority's FY2024 annual financial report consists of two parts – the management's discussion and analysis, and the basic financial statements (which include notes to those financial statements). Also included are supplementary schedules that separate the programs specific to the Authority's activity.

The basic financial statements provide information about the Authority's overall financial position and results of operations. These statements, which are presented on the accrual basis, consist of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Fund Net Position and the Statement of Cash Flows. The basic financial statements also include a "Notes to Financial Statements" section that provides additional information that is essential to a full understanding of the data provided in the basic financial statements.

The primary focus of the Authority's financial statements is on a single business-type activity that combines all programs administered by the Authority. This discussion and analysis are focused on the primary activities of the Authority.

FINANCIAL HIGHLIGHTS

The Authority's single business-type activity financial statements for FY 2024 report on all of the Authority's assets, liabilities, revenues, expenses, and net position under the programs it administers. A summary of the current-year results in comparison with the prior year results follows:

FINANCIAL HIGHLIGHTS (continued)

- Net position of the Authority increased by $607,842, as of June 30, 2024, from the prior year.
- Operating revenues of the Authority increased by $700,602 from prior year results.
- The Authority's capital assets had a net increase of $1,420,840 during the year.
- The decrease in cash and cash equivalents for the year was $797,519.
- The Authority's operating expenses increased $163,451 in the current year.

AUTHORITY FINANCIAL STATEMENTS

The Authority is presenting its FY2024 discussion and analysis based on the financial results of its enterprise programs in three basic financial statements – the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Fund Net Position; and the Statement of Cash Flows. The Statement of Net Position reports all financial and capital assets of the Authority and is presented in a format in which assets equal liabilities plus net position. Net position is broken down into the following three categories:

- *Net investment in capital assets* consists of all capital assets net of accumulated depreciation, reduced by the outstanding balances of mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.
- *Restricted net position* consists of assets that are restricted by constraints placed on the asset by external parties, such as creditors, grantors, contributors, laws, or regulations reduced by liabilities payable from such assets.
- *Unrestricted net position* consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

The Statement of Revenues, Expenses and Changes in Fund Net Position (similar to an income statement) includes operating revenues, such as rental income; operating expenses, such as administrative, utilities, maintenance, and depreciation; and non-operating revenues and expenses, such as investment income and interest expense. The Statement's focus is the change in net position, which is similar to net income or loss.

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

The Authority combines all of its programs into a single enterprise fund.

These financial statements utilize the economic resources measurement focus and the full accrual basis of accounting. They report the Authority's net position and changes in net position in full compliance with GASB Statement No. 34. Under the full accrual basis of accounting, revenues are recognized in the period they are earned and expenses in the period they are incurred.

AUTHORITY FINANCIAL STATEMENTS (continued)

The entity-wide presentation represents several different programs and activities. Most of these programs are financed by federal grants from HUD, rents, and other user charges resulting from operations of subsidized housing, by management fees, and by investment income and loan proceeds. In FY2024 the following programs make up the majority of the Authority's single business-type activities financial statements:

- *Section 8 Housing Choice Vouchers* – This program is funded by HUD and is a subsidy program for low- and moderate-income families seeking housing in the private rental market.
- *Public Housing* – This program is subsidized annually by an operating subsidy from HUD and through capital grants for capital improvements.
- *Development/Homeownership Program* – This program uses capital contributions to fund new construction, major improvements to existing properties, and operating expenditures.

THE AUTHORITY

The Authority manages the following programs:

Housing Choice Voucher Program (Section 8)

The Authority administers 16 Section 8 vouchers under the Housing Choice Voucher Program and 3 under Project-Based Vouchers. The Authority administers these vouchers through contracts with independent property owners in which the Authority subsidizes the participant's rent through a Housing Assistance Payment made to the property owner.

The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets a participant's rent at 30 percent of household income. HUD recently changed the funding to a formula-based structure rather than cost-based funding, which will most likely result in lower administrative fees earned and fewer units being leased.

Mountain View Manor

The Authority owns 50 public housing rental units that are designated for elderly and disabled individuals. Rent is determined by the tenant's income. The individuals pay 30% of their income towards the rent.

NET POSITION

The Authority's overall financial position and operations for the past two years are summarized below based on the information included in the current and prior year financial statements.

Whitefish Housing Authority
Statement of Net Position

	06/30/2024	06/30/2023	Change
Current and other assets	$ 1,436,851	$ 2,174,425	$ (737,574)
Capital assets, net of depreciation	2,926,872	1,506,032	1,420,840
Total assets	4,363,723	3,680,457	683,266
Deferred outflows of resources	26,874	6,615	20,259
Current liabilities	148,099	53,220	94,879
Other liabilities	157,817	157,013	804
Total liabilities	305,916	210,233	95,683
Deferred inflows of resources	27,895	27,895	-
Net position			
Net investment in capital assets	2,926,872	1,506,032	1,420,840
Restricted net position	812,813	812,813	-
Unrestricted net position	317,101	1,130,099	(812,998)
Total net position	$ 4,056,786	$ 3,448,944	$ 607,842

The Authority's total assets and deferred outflows of resources at June 30, 2024 were $4,390,597, an increase of $703,525 from June 30, 2023.

Current and other assets

Current and other assets decreased by $737,574 as of June 30, 2024 compared with June 30, 2023. The primary source of the decrease was related to cash used for the construction in progress.

Net position

The Authority's net position increased by $607,842 during FY2024. At June 30, 2024, investments in capital assets comprise about 72% of the Authority's total net position.

The Authority's net position also consists of restricted and unrestricted net position. Unrestricted net position includes unrestricted cash, receivables, and other assets, less all other liabilities not previously applied. At June 30, 2024, unrestricted net position amounts to approximately 8% of total net position. At June 30, 2024, restricted net position amounts to 20%.

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The results of operations for the Authority are presented below:

Whitefish Housing Authority
Statement of Revenues, Expenses, and Changes in Fund Net Position

	Year Ended 06/30/2024	Year Ended 06/30/2023	Increase/ (Decrease)
Operating revenues:			
Rental income	$ 248,207	$ 242,470	$ 5,737
HUD operating subsidy	156,659	132,861	23,798
Program revenues	73,715	55,608	18,107
Restricted government construction grants	616,278	-	616,278
Other income	43,561	6,879	36,682
Total operating revenues	1,138,420	437,818	700,602
Operating expenses:			
Administrative	384,917	239,094	145,823
Tenant services	876	2,052	(1,176)
Utilities	42,269	46,283	(4,014)
Ordinary maintenance and operations	126,635	83,229	43,406
General expense	109,653	145,733	(36,080)
Housing assistance payments	73,197	57,354	15,843
Depreciation	44,003	44,354	(351)
Total operating expenses	781,550	618,099	163,451
Operating income(loss)	356,870	(180,281)	537,151
Non-operating revenues/(expenses):			
Interest income	6,543	8,742	(2,199)
HUD capital grants	244,429	229,077	15,352
Other expenses	-	(4,643)	4,643
Non-operating income(loss)	250,972	233,176	2,444
Change in net position	607,842	52,895	554,947
Beginning net position	3,448,944	3,396,049	52,895
Ending net position	$ 4,056,786	$ 3,448,944	$ 607,842

REVENUES, EXPENSES, AND CHANGES IN NET POSITION (continued)

Revenues of the Authority's activities are generated principally from rental income. In FY2024, the Authority's operating revenues totaled $1,138,420. Of this total, $156,659 (13.76%) is from HUD operating subsidy and $616,278 (54.13%) from restricted government construction grants. Operating expenses totaled $781,550, of which $73,197 (9.37%) was for housing assistance payments.

About 18.06% of the Authority's total revenues in FY2024 were non-operating revenues that are derived from interest income and HUD capital grants. The remaining 81.94% were operating revenues derived from rentals and other tenant income 17.86%, HUD operating subsidy 11.28%, program revenues 5.31%, restricted government construction grants 44.36% and other operating revenues 3.14%.

Of the total operating expenses, 49.25% was derived from administration, .11% from tenant services, 5.41% utilities, 16.20% ordinary maintenance and operations, 14.03% general expenses, 9.37% housing assistance payments and 5.63% from depreciation.

The increase in net position for the year ended June 30, 2024 was $607,842 when compared with the June 30, 2023 balance. Factors contributing to these results included:

CAPITAL ASSETS

The Authority's capital assets as of June 30, 2024, include: land, buildings, furniture and equipment, leasehold improvements, and capital improvements, which total net $2,926,872, most of which comprises rental units available for lease to low- and moderate-income residents. Net capital assets increased $1,420,840 from the preceding year, due to net purchases of $1,464,843, and net of depreciation expense of $44,003.

