

# Opportunity Council

Consolidated Financial Statements and  
Supplementary Information with  
Independent Auditors' Report

Year Ended December 31, 2025  
(with Summarized Comparative Totals  
for Year Ended December 31, 2024)



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAcconnect.com](https://CLAcconnect.com)

# Opportunity Council

## Contents

|   |          |
|---|----------|
| <b>Independent Auditors' Report</b>   | <b>1</b> |
| <b>Consolidated Financial Statements</b>  |          |
| Consolidated Statement of Financial Position  | 4        |
| Consolidated Statement of Activities  | 5        |
| Consolidated Statement of Functional Expenses   | 6        |
| Consolidated Statement of Cash Flows  | 8        |
| Notes to Consolidated Financial Statements  | 9        |
| Appendix I: Affiliates  | 28       |
| <b>Supplementary Information</b>  |          |
| Schedule of Expenditures of State Awards  | 31       |
| 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 <i>Government Auditing Standards</i> | 32       |
| Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance   | 34       |
| Schedule of Findings and Questioned Costs   | 37       |
| Schedule of Expenditures of Federal Awards  | 39       |
| Notes to Schedule of Expenditures of Federal Awards   | 46       |



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Opportunity Council  
Bellingham, Washington

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the consolidated financial statements of Opportunity Council (a Washington nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Opportunity Council as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Opportunity Council 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 Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS 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 consolidated 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 consolidated 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 Opportunity Council'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Opportunity Council'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.

### ***Other Matter – Prior-Period Summarized Comparative Information***

We have previously audited the Opportunity Council's 2024 consolidated financial statements, and our report dated May 29, 2025 expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of state awards and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information in Appendix 1: Affiliates, which is the responsibility of management, is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2026, on our consideration of Opportunity Council’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Opportunity Council’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Opportunity Council’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Bellevue, Washington  
May 28, 2026

**Opportunity Council**  
**Consolidated Statement of Financial Position**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

|  | <b>2025</b>          | <b>2024</b>          |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| <b>Current assets</b>  |                      |                      |
| Cash and cash equivalents - unrestricted                                     | \$ 331,681           | \$ 1,158,048         |
| Due from granting agencies   | 7,031,562            | 6,045,134            |
| Other current receivables  | 3,568,372            | 1,844,702            |
| Other current assets   | 567,311              | 445,275              |
| Total current assets   | 11,498,926           | 9,493,159            |
| <b>Property and equipment, net</b>   | 16,280,644           | 15,737,185           |
| <b>Operating right-of-use assets</b>   | 1,272,942            | 1,382,503            |
| <b>Other assets</b>  |                      |                      |
| Reserved funds   |                      |                      |
| Board-designated reserves  | 2,000,000            | -                    |
| Contractually obligated property reserves                                    | 290,986              | 237,459              |
| Total reserved funds   | 2,290,986            | 237,459              |
| Funds held for others  | 393,728              | 382,648              |
| Home loans receivable  | 2,516,562            | 2,613,099            |
| Other long-term receivables  | 14,408,864           | 10,427,698           |
| Total other assets   | 19,610,140           | 13,660,904           |
| <b>Total assets</b>  | <b>\$ 48,662,652</b> | <b>\$ 40,273,751</b> |
| <b>Liabilities and Net Assets</b>  |                      |                      |
| <b>Current liabilities</b>   |                      |                      |
| Accounts payable   | \$ 851,563           | \$ 474,056           |
| Accrued liabilities  | 1,906,065            | 1,972,149            |
| Revolving loans payable  | 276,900              | 248,034              |
| Housing Development line of credit   | -                    | 1,000,000            |
| Deferred revenue   | 510,812              | 487,191              |
| Current portion of operating lease liability                                 | 539,174              | 459,334              |
| Current portion of notes payable   | 124,881              | 1,133,380            |
| Total current liabilities  | 4,209,395            | 5,774,144            |
| <b>Long-term liabilities</b>   |                      |                      |
| Tenant deposits  | 116,828              | 134,614              |
| Due to funding agencies  | 2,516,562            | 2,613,099            |
| Operating lease liability, net of current portion                            | 771,125              | 961,985              |
| Notes payable, net of current portion and unamortized<br>debt issuance costs | 5,717,148            | 4,773,284            |
| Total long-term liabilities  | 9,121,663            | 8,482,982            |
| <b>Net assets</b>  |                      |                      |
| Without donor restrictions   |                      |                      |
| Net investment in property and equipment                                     | 10,438,615           | 9,830,521            |
| Undesignated   | 18,353,342           | 11,696,719           |
| Board-designated reserves  | 2,000,000            |                      |
| Total without donor restrictions   | 30,791,957           | 21,527,240           |
| With donor restrictions  | 4,539,637            | 4,489,385            |
| Total net assets   | 35,331,594           | 26,016,625           |
| <b>Total liabilities and net assets</b>                                      | <b>\$ 48,662,652</b> | <b>\$ 40,273,751</b> |

See accompanying notes to consolidated financial statements.

**Opportunity Council**  
**Consolidated Statement of Activities**  
**Year Ended December 31, 2025**  
(with Comparative Totals for the Year Ended December 31, 2024)

|  | <b>2025</b>                           |                                    |                             | <b>2024</b><br><b>Total</b> |
|--|---------------------------------------|------------------------------------|-----------------------------|-----------------------------|
|  | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>                |                             |
| <b>Revenue, gains, and public support</b>  |                                       |                                    |                             |                             |
| Grants from government agencies            | \$ 48,858,028                         | \$ -                               | \$ 48,858,028               | \$ 54,718,040               |
| Grants from private organizations          | 14,703,053                            | -                                  | 14,703,053                  | 10,772,720                  |
| Fee-for-service contracts and other income | 10,480,350                            | -                                  | 10,480,350                  | 5,526,968                   |
| Contributions                              | 575,722                               | 626,723                            | 1,202,445                   | 1,610,317                   |
| Contributions of non-financial assets      | 183,485                               | -                                  | 183,485                     | 82,754                      |
| Satisfaction of donor restrictions         | 576,471                               | (576,471)                          | -                           | -                           |
| Total revenues, gains, and public support  | <u>75,377,109</u>                     | <u>50,252</u>                      | <u>75,427,361</u>           | <u>72,710,799</u>           |
| <b>Expenses</b>                            |                                       |                                    |                             |                             |
| Program services                           | 57,482,862                            | -                                  | 57,482,862                  | 54,530,201                  |
| Management and general                     | 5,956,321                             | -                                  | 5,956,321                   | 6,296,438                   |
| Other supporting services                  | 2,248,100                             | -                                  | 2,248,100                   | 2,132,304                   |
| Fundraising                                | 425,109                               | -                                  | 425,109                     | 157,904                     |
| Total expenses                             | <u>66,112,392</u>                     | <u>-</u>                           | <u>66,112,392</u>           | <u>63,116,847</u>           |
| <b>Change in net assets</b>                | 9,264,717                             | 50,252                             | 9,314,969                   | 9,593,952                   |
| Net assets - beginning of year             | <u>21,527,240</u>                     | <u>4,489,385</u>                   | <u>26,016,625</u>           | <u>16,422,673</u>           |
| <b>Net assets - end of year</b>            | <u><u>\$ 30,791,957</u></u>           | <u><u>\$ 4,539,637</u></u>         | <u><u>\$ 35,331,594</u></u> | <u><u>\$ 26,016,625</u></u> |

See accompanying notes to consolidated financial statements.

**Opportunity Council**  
**Consolidated Statement of Functional Expenses**  
**Year Ended December 31, 2025**  
(with Comparative Totals for the Year Ended December 31, 2024)