	06/30/2024	06/30/2023	Change
Land	$ 752,622	$ 752,622	$ -
Buildings and improvements	3,120,121	2,837,336	282,785
Furniture and equipment	114,477	120,547	(6,070)
Construction in progress	1,575,272	387,144	1,188,128
Total capital assets	5,562,492	4,097,649	1,464,843
Accumulated depreciation	(2,635,620)	(2,591,617)	(44,003)
Net capital assets	$ 2,926,872	$ 1,506,032	$ 1,420,840

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners and Management of the Housing Authority considered many factors when approving the fiscal year 2024 budget. The user charges are based on a tenant's income as established by HUD guidelines and are not adjustable. Operating subsidies are based on rental income, other income and utility consumption and costs. The amount of funding is also established and approved by HUD. In projecting the amount of rental income, the Authority considered prior year rental income and occupancy rates. The operating expenses are expected to increase by the economy's inflation rate.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Executive Director, Whitefish Housing Authority, PO Box 1237, 100 4th Street, Whitefish, Montana 59937.

Whitefish Housing Authority
Statement of Net Position
As of June 30, 2024

Assets and Deferred Outflows of Resources		
Current Assets:		
Cash and cash equivalents	$	366,492
Accounts receivable, net		15,675
Due from other governments		4,286
Prepaid expenses		6,938
Tenant security deposits		11,750
Total current assets		405,141
Capital Assets:		
Land		752,622
Buildings and improvements		3,120,121
Furniture and equipment		114,477
Construction in progress		1,575,272
Total capital assets		5,562,492
Less: Accumulated depreciation		(2,635,620)
Net capital assets		2,926,872
Other Assets:		
Accrued interest receivable		9,750
Restitution receivable		144,842
Notes receivable		66,519
Other assets, restricted		810,599
Total other assets		1,031,710
Deferred outflows of resources		26,874
Total assets and deferred outflows of resources	$	4,390,597

See accompanying notes to financial statements.

Whitefish Housing Authority
Statement of Net Position (continued)
As of June 30, 2024

Liabilities and Deferred Inflows of Resources		
Current Liabilities:		
Accounts payable	$	45,896
Accrued liabilities		2,582
Accrued compensated absences - current portion		1,102
Due to other governments		15,769
Unearned revenue		71,000
Tenants security deposits		11,750
Total current liabilities		148,099
Non-current liabilities:		
Compensated absences payable		1,684
Net pension liability		156,133
Total non-current liabilities		157,817
Deferred inflows of resources		27,895
Total liabilities and deferred inflows of resources		333,811
Net Position:		
Net investment in capital assets		2,926,872
Restricted		812,813
Unrestricted		317,101
Total net position		4,056,786
Total liabilities, deferred inflows of resources, and net position	$	4,390,597

See accompanying notes to financial statements.

Whitefish Housing Authority
Statement of Revenues, Expenses and Changes in Fund Net Position
Year Ended June 30, 2024

Operating revenues:		
Rental income	$	248,207
HUD operating subsidy		156,659
Program revenues		73,715
Restricted government construction grants		616,278
Other income		43,561
Total revenues		1,138,420
Operating expenses:		
Administration		384,917
Tenant services		876
Utilities		42,269
Ordinary maintenance and operations		126,635
General expense		109,653
Housing assistance payments		73,197
Depreciation		44,003
Total expenses		781,550
Operating income (loss)		356,870
Non-operating income (expense)		
Interest income		6,543
HUD capital grant		244,429
Total non-operating income (expense)		250,972
Change in net position		607,842
Net position at beginning of year		3,448,944
Net position at end of year	$	4,056,786

See accompanying notes to financial statements.

Whitefish Housing Authority
Statement of Cash Flows
Year Ended June 30, 2024

Cash flows from operating activities:		
Rental receipts	$	326,860
Program receipts		21,207
HUD operating grants receipts		156,659
Restricted government construction grants receipt		616,278
Other receipts		46,432
Total receipts		1,167,436
Administration		378,176
Utilities		19,265
Ordinary maintenance and operations		127,695
General		145,955
Housing assistance payments		73,450
Total disbursements		744,541
Net cash provided by (used in) operating activities		422,895
Cash flows from investing activities:		
Purchase of capital assets		(1,464,843)
Net cash provided by (used in) investing activities		(1,464,843)
Cash flows from capital and related financing activities:		
Proceeds from HUD capital grants		244,429
Net cash provided by (used in) capital and related financing activities		244,429
Net increase (decrease) in cash and cash equivalents, and restricted cash		(797,519)
Cash and cash equivalents, and restricted cash at beginning of year		1,175,761
Cash and cash equivalents, and restricted cash at end of year	$	378,242
Cash and cash equivalents, and restricted cash recorded on the Statement of Net Position		
Cash - unrestricted	$	366,492
Cash - restricted		11,750
Cash and cash equivalents, and restricted cash at end of year	$	378,242

See accompanying notes to financial statements.

Whitefish Housing Authority
Statement of Cash Flows (continued)
Year Ended June 30, 2024

Reconciliation of change in net operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	$	356,870
Adjustments to reconcile change in net operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation		44,003
(Increase) decrease in operating assets:		
Accounts receivable		(7,661)
Due from other governments		91,445
Prepaid expenses		1,737
Increase (decrease) in operating liabilities:		
Accounts payable		(122,211)
Accrued expenses		(3,163)
Accrued compensated absences		(2,286)
Unearned revenue		56,323
Other liabilities		8,738
Tenant security deposits liability		(900)
Net cash provided by (used in) operating activities	$	422,895

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

Organization and History

The Whitefish Housing Authority was established in 1967 and signed its Cooperation Agreement and Annual Contributions contract in 1969. The Authority is governed by a board of commissioners appointed by the Mayor of the City of Whitefish, Montana. The purpose of the Authority is to furnish low rent housing to low-income tenants primarily by administering housing programs authorized by the United States Housing Act of 1937. These programs are subsidized by the Federal Government through the U.S. Department of Housing and Urban Development (HUD).

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for the governmental accounting and financial reporting.

Financial Reporting Entity

The Governmental Accounting Standards Board (GASB) has issued Statement No. 14, "*The Financial Reporting Entity,*" as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units"* and GASB Statement No. 61, "*The Financial Reporting Entity – Omnibus"*, which describe those entities that are considered component units for financial reporting purposes. The Authority is not considered a component unit of Whitefish (the City), or any other government entity under the criteria of GASB Statements No. 14, as amended by GASB Statements No. 39, and No. 61, since the City exercises no oversight responsibility either financially or administratively over the Authority.

Basis of Presentation

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Authority, the accounts are maintained in accordance with the principles of fund accounting. The Authority participates in HUD programs on an enterprise fund basis.

All of the Authority's programs are accounted for as one business-type activity for financial reporting purposes and neither fiduciary funds nor component units that are fiduciary in nature are included. The financial statement presentation provides an indication of the financial performance of the Authority as a whole. In addition, the Authority adopts the budget that has been approved by its Board.

Basis of Accounting

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenditures or expenses, as appropriate.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

1. Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)
The Authority distinguishes between operating and non-operating revenues and expenses in its Statement of Revenues, Expenses and Changes in Fund Net Position. For this purpose, the Authority's operating revenues result from providing low-income housing services such as tenant rent and other tenant charges. Operating expenses include the cost attributed to administration, tenant services, utilities, maintenance and operations and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

The model is defined in Statement No. 34 which establishes criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for determination of major funds. If non-major funds exist, these funds are combined in a single column in the fund financial statements.

The Authority has a sole enterprise fund which includes the activities of the following programs:

Public Housing Program. This program accounts for the operation, maintenance, and development of 50 housing units which are owned by the Authority. The developments of the projects were funded primarily by the U.S. Department of Housing and Urban Development through loans and bonds. The loans have been forgiven by HUD and the bond debt service and repayment requirements are the responsibility of HUD and therefore no outstanding liabilities are recorded. The program is subsidized annually by operating subsidy from HUD and through Capital Grants for capital improvements.

Housing Choice Voucher. This program accounts for the operation of the Housing Choice Voucher program which is funded primarily by the U.S. Department of Housing and Urban Development. The program funds housing assistance payments to eligible low-income housing participants.

Development/Homeownership. This program accounts for various activities including grants related to the development of homeownership opportunities

Budgetary Process
The Authority establishes a budget for the fiscal year and is adopted by the Board of Commissioners.