|                                    | 2025                                     |   |                      |                       |                       |                      |
|------------------------------------|--|---|----------------------|-----------------------|-----------------------|----------------------|
| Expenses                           | Early Learning<br>and Family<br>Services | Weatherization<br>and Home<br>Repair Services | Housing<br>Services  | Housing<br>Enterprise | Community<br>Services | Energy<br>Assistance |
| Salaries and wages                 | \$ 7,685,920                             | \$ 728,460                                    | \$ 5,758,857         | \$ 851,875            | \$ 803,074            | \$ 1,025,994         |
| Payroll taxes and benefits         | 4,149,345                                | 393,387                                       | 3,132,526            | 460,058               | 433,661               | 554,049              |
| Total payroll expenses             | <u>11,835,265</u>                        | <u>1,121,847</u>                              | <u>8,891,383</u>     | <u>1,311,933</u>      | <u>1,236,735</u>      | <u>1,580,043</u>     |
| Advertising                        | 845                                      | 908   | 139                  | 131                   | 2,191                 | -                    |
| Business taxes                     | 412                                      | -   | 29,323               | 1,261                 | -                     | -                    |
| Communications                     | 86,952                                   | 6,660   | 59,173               | 13,270                | 10,924                | 9,644                |
| Depreciation and amortization      | -  | -   | 87,965               | 4,657                 | -                     | -                    |
| In-kind                            | 170,346                                  | -   | 13,139               | -                     | -                     | -                    |
| Insurance                          | 8,780                                    | -   | 103,243              | -                     | 23                    | -                    |
| Interest                           | -  | -   | 92,275               | -                     | -                     | -                    |
| Occupancy                          | 235,043                                  | -   | 358,952              | 76,326                | 9,830                 | -                    |
| Other                              | 45,808                                   | 2,685   | 13,294               | 48,874                | 128                   | -                    |
| Postage                            | 2,008                                    | 3,157   | 1,432                | 817                   | 1,388                 | 9,565                |
| Printing and copying               | 13,522                                   | 27  | 1,762                | 216                   | 5,711                 | 6,558                |
| Professional and contract services | 567,515                                  | 4,448,087                                     | 134,030              | 1,667,307             | 88,513                | 188,509              |
| Repairs and maintenance            | 278                                      | -   | 72,142               | 1,370                 | -                     | -                    |
| Specific assistance                | 389,753                                  | -   | 10,138,649           | 91,733                | 316,192               | 10,793,654           |
| Supplies                           | 418,189                                  | 20,235  | 78,828               | 24,919                | 46,291                | 64,126               |
| Training                           | 59,135                                   | 1,341   | 21,399               | 3,194                 | 8,633                 | 9,619                |
| Travel and vehicle expense         | 210,916                                  | 4,422   | 30,086               | 37,355                | 11,875                | 17,997               |
| Total expenses                     | <u>\$ 14,044,767</u>                     | <u>\$ 5,609,369</u>                           | <u>\$ 20,127,214</u> | <u>\$ 3,283,363</u>   | <u>\$ 1,738,434</u>   | <u>\$ 12,679,715</u> |

See accompanying notes to consolidated financial statements.

**Opportunity Council**  
**Consolidated Statement of Functional Expenses (Continued)**  
**Year Ended December 31, 2025**  
(with Comparative Totals for the Year Ended December 31, 2024)

|                                    | 2025                         |                     |                                 |                   | 2024<br>Total        |                      |
|------------------------------------|------------------------------|---------------------|---------------------------------|-------------------|----------------------|----------------------|
|                                    | Total<br>Program<br>Services | Administration      | Other<br>Supporting<br>Services | Fundraising       |                      | Total                |
| <b>Expenses</b>                    |                              |                     |                                 |                   |                      |                      |
| Salaries and wages                 | \$ 16,854,180                | \$ 2,549,357        | \$ 358,930                      | \$ 226,898        | \$ 19,989,365        | \$ 19,243,433        |
| Payroll taxes and benefits         | 9,123,026                    | 1,363,640           | 193,822                         | 122,525           | 10,803,013           | 10,299,506           |
| Total payroll expenses             | <u>25,977,206</u>            | <u>3,912,997</u>    | <u>552,752</u>                  | <u>349,423</u>    | <u>30,792,378</u>    | <u>29,542,939</u>    |
| Advertising                        | 4,214                        | 391                 | -                               | 117               | 4,722                | 4,488                |
| Business taxes                     | 30,996                       | -                   | 16,821                          | -                 | 47,817               | 40,567               |
| Communications                     | 186,623                      | 35,006              | 82,094                          | 1,058             | 304,781              | 290,893              |
| Depreciation and amortization      | 92,622                       | 617,733             | 190,750                         | -                 | 901,105              | 914,874              |
| In-kind                            | 183,485                      | -                   | -                               | -                 | 183,485              | 82,754               |
| Insurance                          | 112,046                      | 156,294             | 62,815                          | -                 | 331,155              | 275,914              |
| Interest                           | 92,275                       | 9,418               | 104,382                         | -                 | 206,075              | 210,749              |
| Occupancy                          | 680,151                      | 8,730               | 1,083,934                       | 25,801            | 1,798,616            | 1,615,194            |
| Other                              | 110,789                      | 192,796             | 5,348                           | 9,961             | 318,894              | 370,204              |
| Postage                            | 18,367                       | 6,443               | -                               | 468               | 25,278               | 29,527               |
| Printing and copying               | 27,796                       | 11,981              | -                               | 8,407             | 48,184               | 67,935               |
| Professional and contract services | 7,093,961                    | 810,103             | 111,089                         | 14,610            | 8,029,763            | 5,520,524            |
| Repairs and maintenance            | 73,790                       | 275                 | 5,540                           | -                 | 79,605               | 80,701               |
| Specific assistance                | 21,729,981                   | 40,773              | 12,183                          | -                 | 21,782,937           | 22,347,561           |
| Supplies                           | 652,588                      | (25,729)            | 18,108                          | 11,258            | 656,225              | 983,396              |
| Training                           | 103,321                      | 44,632              | 20                              | 1,866             | 149,839              | 181,010              |
| Travel and vehicle expense         | 312,651                      | 134,478             | 2,264                           | 2,140             | 451,533              | 557,617              |
| Total expenses                     | <u>\$ 57,482,862</u>         | <u>\$ 5,956,321</u> | <u>\$ 2,248,100</u>             | <u>\$ 425,109</u> | <u>\$ 66,112,392</u> | <u>\$ 63,116,847</u> |

See accompanying notes to consolidated financial statements.

**Opportunity Council**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2025**  
(with Comparative Totals for the Year Ended December 31, 2024)

|   | <b>2025</b>         | <b>2024</b>         |
|---|---------------------|---------------------|
| <b>Cash flows from operating activities</b>   |                     |                     |
| Change in net assets  | \$ 9,314,969        | \$ 9,593,952        |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                     |                     |
| Depreciation  | 902,564             | 900,949             |
| Amortization of ROU asset   | 1,459               | 12,314              |
| Amortization of debt issuance costs   | 1,610               | 1,610               |
| (Increase) decrease in assets:  |                     |                     |
| Due from granting agencies  | (986,428)           | 1,035,850           |
| Other current receivables   | (1,723,670)         | 1,270,513           |
| Other current assets  | (122,036)           | (203,079)           |
| Operating right-of-use assets   | 108,102             | (260,340)           |
| Increase (decrease) in liabilities:   |                     |                     |
| Accounts payable  | 377,507             | (2,173,506)         |
| Accrued liabilities   | (66,084)            | 335,800             |
| Deferred revenue  | 23,621              | (432,568)           |
| Operating lease liabilities   | (111,020)           | 257,449             |
| <b>Net cash provided by operating activities</b>  | <b>7,720,594</b>    | <b>10,338,944</b>   |
| <b>Cash flows from investing activities</b>   |                     |                     |
| Purchase of property and equipment  | (1,446,023)         | (2,544,029)         |
| Interest earned on other long-term receivables  | (81,166)            | (876,800)           |
| Increase in tenant deposits   | (17,786)            | 726                 |
| Collections on loans receivable   | 224,741             | 148,902             |
| Disbursements of loans receivable   | (4,028,204)         | (5,648,317)         |
| <b>Net cash used by investing activities</b>  | <b>(5,348,438)</b>  | <b>(8,919,518)</b>  |
| <b>Cash flows from financing activities</b>   |                     |                     |
| Net change in revolving loans payable   | (67,671)            | (5,436,543)         |
| Proceeds from notes payable   | -                   | 6,500,000           |
| Payments on notes payable   | (1,066,245)         | (1,122,858)         |
| <b>Net cash used by financing activities</b>  | <b>(1,133,916)</b>  | <b>(59,401)</b>     |
| <b>Net increase in cash and cash equivalents</b>  | <b>1,238,240</b>    | <b>1,360,025</b>    |
| Cash and cash equivalents - beginning of year   | 1,778,155           | 418,130             |
| <b>Cash and cash equivalents - end of year</b>  | <b>\$ 3,016,395</b> | <b>\$ 1,778,155</b> |
| <b>Summary of cash and cash equivalents</b>   |                     |                     |
| Cash and cash equivalents - unrestricted  | \$ 331,681          | \$ 1,158,048        |
| Reserved funds:   |                     |                     |
| Board-designated reserves   | 2,000,000           | -                   |
| Contractually obligated property reserves   | 290,986             | 237,459             |
| Funds held for others   | 393,728             | 382,648             |
| <b>Total cash and cash equivalents</b>  | <b>\$ 3,016,395</b> | <b>\$ 1,778,155</b> |
| <b>Supplemental Disclosure of Cash Flow Information</b>                                     |                     |                     |
| Cash paid for interest  | \$ 206,075          | \$ 210,748          |
| Change in home loan receivables and amounts due to funding agencies                         | \$ -                | \$ 41,893           |

See accompanying notes to consolidated financial statements.

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 1 – Summary of Significant Accounting Policies**

**Organization and purpose:** Opportunity Council (the Council) is a nonprofit corporation incorporated in the state of Washington on November 5, 1965. Opportunity Council functions as a Community Action Agency in accordance with the Economic Opportunity Act of 1964 and the Community Services Act of 1974. Principal operations of the Council consist of administration of government and community-funded programs directed toward economic betterment of low income, minority, and disadvantaged persons. The Council’s major program activities include early learning and family services, community services and referrals, weatherization and home repair services, and housing and energy assistance. As the community action agency serving Whatcom, San Juan, and Island counties of Washington State, the Council primarily provides services and programs in these three counties. The Council also has contracts to deliver specific programming in Skagit and Snohomish counties and provides specialized services throughout Washington as well as in other states in the Pacific Northwest.