Cash and Cash Equivalents
The Authority considers all highly liquid debt and equity instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents at June 30, 2024 consist of cash on hand, demand deposits, and savings deposits.

The Authority's deposits can only be invested in the following HUD approved investments: direct obligations of the federal government backed by the full faith and credit of the United States, obligations of federal government agencies, securities of government-sponsored agencies, demand and savings deposits, money-market deposit accounts, municipal depository fund, super now accounts, certificate of deposits, repurchase agreements, sweep accounts, separate trading of registered interest and principal securities (STRIPS), and mutual funds that consist of securities purchased from the HUD approved list.

1. Summary of Significant Accounting Policies (continued)

<u>Revenue Recognition</u>
Rental income is recognized as rentals over the lease term as it is earned. Rental payments received in advance are deferred until earned, as required for lessors under ASC 842 – "Leases." All leases between the Authority and the tenants of the property are operating leases. Capital Funds are requested by HUD and recognized when received. Housing Assistance Payments are recognized when earned from HUD as services under the HUD contract are rendered to recipients, as required under ASC 606 – "Revenue from contracts with customers."

Restricted government construction grants represent funding received from federal, state, or local governmental agencies to finance the construction, acquisition, renovation, or rehabilitation of capital assets and facilities used in the Organization's operations. These grants are restricted for specific construction-related purposes and are recognized as revenue when the related grant conditions, including the incurrence of eligible construction expenditures or the completion of specified performance requirements, are substantially met. Amounts received before the grant conditions are satisfied are recorded as refundable advances (deferred revenue).

<u>Accounts Receivable</u>
All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectible. Allowances are reported when accounts are proven to be uncollectible.

<u>Prepaid Items</u>
Prepaid balances are for payments made by the Authority in the current year to provide services occurring in the subsequent fiscal year.

<u>Capital Assets</u>
Capital assets are recorded at cost and depreciated using the straight-line method of depreciation over the estimated useful lives of the assets, as shown below. The threshold for capitalizing assets is $5,000. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

<u>Capital Assets (continued)</u>
Maintenance and repairs, including the replacement of minor items, are expensed as incurred, and major additions to buildings, furnishings, and equipment are capitalized. Construction in progress commences depreciation when the construction is complete and related assets placed in service.

Major Groupings	Useful Lives (years)
Buildings	15-40
Building improvements	10-40
Furniture and fixture	5-10
Equipment	3-10

1. Summary of Significant Accounting Policies (continued)

Impairment of Long-Lived Assets
The Authority periodically reviews the carrying amount of property, plant and equipment and its identifiable intangible assets to determine whether current events or circumstances warrant adjustments to such carrying amounts. If an impairment adjustment is deemed necessary, such loss is measured by the amount that the carrying value of such assets exceeds the fair value. Considerable management judgment is necessary to estimate the fair value of assets; accordingly, actual results could vary significantly from such estimates. Management believes it has considered all potential items of impairment related to long-lived assets and has recorded any such impairment accordingly.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates that may change in the near-term are fair values of long-lived assets and impairment losses.

Income Taxes
The Authority is a governmental subdivision of the State of Montana and is exempt from Federal and State income taxes.

Use of Restricted/Unrestricted Assets
When an expense is incurred for purposes for which both restricted and unrestricted assets are available, the Authority's policy is to apply restricted assets first.

Deferred Outflows of Resources
Deferred outflows of resources represent a consumption of net position that is applicable to future reporting periods. Deferred outflows of resources in the Statement of Net Position consist of unamortized portions of the net difference between projected and actual earnings on pension plan investments, the net difference between actual expected earnings and actual experience with regard to economic and demographic factors in the measurement of the total pension liability, changes of assumptions about future economic and demographic factors or demographic factors or other inputs and the net effect of the change in the employer’s proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources related to pensions. Deferred outflows also contain employer pension contributions made after the measurement date.

Deferred Inflows of Resources
Deferred inflows of resources represent an acquisition of net position that is applicable to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year.

1. Summary of Significant Accounting Policies (continued)

Deferred Inflows of Resources (continued)

Deferred inflows of resources in the Statement of Net Position consist of the unamortized portions of the net difference between projected and actual earnings on pension plan investments, the net difference between actual expected earnings and actual experience with regard to economic and demographic factors in the measurement of the total pension liability, changes of assumptions about future economic and demographic factors or either other inputs and the net effect of the change in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources related to pensions.

Pension and Retirement Plan

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

Grant Revenue

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Authority's policy is to apply the restricted component of net position first.

Leases

The leases entered into are considered short-term operating leases in accordance with GASB 87. The Authority has not entered into any material leases as defined by GASB 87.

Investment Income

Investment income from pooled cash and investments is allocated monthly based on the percentage of a fund's average pooled cash and investments balance.

Compensated Absences

It is the Authority's policy and state law to permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from Authority service. Employees are allowed to accumulate and carry over a maximum of two times their annual accumulation of vacation, but not more than 90 days into the new calendar year. There is no restriction on the amount of sick leave that may be accumulated. Upon separation, employees are paid 100 percent of accumulated vacation and 25 percent of accumulated sick leave.

Postemployment Benefits Other Than Pension (OPEB)

OPEB benefits are part of an exchange of salaries and/or benefits in a future period as the result of employee services rendered during employment. In accordance with the accrual basis of accounting, generally benefits should be associated with periods in which the exchange occurs, rather than with the periods when benefits are paid or provided. The Authority has not incurred or obligated material resources to other postemployment benefits as defined in GASB Statement No. 75.

2. Deposits

The State of Montana Board of Investments has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted under the authority of the State of Montana's Code Annotated (the MCA).

The Authority follows the requirements of the MCA (Montana Code, Title 17, Chapter 6) in handling its depository and investment transactions. The MCA requires the depositing of the Authority funds in a qualified depository. The MCA defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the State of Montana Board of Investments.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority does not have a formal deposit policy for custodial credit risk. As of June 30, 2024, the Authority's book balances totaled $378,242 and bank balances totaled $379,623, $326,997 of which is insured by Federal Depository Insurance and $52,626 that is at risk.

3. Due from Other Governments

A summary of due from other governments as presented in the Statement of Net Position at June 30, 2024, is as follows:

HUD - Operating subsidy	$ 4,286

4. Prepaid Items

A summary of prepaid items as presented in the Statement of Net Position at June 30, 2024, is as follows:

Prepaid insurance	$ 6,938

5. Cash and Cash Equivalents

A summary of cash and cash equivalents as presented in the Statement of Net Position at June 30, 2024, is as follows:

Cash and cash equivalents	$ 366,492
Tenant security deposits	11,750
	$ 378,242

6. Notes Receivable

The Authority provides Rehab Loans to homeowners which were primarily funded through the City of Whitefish. The Authority has three loans that earn zero interest, with minimum quarterly payments of $100 and the total loan balance is $11,469 as of June 30, 2024. The Authority has one additional loan in the amount of $5,050 which earns no interest and which has no repayment agreement until the house is sold or transferred.

The Authority entered into a loan agreement with Alpenglow Apartments, LLLP to advance $50,000 as a Sponsor Loan for the development of a tax-credit project. The loan is dated August 8, 2019, with an annual rate of 6.5% and payable annually on December 31, only to the extent of available Net Cash Flow. As of June 30, 2024, interest of $9,750 has accrued on the loan. A final payment of principal and accrued interest shall be due on December 31, 2044, twenty-five years from the placed in-service date.

7. Restitution Receivable

During the year, the Whitefish Housing Authority identified losses resulting from the misappropriation of Authority funds by a former executive director. In connection with the criminal proceedings, the court ordered the former executive director to pay restitution to the Authority in the amount of $144,842. Accordingly, the Authority has recorded a restitution receivable representing the amount expected to be recovered pursuant to the court-ordered restitution judgment.

Management evaluates the collectability of the restitution receivable on an ongoing basis. Because recovery is dependent upon the defendant’s financial condition and future payments under the restitution order, the ultimate amount and timing of collections may differ from amounts recorded. The Authority records an allowance for uncollectible amounts when it is probable that all or a portion of the restitution receivable will not be collected. As of June 30, 2024, the restitution receivable balance was $144,842.

8. Other Non-current Assets

The Authority participates in a “Deed Restricted Program” whereas the Authority provides for downpayment assistance to homeowners who stay in the associated properties. As part of the program, the Authority shares in the appreciation value of the property if a person sells the property before 90 years. The Authority’s share of equity in the property consists of funds from various sources, such as CDBG Grants, HOME Funds and the Affordable Housing Program provided by the Federal Home Loan Bank of Seattle.

If the property is sold within the first 15 years, then any gain from the property must be reinvested as program income and used in a similar manner. However, after the 15-year time period, any property sold and any share of appreciation that is received belong to the Whitefish Housing Authority. The Authority has a secured deed on each respective property securing the Authority’s interest. As of June 30, 2024, the Authority has sold ten properties. The total Authority’s contribution or equity in these properties is $810,599 as of June 30, 2024.

9. Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance 7/1/2023	Additions	Transfers	Balance 6/30/2024
Non-depreciable assets:				
Land	$ 752,622	$ -	$ -	$ 752,622
Construction in progress	387,144	1,188,128	-	1,575,272
Total non-depreciable assets:	1,139,766	1,188,128	-	2,327,894
Depreciable assets:				
Building	2,837,336	236,244	46,541	3,120,121
Furniture and equipment	120,547	40,471	(46,541)	114,477
Total depreciable assets:	2,957,883	276,715	-	3,234,598
Total Capital Assets:	$ 4,097,649	$ 1,464,843	$ -	$ 5,562,492
Accumulated depreciation:	$ (2,591,617)	$ (44,003)	$ -	$(2,635,620)
Depreciable assets, net	366,266	232,712	-	598,978
Capital assets, net	$ 1,506,032	$ 1,420,840	$ -	$ 2,926,872

10. Accounts Payable

A summary of accounts payable as presented in the Statement of Net Position at June 30, 2024, is as follows:

Vendors and contractors	$ 45,896

11. Due to other Governments

A summary of due to other governments as presented in the Statement of Net Position at June 30, 2024, is as follows:

Payments in Lieu of Taxes	$ 15,769

12. Accrued Compensated Absences

A summary of accrued compensated absences as presented in the Statement of Net Position at June 30, 2024, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within One Year
Compensated absences	$ 4,268	$ 11,646	$ (13,128)	$ 2,786	$ 1,102

13. Net Position

The fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net Investment in Capital Assets –** This component groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation reduces the balance in this category.
- **Restricted –** This category represents net position of the Authority that is restricted externally by creditors, grantors, contributors, laws or regulations of other governments, imposed by law through constitutional provisions or enabling legislation.

  As of June 30, 2024, the Authority had net position of $2,214 restricted in the Section 8 Housing Choice Voucher Program for program housing assistance payments.

  As of June 30, 2024, the Authority had net position of $810,599 restricted in the Homeownership/Development Program for the Deed Restricted Program as described in Note 7.
- **Unrestricted –** This category represents net position of the Authority, not restricted for any project or other purposes.

14. Contingencies

The Authority recognizes as revenue grant monies received as reimbursement for costs incurred in certain Federal and State programs it administers. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds, The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

15. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Various insurance policies have been purchased to cover the risks described above. The insurance policies require minimal deductible amounts which the Authority pays in the event of any loss. The Authority also has purchased a workers' compensation policy. Settled claims resulting from losses have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Authority's customers are primarily low-income rental tenants in the Whitefish area that may be affected by changing economic conditions. Management believes that its credit review procedures and tenant deposits have adequately provided for usual and customary credit-related losses. The Authority's policy for charging off tenant receivables is to consider write-down of receivables extending beyond 120 days after significant collection efforts have been made or when the financial conditions of tenants warrant charge-off. Tenant receivables are determined to be past due after 30 days regardless of whether partial payments have been received. Based on the Authority's policy for charging off tenant receivables, the bad debts allowance is insignificant.

16. Defined Benefit Pension Plan

Summary of Significant Accounting Policies

MPERA prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the Net Pension Liability (NPL); Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions; Pension Expense; the Fiduciary Net Position; and Additions to or Deductions from Fiduciary Net Position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted in the United States of America. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

General Information about the Pension Plan

Plan Description: The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan provides retirement benefits to covered employees of the State, and local governments, and certain employees of the Montana University System, and school districts. Benefits are established by state law and can only be amended by the Legislature.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the *defined benefit* and *defined contribution* retirement plans. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP).

Benefits provided: The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Member rights are vested after five years of service.

Service retirement:

- Hired prior to July 1, 2011:
  - Age 60, 5 years of membership service
  - Age 65, regardless of membership service
  - Any age, 30 years of membership service
- Hired on or after July 1, 2011:
  - Age 65, 5 years of membership service
  - Age 70, regardless of membership service

16. Defined Benefit Pension Plan (continued)

General Information about the Pension Plan (continued)

Early retirement:

- Hired prior to July 1, 2011:
    - Age 50, 5 years of membership service
    - Any age, 25 years of membership service
- Hired on or after July 1, 2011:
    - Age 55, 5 years of membership service

Second Retirement: (requires returning to PERS-covered employer or PERS service)

- Retired before January 1, 2016 and accumulate less than 2 years additional service credit or retired on or after January 1, 2016 and accumulate less than 5 years additional service credit:
    - A refund of member's contributions plus return interest (currently 2.02% effective July 1, 2018).
    - No service credit for second employment.
    - Start the same benefit amount the month following termination; and
    - Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.
- Retired before January 1, 2016 and accumulate at least 2 years of additional service credit:
    - A recalculated retirement benefit based on provisions in effect after the initial retirement; and
    - GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
- Retired on or after January 1, 2016 and accumulate 5 or more years of service credit:
    - The same retirement as prior to the return to service.
    - A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
    - GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

Member's highest average compensation (HAC)

- Hired prior to July 1, 2011 highest average compensation during any consecutive 36 months.
- Hired on or after July 1, 2011 – highest average compensation during any consecutive 60 months.

Compensation Cap

- Hired on or after July 1, 2023 – 110% annual cap on compensation considered as a part of a member's highest average compensation.

16. Defined Benefit Pension Plan (continued)

General Information about the Pension Plan (continued)

Monthly benefit formula

- Members hired prior to July 1, 2011
  - Less than 25 years of membership service: 1.785% of HAC per year of service credit;
  - 25 years of membership service or more: 2% of HAC per year of service credit.
- Members hired on or after July 1, 2011
  - Less than 10 years of membership service: 1.5% of HAC per year of service credit;
  - 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
  - 30 years or more of membership service: 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefit.

- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013:
  (a) 1.5% for each year PERS is funded at or above 90%;
  (b) 1.5% reduced by 0.1% for each 2.0% PERS is funded below 90%; and
  (c) 0% whenever the amortization period for PERS is 40 years or more.

Contributions: The State Legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

Special Funding: The state of Montana, as the non-employer contributing entity, paid to the Plan, additional contributions that qualify as special funding. Those employers who received special funding are all participating employers.

Not Special Funding: Per Montana law, state agencies and universities paid their own additional contributions. The employer paid contributions are not accounted for as special funding for state agencies and universities but are reported as employer contributions.

16. Defined Benefit Pension Plan (continued)

General Information about the Pension Plan (continued)

Member and employer contribution rates are shown in the table below.

Fiscal Year	Member Hired < 07/01/11	Member Hired > 07/01/11	State & Universities Employer	Local Government Employer	Local Government State	School Districts Employer	School Districts State
2023	7.900%	7.900%	9.070%	8.970%	0.100%	8.700%	0.370%
2022	7.900%	7.900%	8.970%	8.870%	0.100%	8.600%	0.370%
2021	7.900%	7.900%	8.870%	8.770%	0.100%	8.500%	0.370%
2020	7.900%	7.900%	8.770%	8.670%	0.100%	8.400%	0.370%
2019	7.900%	7.900%	8.670%	8.570%	0.100%	8.300%	0.370%
2018	7.900%	7.900%	8.570%	8.470%	0.100%	8.200%	0.370%
2017	7.900%	7.900%	8.470%	8.370%	0.100%	8.100%	0.370%
2016	7.900%	7.900%	8.370%	8.270%	0.100%	8.000%	0.370%
2015	7.900%	7.900%	8.270%	8.170%	0.100%	7.900%	0.370%
2014	7.900%	7.900%	8.170%	8.070%	0.100%	7.800%	0.370%
2012 - 2013	6.900%	7.900%	7.170%	7.070%	0.100%	6.800%	0.370%
2010 - 2011	6.900%	-	7.170%	7.070%	0.100%	6.800%	0.370%
2008 - 2009	6.900%	-	7.035%	6.935%	0.100%	6.800%	0.235%
2000 - 2007	6.900%	-	6.900%	6.800%	0.100%	6.800%	0.100%

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1, following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
2. Employer contributions to the system:
    a. Effective July 1, 2014, following the 2013 Legislative session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1, following actuary valuation results that show the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional member contributions rates.
    b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
    c. The portion of employer contributions allocated to the Plan Choice Rate (PCR) are included in the employers reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.

16. Defined Benefit Pension Plan (continued)

General Information about the Pension Plan (continued)

3. Non-employer contributions:
    a. Special Funding
        i. The State contributed 0.1% of members' compensation on behalf of local government entities.
        ii. The State contributed 0.37% of members' compensation on behalf of school district entities.
        iii. The State contributed a Statutory Appropriation from the General Fund of $34,979,900.

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

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end. The basis for the Total Pension Liability (TPL) as of June 30, 2023, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2023.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the State of Montana's NPL for June 30, 2023, and 2022, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid. The employer recorded a liability of $156,133 and the employer's proportionate share was 0.006398 percent.

As of measurement date	Net Pension Liability as of 6/30/2023	Net Pension Liability as of 6/30/2022	Percent of Collective NPL as of 6/30/2023	Percent of Collective NPL as of 6/30/2022	Change in Percent of Collective NPL
WHITEFISH HOUSING AUTHORITY Proportionate Share	$ 156,133	$ 191,615	0.006398%	0.008058%	(0.001660)%
State of Montana Proportionate Share associated with Employer	$ 42,966	$ 57,005	0.001761%	0.002397%	(0.000636)%
Total	$ 199,099	$ 248,620	0.008159%	0.010455%	(0.002296)%

Changes in actuarial assumptions and methods: There have been no changes to the assumptions or other inputs that affected the measurement of the TPL since the previous measurement date.

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

Changes in proportionate share: There were no changes to the Plan between the measurement date of the collective NPL and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL.

16. Defined Benefit Pension Plan (continued)

Pension Expense: At June 30, 2023, the employer recognized a Pension Expense of $26,704 for its proportionate share of the Plan's pension expense. The employer also recognized grant revenue of $4,031 for the support provided by the State of Montana for its proportionate share of the pension expense associated with the employer.

As of measurement date	Pension Expense as of 6/30/2023	Pension Expense as of 6/30/2022
Employer's Proportionate Share	$ 26,704	$ 50,019
State of Montana Proportionate Share associated with the Employer	4,031	5,909
Total	$ 30,735	$ 55,928

Recognition of Deferred Inflows and Outflows: At June 30, 2024, the employer reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	$ 6,219	$ -
Projected Investment Earnings vs. Actual Investment Earnings	396	-
Changes in Assumptions	-	5,569
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	22,326
Employer Contributions Subsequent to the Measurement Date	20,259	-
Total	$ 26,874	$ 27,895

Other amounts reported as deferred outflows and inflows of resources related to pensions are recognized in the employer's pension expense as follows:

For the Measurement Year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expenses
2024	$ (13,497)
2025	$ (16,068)
2026	$ 9,232
2027	$ (948)
Thereafter	$ -

16. Defined Benefit Pension Plan (continued)

Actuarial Assumptions: The total pension liability as of June 30, 2024, was determined on the results of an actuarial valuation date of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

Investment Return (net of pension plan investment expense, including inflation)	7.30%
General Wage Growth * *includes Inflation at	3.50% 2.75%
Merit Increases	0% to 4.80%
Postretirement Benefit Increases 1. Guaranteed Annual Benefit Adjustment (GABA) each January • After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefit.	
• Members hired prior to July 1, 2007	3.0%
• Members hired between July 1, 2007 & June 30, 2013	1.5%
• Members hired on or after July 1, 2013	
• For each year PERS is funded at or above 90%	1.5%
• The 1.5% is reduced by 0.1% for each 2.0% PERS is funded below 90%	
• 0% whenever the amortization period for PERS is 40 years or more	0%
Mortality:	
• Active Participants	PUB-2010 General Amount weighted Employee mortality projected to 2021 for males and females. Projected generationally using MP-2021.
• Disabled Retirees	PUB-2010 General Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for both males and females.
• Contingent Survivors	PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021.
• Healthy Retirees	PUB-2010 General Amount Weighted Healthy Retiree Mortality table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.

16. Defined Benefit Pension Plan (continued)

The actuarial assumptions and methods utilized in the June 30, 2023 valuation, were developed in the five-year experience study for the period ending 2021. However, the current long-term rate of return is based on analysis in the experience study, without consideration for the administrative expenses analysis shown in the experience study.

Discount Rate: The discount rate used to measure the TPL was 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 0.10% of the salaries paid by local governments and 0.37% paid by school districts. In addition, the state contributed a statutory appropriation from the general fund. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2127. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

Target Allocations: The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2023, is based on analysis in the experience study report dated May 2, 2022 without consideration for the administrative expense analysis shown in the experience study. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

16. Defined Benefit Pension Plan (continued)

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, are summarized in the following table.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash	3.0%	(0.33%)
Domestic Equity	30.0%	5.90%
International Equity	17.0%	7.14%
Private Investments	15.0%	9.13%
Real Assets	5.0%	4.03%
Real Estate	9.0%	5.41%
Core Fixed Income	15.0%	1.14%
Non-Core Fixed Income	6.0%	3.02%
Total	100.0%	

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate: The following presents the employer's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.30%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

As of measurement date	1.0% Decrease (6.30%)	Current Discount Rate	1.0% Increase (8.30%)
WHITEFISH HOUSING AUTHORITY's Net Pension Liability	$225,534	$156,133	$97,912

Pension plan fiduciary net position: The stand-alone financial statements of the Montana Public Employees Retirement Board (PERB) *Annual Comprehensive Financial Report* (ACFR) and the GASB 68 Report disclose the Plan's fiduciary net position. These reports, as well as the actuarial valuations and experience study, are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or are available on the MPERA website at https://mpera.mt.gov/about/annualreports1/annualreports.

17. Subsequent Events

The Authority has evaluated subsequent events through July 27, 2026, which is the date the financial statements were available to be issued.

Subsequent to June 30, 2024, the Authority became involved in litigation arising from allegations of defamation and related claims. The matter proceeded to trial in the Montana Eleventh Judicial District Court, Flathead County, and resulted in a jury verdict against the Authority in the amount of approximately $1.5 million. The Authority has appealed the verdict to the Montana Supreme Court, where the matter remains pending.

In connection with the judgment, the Authority is also a party to a declaratory judgment action in the United States District Court for the District of Montana to determine whether its insurance carrier is obligated to provide coverage for the judgment. The insurer has denied coverage; however, the Authority is contesting that determination. Discovery in the insurance coverage matter is ongoing, and the outcome is not presently determinable.

The Authority may also be subject to statutory provisions under Montana law that could limit or otherwise affect its ultimate financial exposure, including limitations on the enforcement of judgments against housing authorities and statutory caps on tort claims against governmental entities. The applicability and effect of these provisions remain uncertain.

On July 23, 2025, a second lawsuit was filed against the Authority alleging defamation and related claims arising from substantially similar circumstances. The matter is in its preliminary stages, and management, together with legal counsel, is unable to estimate the likelihood of loss or the amount of any potential liability at this time.

Management has concluded that these matters represent non-recognized subsequent events requiring disclosure in the financial statements. No adjustments have been made to the accompanying financial statements as a result of these events.

Required Supplemental Information

Whitefish Housing Authority
Required Supplemental Information
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*

As of measurement date	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the Net Pension Liability (percentage)	0.006398%	0.008058%	0.007553%	0.004725%	0.003962%	0.006028%	0.006364%	0.008789%	0.007952%	0.008579%
Employer's Net Pension Liability (amount)	$156,133	$191,615	$136,953	$124,650	$82,814	$125,812	$123,940	$149,704	$111,158	$106,891
State's Net Pension Liability (amount)	42,966	57,005	40,187	39,108	26,847	42,100	2,012	1,829	1,365	1,305
Total	$199,099	$248,620	$177,140	$163,758	$109,661	$167,912	$125,952	$151,533	$112,523	$108,197
Employer's Covered Payroll	$118,950	$141,615	$133,416	$79,274	$65,369	$100,583	$78,876	$105,275	$92,800	$97,111
Employer's proportionate Share as a percent of Covered Payroll	131.26%	135.31%	102.65%	157.24%	126.69%	125.08%	157.13%	142.20%	119.78%	111.22%
Plan Fiduciary Net Position as a percent of Total Pension Liability	73.93%	73.66%	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%	79.87%

**The amounts presented for each fiscal year were determined as of June 30, the measurement date.*
"All employer adjustments made in fiscal year 2020 but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

Whitefish Housing Authority
Required Supplementary Information
Schedule of Contributions
For the Last Ten Fiscal Years*

As of most recent FYE (reporting date)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required DB Contributions	$20,259	$10,759	$12,595	$11,823	$6,945	$5,622	$8,397	$6,608	$8,799	$7,647
Plan Choice Rate Required Contributions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contributions	$20,259	$10,759	$12,595	$11,823	$6,945	$5,622	$8,397	$6,608	$8,799	$7,647
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Employer's Covered Payroll	$181,840	$118,950	$141,615	$133,416	$79,274	$65,369	$100,583	$78,876	$105,275	$92,800
Contributions as a percent of Covered Payroll	10.86%	9.04%	8.89%	8.86%	8.76%	8.60%	8.35%	8.38%	8.36%	8.24%

**The amounts presented for each fiscal year were determined as of June 30, the measurement date.*
"All employer adjustments made in fiscal year 2020 but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

Changes of Benefit Terms
The following changes to the plan provisions were made as identified

2017:
Working Retiree Limitations – for PERS

Effective July 1, 2017, if a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

Refunds

1) Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
2) Terminating members with accumulated contributions between $200 and $1,000 who wish to rollover their refund must do so within 90 days of termination of service.
3) Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Lump-sum payouts

Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

Disabled PERS Defined Contribution (DC) Members

PERS members hired after July 1, 2011, have a normal retirement age of 65. PERS DC members hired after July 1, 2011 who became disabled were previously only eligible for a disability benefit until age 65. Effective July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same 5-year time period available to PERS DC disabled members hired prior to July 1, 2011, who have a normal retirement age of 60 and are eligible for a disability benefit until age 65.

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

Actuarially determined contributions are determined on the valuation date payable in the fiscal year beginning immediately following the valuation date. The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2023, which were based on the results of the June 30, 2022 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.30%, net of pension plan investment and administrative expenses
*Includes inflation at	2.75%
Merit salary increase	0% to 4.80%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open
Remaining amotization period	30 years
Mortality	
• Active Participants	PUB-2010 General Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
• Disabled Retirees	PUB-2010 General Amount Weighted Disabled Retiree mortality table, projected to 2021, set forward one year for both males and females.
• Contingent Survivors	PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021.
• Healthy Retirees	PUB-2010 General Amount Weighted Healthy Retiree Mortality Table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.

The actuarial assumptions and methods utilized in the June 30, 2022 valuation, were developed in the five-year experience study for the period ending 2021.

Supplemental Information-
Program Financial Schedules

Whitefish Housing Authority
Program Schedule of Net Position
June 30, 2024

ASSETS	Public Housing	Section 8 Voucher	Development/ Homeownership	Elimination	Combined Total
Current Assets:					
Cash and cash equivalents	$ 210,669	$ -	$ 155,823	$ -	$ 366,492
Accounts receivable, net	1,800	1,733	12,142	-	15,675
Due from related party	-	26,988	21,275	(48,263)	-
Due from other governments	-	4,286	16,518	(16,518)	4,286
Prepaid expenses	6,938	-	-	-	6,938
Tenant security deposits	10,800	-	950	-	11,750
Total current assets	230,207	33,007	206,708	(64,781)	405,141
Non-current Assets:					
Capital Assets, non-depreciable	50,110	-	2,277,784	-	2,327,894
Capital Assets, depreciable, net	518,566	44	80,368	-	598,978
Accrued interest	-	-	9,750	-	9,750
Restitution receivable	144,842	-	-	-	144,842
Notes receivable	-	-	66,519	-	66,519
Other assets, restricted	-	-	810,599	-	810,599
Total non-current assets	713,518	44	3,245,020	-	3,958,582
Total Assets	943,725	33,051	3,451,728	(64,781)	4,363,723
Deferred Outflows of Resources:					
Pension related deferred outflows of resources	25,288	511	1,075	-	26,874
Total Deferred Outflows of Resources	25,288	511	1,075	-	26,874
Total Assets and Deferred Outflows of Resources	$ 969,013	$ 33,562	$ 3,452,803	$ (64,781)	$ 4,390,597
LIABILITIES AND NET POSITION					
Current Liabilities:					
Accounts payable	$ 45,896	$ -	$ -	$ -	$ 45,896
Accrued liabilities	1,963	63	556	-	2,582
Compensated absences	1,102	-	-	-	1,102
Due to related party	34,769	-	13,494	(48,263)	-
Due to other governments	16,880	15,407	-	(16,518)	15,769
Unearned revenues	71,000	-	-	-	71,000
Tenant security deposits	10,800	-	950	-	11,750
Total current liabilities	182,410	15,470	15,000	(64,781)	148,099
Non-current Liabilities					
Compensated absences, long-term	1,684	-	-	-	1,684
Net pension liability	146,921	2,967	6,245	-	156,133
Total long term liabilities	148,605	2,967	6,245	-	157,817
Total Liabilities	331,015	18,437	21,245	(64,781)	305,916
Deferred inflows of resources:					
Pension related deferred inflows of resources	26,249	530	1,116	-	27,895
Total Deferred Inflows of Resources	26,249	530	1,116	-	27,895
Total Liabilities and Deferred Inflows of Resources	357,264	18,967	22,361	(64,781)	333,811
Net investment in capital assets	568,676	44	2,358,152	-	2,926,872
Restricted net position	-	2,214	810,599	-	812,813
Unrestricted net position	43,073	12,337	261,691	-	317,101
Total net position	611,749	14,595	3,430,442	-	4,056,786
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 969,013	$ 33,562	$ 3,452,803	$ (64,781)	$ 4,390,597

Whitefish Housing Authority
Program Schedule of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2024

	Public Housing	Section 8 Voucher	Development/ Homeownership	Elimination	Combined Total
REVENUE					
Rental income	$ 248,207	$ -	$ -	$ -	$ 248,207
HUD operating subsidy	85,509	71,150	-	-	156,659
Program revenues	-	-	73,715	-	73,715
Restricted construction government grants	-	-	616,278	-	616,278
Other income	17,786	4,076	21,699	-	43,561
Total revenue	351,502	75,226	711,692	-	1,138,420
EXPENSES					
Administration	284,988	12,225	87,704	-	384,917
Tenant services	876	-	-	-	876
Utilities	42,269	-	-	-	42,269
Ordinary maintenance and operations	126,635	-	-	-	126,635
General expenses	49,677	852	59,124	-	109,653
Housing assistance payments	-	73,197	-	-	73,197
Depreciation expense	41,135	97	2,771	-	44,003
Total operating expenses	545,580	86,371	149,599	-	781,550
Operating income (loss)	(194,078)	(11,145)	562,093	-	356,870
NONOPERATING REVENUES (EXPENSES)					
Interest income	4,918	-	1,625	-	6,543
HUD capital grants	244,429	-	-	-	244,429
Total nonoperating revenues (expenses)	249,347	-	1,625	-	250,972
Change in net position	55,269	(11,145)	563,718	-	607,842
Net position at beginning of year	556,480	25,740	2,866,724	-	3,448,944
Net position at end of year	$ 611,749	$ 14,595	$ 3,430,442	-	$ 4,056,786

Whitefish Housing Authority
Program Schedule of Cash Flows
Year Ended June 30, 2024

	Public Housing	Section 8 Voucher	Development Homeownership	Elimination	Total
Cash flows from operating activities:					
Rental receipts	$ 258,688	$ -	$ 68,172	$ -	$ 326,860
Program receipts	6,225	14,982	-	-	21,207
HUD operating grants receipts	85,509	71,150	-	-	156,659
Restricted construction government grants receipt	-	-	616,278	-	616,278
Other receipts	22,714	2,395	21,323	-	46,432
Total receipts	373,136	88,527	705,773	-	1,167,436
Administration	253,160	13,068	111,948	-	378,176
Utilities	19,265	-	-	-	19,265
Ordinary maintenance and operations	118,464	-	9,231	-	127,695
General	91,932	2,009	52,014	-	145,955
Housing assistance payments	-	73,450	-	-	73,450
Total disbursements	482,821	88,527	173,193	-	744,541
Net cash provided by (used in) operating activities	(109,685)	-	532,580	-	422,895
Cash flows from investing activities:					
Purchase of capital assets	(276,716)	-	(1,188,127)	-	(1,464,843)
Net cash provided by (used in) investing activities	(276,716)	-	(1,188,127)	-	(1,464,843)
Cash flows from capital and related financing activities:					
Proceeds from HUD capital grants	244,429	-	-	-	244,429
Net cash provided by (used in) capital and related financing activities	244,429	-	-	-	244,429
Net increase (decrease) in cash and cash equivalents, and restricted cash	(141,972)	-	(655,547)	-	(797,519)
Cash and cash equivalents, and restricted cash at beginning of year	363,441	-	812,320	-	1,175,761
Cash and cash equivalents, and restricted cash at end of year	$ 221,469	$ -	$ 156,773	$ -	$ 378,242

INDEPENDENT AUDITORS' 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
Whitefish Housing Authority
Whitefish, Montana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of Whitefish Housing Authority (the Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 27, 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 opinion 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 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-01 and 2024-02 to be significant deficiencies.

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

Board of Commissioners
Whitefish Housing Authority

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs at findings 2024-01 and 2024-02.

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.

FJ & Associates, PLLC
Kaysville, Utah
July 27, 2026

Finding 2024-01: Financial Reporting – Untimely Filing of Audited Financial Statements.

Material Weakness

Criteria: Entities are required to prepare and file audited financial statements within prescribed deadlines in accordance with applicable regulatory, statutory, or contractual requirements. Timely financial reporting ensures transparency, accountability, and the availability of relevant financial information to stakeholders for decision-making purposes.

Condition: During our audit, we noted that the Authority did not file its audited financial statements for the year ended 2024 within the required timeframe. The delay in filing indicates that the financial reporting process was not completed in a timely manner to meet established deadlines.

Cause: The delay in filing appears to be due to inadequate planning, limited staffing resources, and insufficient oversight of the financial reporting and audit process. Additionally, there may have been delays in the preparation and review of supporting schedules and audit documentation.

Effect or Potential Effect: Failure to file audited financial statements on time may result in noncompliance with regulatory or contractual requirements. It may also reduce the usefulness of the financial statements to stakeholders and could impact the Authority's credibility, funding opportunities, or standing with oversight agencies.

Recommendation: The Authority should establish and implement a formal timeline for the preparation, review, and completion of its financial statements and audit. This should include clearly defined responsibilities, interim deadlines, and monitoring procedures to ensure timely completion. Management should also assess whether additional resources or external support are necessary to meet reporting deadlines in future periods.

Response:

Finding 2024-02: Internal Control – Untimely Detection of Payroll Fraud

Material Weakness

Criteria: A properly designed system of internal control includes procedures to prevent and detect fraud, particularly over payroll processing and compensation. Key controls include independent review and approval of payroll changes, segregation of duties, and oversight by those charged with governance. Management is responsible for establishing and maintaining internal controls to provide reasonable assurance that material misstatements, whether due to error or fraud, are identified in a timely manner.

Condition: During our audit, we noted that the Authority identified a payroll-related fraud involving the former Executive Director, who processed unauthorized additional compensation for himself during his tenure. While the Authority ultimately identified the fraudulent activity, it was not detected in a timely manner through the Authority's system of internal controls. The delay in detection indicates that controls over payroll processing and review were not operating effectively.

Cause: The untimely detection of the fraud appears to be due to a lack of independent review and approval of payroll changes, particularly those affecting executive compensation. Additionally, there was inadequate segregation of duties within the payroll process, allowing the Executive Director to process and approve his own compensation without sufficient oversight. Monitoring controls and board-level oversight over payroll and compensation were also limited.

Effect or Potential Effect: The failure to detect unauthorized payroll activity in a timely manner increases the risk of misappropriation of assets and material misstatement of the financial statements. Unauthorized compensation may go undetected for extended periods, resulting in financial loss and delayed corrective action. This condition may also negatively impact stakeholder confidence in the Authority's governance and internal control environment.

Recommendation: The Authority should strengthen internal controls over payroll and executive compensation by requiring independent review and approval of all compensation changes, particularly for senior management. Payroll processing responsibilities should be segregated to the extent possible, and compensating controls should be implemented where segregation is limited. The Board of Commissioners or an equivalent governing body should provide active oversight, including periodic review of payroll reports and executive compensation. Additionally, management should implement procedures to regularly review payroll registers for unusual or unauthorized transactions and consider periodic internal audits or external reviews to ensure compliance with established policies.

Response:

Finding 2023-01: Financial Reporting – Untimely Filing of Audited Financial Statements.

Material Weakness

Criteria: Entities are required to prepare and file audited financial statements within prescribed deadlines in accordance with applicable regulatory, statutory, or contractual requirements. Timely financial reporting ensures transparency, accountability, and the availability of relevant financial information to stakeholders for decision-making purposes.

Condition: During our audit, we noted that the Authority did not file its audited financial statements for the year ended 2023 within the required timeframe. The delay in filing indicates that the financial reporting process was not completed in a timely manner to meet established deadlines.

Cause: The delay in filing appears to be due to inadequate planning, limited staffing resources, and insufficient oversight of the financial reporting and audit process. Additionally, there may have been delays in the preparation and review of supporting schedules and audit documentation.

Effect or Potential Effect: Failure to file audited financial statements on time may result in noncompliance with regulatory or contractual requirements. It may also reduce the usefulness of the financial statements to stakeholders and could impact the Authority's credibility, funding opportunities, or standing with oversight agencies.

Recommendation: The Authority should establish and implement a formal timeline for the preparation, review, and completion of its financial statements and audit. This should include clearly defined responsibilities, interim deadlines, and monitoring procedures to ensure timely completion. Management should also assess whether additional resources or external support are necessary to meet reporting deadlines in future periods.

Response: See Finding 2024-01.

Finding 2023-02: Internal Control – Untimely Detection of Payroll Fraud

Material Weakness

Criteria: A properly designed system of internal control includes procedures to prevent and detect fraud, particularly over payroll processing and compensation. Key controls include independent review and approval of payroll changes, segregation of duties, and oversight by those charged with governance. Management is responsible for establishing and maintaining internal controls to provide reasonable assurance that material misstatements, whether due to error or fraud, are identified in a timely manner.

Condition: During our audit, we noted that the Authority identified a payroll-related fraud involving the former Executive Director, who processed unauthorized additional compensation for himself during his tenure. While the Authority ultimately identified the fraudulent activity, it was not detected in a timely manner through the Authority's system of internal controls. The delay in detection indicates that controls over payroll processing and review were not operating effectively.

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Effect or Potential Effect: The failure to detect unauthorized payroll activity in a timely manner increases the risk of misappropriation of assets and material misstatement of the financial statements. Unauthorized compensation may go undetected for extended periods, resulting in financial loss and delayed corrective action. This condition may also negatively impact stakeholder confidence in the Authority's governance and internal control environment.

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Response: See Finding 2024-02.

Whitefish Housing Authority

Statement of Activity

July 2026

	Total
Revenue	
3000.1 HCV HAP PMTS Received	$12,974.00
3000.3 PORT HAP Received	1,426.00
Total for 3000.1 HCV HAP PMTS Received	**$14,400.00**
3000.2 HCV Admin Fees	$1,358.00
3000.4 Admin Fees - PORT	77.70
Total for 3000.2 HCV Admin Fees	**$1,435.70**
3110.00 MVM Rent	21,509.00
3111.00 Other MVM Tenant Revenue	$184.00
3111.20 Laundry Machine Income	440.00
Total for 3111.00 Other MVM Tenant Revenue	**$624.00**
3630.00 RR House Rent	1,460.00
3690.00 Other Income	$24.02
3690.02 City DPTH Grant / Reimbursement	35,241.04
3690.13 Deed Restriction Management Fee	625.00
3690.15 LHP Rental Admin Fee	6,939.11
Total for 3690.00 Other Income	**$42,829.17**
8020 HUD Operating Subsidy	3,308.00
8029.25 Capital Fund 2025	3,588.00
Total for Revenue	**$89,153.87**
Gross Profit	**$89,153.87**
Expenditures	
4100.00 Administrative Expenses	
4110.00 Administrative Salaries	$10,401.67
4110.01 Compensated Absences - Admin	1,535.24
Total for 4110.00 Administrative Salaries	**$11,936.91**
4120.00 Payroll Taxes	1,188.14
4130.00 Legal Expense	480.00
4140.00 Staff Training	244.00
4170.00 Accounting	
4175.10 Outside Accounting / Bookkeeping Fees	2,673.75
Total for 4170.00 Accounting	**$2,673.75**
4190.00 Sundry - other Admin Expense	$545.15
4190.10 Office Expenses	48.92
4190.30 Advertising & Marketing	220.89
4190.40 Postage & Delivery	77.99
4190.85 Membership Dues/Subscription	575.00
4190.90 Admin Services Contract	260.00
Total for 4190.00 Sundry - other Admin Expense	**$1,727.95**
Total for 4100.00 Administrative Expenses	**$18,250.75**

Whitefish Housing Authority

Statement of Activity

July 2026

	Total
4300.00 Utilities	
4300.05 Utilities - Internet	363.24
4310.00 Water	1,875.44
4320.00 Electricity	1,176.00
4330.00 Gas	493.57
Total for 4300.00 Utilities	**$3,908.25**
4420.00 Materials	$427.24
4420.07 Cleaning	56.79
Total for 4420.00 Materials	**$484.03**
4430.00 Maintenance Contract(or) Costs	
4430.11 Maintenance & Janitorial Salaries	2,281.68
4430.40 Landscape & Grounds Contract	1,400.00
4430.70 Plumbing Contract	6,516.00
4432.00 Mat Rental Services	133.10
Total for 4430.00 Maintenance Contract(or) Costs	**$10,330.78**
4500.00 General Expenses	
4510.20 Liability Insurance	6,909.10
4540.00 Employee Benefit Contribution	
4540.10 Employee Benefits - Admin	1,903.05
Total for 4540.00 Employee Benefit Contribution	**$1,903.05**
Total for 4500.00 General Expenses	**$8,812.15**
4570.01 Bad Debts - other (admin)	50.00
4715.00 Housing Assistance Payments	$12,362.00
4715.02 HAP - Resident Utility Reimbursement / Payment	150.00
4715.1 PORT IN Housing Assistance Payments	1,426.00
Total for 4715.00 Housing Assistance Payments	**$13,938.00**
66000 Payroll Expenses	2,973.63
7540.02A Boiler System	72.00
Total for Expenditures	**$58,819.59**
Net Operating Revenue	**$30,334.28**
Other Revenue	
3610.01 Interest Income - Notes Rec	21.90
Total for Other Revenue	**$21.90**
Net Other Revenue	**$21.90**
Net Revenue	**$30,356.18**

Whitefish Housing Authority

Statement of Activity

May-July, 2026

	Total
Revenue	
3000.1 HCV HAP PMTS Received	$20,555.00
3000.3 PORT HAP Received	4,278.00
Total for 3000.1 HCV HAP PMTS Received	**$24,833.00**
3000.2 HCV Admin Fees	$3,997.00
3000.4 Admin Fees - PORT	233.10
Total for 3000.2 HCV Admin Fees	**$4,230.10**
3110.00 MVM Rent	64,968.00
3111.00 Other MVM Tenant Revenue	$242.00
3111.10 Excess Utilities	135.00
3111.20 Laundry Machine Income	1,323.85
Total for 3111.00 Other MVM Tenant Revenue	**$1,700.85**
3630.00 RR House Rent	5,140.00
3690.00 Other Income	$91.52
3690.02 City DPTH Grant / Reimbursement	35,241.04
3690.13 Deed Restriction Management Fee	675.00
3690.15 LHP Rental Admin Fee	6,939.11
Total for 3690.00 Other Income	**$42,946.67**
4620.04 Casualty Loss Ins Proceeds	3,411.90
8020 HUD Operating Subsidy	12,736.30
8021 HUD Shortfall Operating Subsidy	39,473.00
8029.25 Capital Fund 2025	12,566.00
Total for Revenue	**$212,005.82**
Gross Profit	**$212,005.82**
Expenditures	
4100.00 Administrative Expenses	
4110.00 Administrative Salaries	$29,379.80
4110.01 Compensated Absences - Admin	3,047.24
Total for 4110.00 Administrative Salaries	**$32,427.04**
4120.00 Payroll Taxes	3,264.82
4130.00 Legal Expense	15,128.60
4140.00 Staff Training	827.06
4170.00 Accounting	
4175.10 Outside Accounting / Bookkeeping Fees	5,896.25
Total for 4170.00 Accounting	**$5,896.25**
4171.00 Auditing Fees	12,750.00

Whitefish Housing Authority

Statement of Activity

May-July, 2026

	Total
4190.00 Sundry - other Admin Expense	$1,733.10
4190.10 Office Expenses	456.68
4190.20 Bank Fees	10.00
4190.30 Advertising & Marketing	347.71
4190.40 Postage & Delivery	520.29
4190.60 Telephone	276.84
4190.85 Membership Dues/Subscription	1,364.00
4190.90 Admin Services Contract	780.00
Total for 4190.00 Sundry - other Admin Expense	**$5,488.62**
Total for 4100.00 Administrative Expenses	**$75,782.39**
4210.00 Tenant Services	
4220.00 Tenant Services - Other Expense	854.53
Total for 4210.00 Tenant Services	**$854.53**
4220.CF Maintenance Materials - CFP	-21.59
4300.00 Utilities	
4300.05 Utilities - Internet	1,099.72
4310.00 Water	4,199.47
4320.00 Electricity	3,386.00
4330.00 Gas	1,980.54
4390.00 Sewer	860.16
4390.01 Trash Removal	332.67
Total for 4300.00 Utilities	**$11,858.56**
4420.00 Materials	$911.79
4420.05 Other Materials	657.48
4420.06 Electrical	74.65
4420.07 Cleaning	98.11
Total for 4420.00 Materials	**$1,742.03**
4430.00 Maintenance Contract(or) Costs	$1,101.25
4430.10 Heating & Cooling Contract	857.40
4430.11 Maintenance & Janitorial Salaries	6,248.12
4430.30 Elevator Maintenance Contract	294.25
4430.40 Landscape & Grounds Contract	2,400.00
4430.50 Unit Turnaround	$1,005.55
4430.51 Carpet Cleaning	65.00
Total for 4430.50 Unit Turnaround	**$1,070.55**
4430.70 Plumbing Contract	9,081.00
4430.80 Extermination Contract	1,675.00
4430.95 Routine Maintenance Contract	915.00
4432.00 Mat Rental Services	532.40
Total for 4430.00 Maintenance Contract(or) Costs	**$24,174.97**

Whitefish Housing Authority

Statement of Activity

May-July, 2026

	Total
4500.00 General Expenses	
4501.11 Property Taxes	3,364.54
4510.20 Liability Insurance	7,336.30
4540.00 Employee Benefit Contribution	
4540.10 Employee Benefits - Admin	5,402.27
4540.20 Employee Benefits-Tenant Serv	2,759.80
Total for 4540.00 Employee Benefit Contribution	**$8,162.07**
Total for 4500.00 General Expenses	**$18,862.91**
4570.01 Bad Debts - other (admin)	1,330.34
4610.00 Extraordinary Maintenance	3,482.50
4715.00 Housing Assistance Payments	$35,547.00
4715.02 HAP - Resident Utility Reimbursement / Payment	469.00
4715.1 PORT IN Housing Assistance Payments	4,278.00
Total for 4715.00 Housing Assistance Payments	**$40,294.00**
66000 Payroll Expenses	3,253.63
7540.02A Boiler System	72.00
7560.00 Depot Park Civil Construction - Bid Package 1	
7560.01 Civil Contract	1,512.00
Total for 7560.00 Depot Park Civil Construction - Bid Package 1	**$1,512.00**
Total for Expenditures	**$183,198.27**
Net Operating Revenue	**$28,807.55**
Other Revenue	
3610.01 Interest Income - Notes Rec	21.90
3610.02 Interest Income - MMA accounts	101.77
Total for Other Revenue	**$123.67**
Net Other Revenue	**$123.67**
Net Revenue	**$28,931.22**

Whitefish Housing Authority

Statement of Financial Position Summary

As of Jul 31, 2026

Distribution account	Total
Assets	$4,570,721.95
Current Assets	$1,286,946.26
Bank Accounts	$257,064.58
Accounts Receivable	-$663.17
Other Current Assets	$1,030,544.85
Total for Current Assets	**$1,286,946.26**
Fixed Assets	$3,278,765.69
Other Assets	$5,010.00
Total for Assets	**$4,570,721.95**
Liabilities and Equity	$4,570,721.95
Liabilities	$17,414.47
Current Liabilities	$174,568.20
Accounts Payable	-$54,483.63
Credit Cards	-$968.54
Other Current Liabilities	$230,020.37
Total for Current Liabilities	**$174,568.20**
Long-term Liabilities	-$157,153.73
Total for Liabilities	**$17,414.47**
Equity	$4,553,307.48
Total for Liabilities and Equity	**$4,570,721.95**