The Council has formed a number of separate state limited liability corporations (LLCs) for the purpose of providing certain management and other services to separate entities in which the LLCs are either a noncontrolling member or general partner. The sole member of these LLCs is Opportunity Council, therefore, they are consolidated with Opportunity Council (collectively, the Council) in these financial statements. All interagency accounts and transactions have been eliminated. All active LLCs are outlined in the list below:

| <u>Name</u>                       | <u>Year of Formation</u> |
|-----------------------------------|--------------------------|
| CreateHousing, LLC                | 2006                     |
| 22 North Manager, LLC             | 2016                     |
| OC Housing Partners I, LLC        | 2018                     |
| CreateHousing Riverview LLC       | 2019                     |
| CreateHousing Ravenswood, LLC     | 2019                     |
| CreateHousing Vantage II, LLC     | 2019                     |
| CreateHousing Holly Ridge, LLC    | 2020                     |
| CreateHousing Manor Way, LLC      | 2020                     |
| CreateHousing Four Corners, LLC   | 2020                     |
| OCHP Springtree, LLC              | 2020                     |
| OCHP Blackbird, LLC               | 2021                     |
| OCHP Sunshine Park, LLC           | 2021                     |
| OCHP Meeker, LLC                  | 2021                     |
| OCHP Logan Park, LLC              | 2021                     |
| OCHP Solera, LLC                  | 2021                     |
| OCHP Covey Run, LLC               | 2021                     |
| OCHP East Park MT, LLC            | 2021                     |
| Laurel Forest Manager, LLC        | 2021                     |
| OCHP Terrace Manor, LLC           | 2023                     |
| OCHP Valley Manor, LLC            | 2023                     |
| BF Family Housing I Manager, LLC  | 2023                     |
| BF Family Housing II Manager, LLC | 2023                     |
| OCHP Camas Flats, LLC             | 2023                     |
| OCHP Seneca Housing MGP, LLC      | 2023                     |
| Bellis Fair Early Learning, LLC   | 2024                     |
| OCHP Broadway, LLC                | 2024                     |
| OCHP 23rd Avenue, LLC             | 2024                     |
| OCHP Cityscape, LLC               | 2024                     |
| OCHP Mulberry Village, LLC        | 2025                     |

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 1 – Summary of Significant Accounting Policies – (Continued)**

**Basis of accounting:** The Council prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; accordingly, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

**Basis of presentation:** Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Council and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and over which the Board of Directors has discretionary control.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Council or the passage of time totaled \$4,191,007 and \$4,140,755 as of December 31, 2025 and 2024, respectively. Net assets subject to donor-imposed restrictions that stipulate they be maintained in perpetuity but permit the Council to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes totaled \$348,630 as of December 31, 2025 and 2024, in the form of land that must be used for a specific purpose.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulation or by law. Expiration of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions that are restricted by donors are reported as increases in net assets without donor restriction if the restrictions expire in the reporting period in which the contributions are recognized.

The Council reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the assets are to be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Council reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**Use of estimates:** The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents:** The Council considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 1 – Summary of Significant Accounting Policies – (Continued)**

**Due from granting agencies and other current receivables:** Amounts due from granting agencies and other receivables are recorded at their net realizable value. Net realizable value is equal to the gross amount of receivables less an estimated allowance for doubtful accounts. Management of the Council bases its estimate of doubtful accounts on several factors. These factors include the Council’s prior experience collecting receivables, the aging of the receivables at year-end, and management’s appraisal of current economic conditions. Based on the above factors, management considers all receivables to be fully collectible, therefore, has not made any allowance for uncollectibility.

Receivables are considered past due if not collected within 90 days. The Council does not charge interest on past due receivables.

**Property and equipment:** Property and equipment are recorded at cost or, if acquired as a donation, at the estimated fair value at the date donated. Depreciation is computed utilizing the straight-line method and the following estimated economic useful lives:

|                           |   |
|---------------------------|---|
| Buildings                 | 5 to 50 Years                                   |
| Equipment and furnishings | 5 Years   |
| Vehicles                  | 5 Years   |
| Leasehold improvements    | Shorter of remaining useful life, or lease term |

The Council capitalizes new assets and expenditures that add to productive capacity or extend the productive life of an asset costing \$5,000 or more. Maintenance and repairs are charged to expense as incurred. When items of property and equipment are sold or are otherwise disposed of, the appropriate cost and related accumulated depreciation amounts are removed from the accounts, and any gain or loss is included in net change in net assets.

**Funds held for others:** Funds held for others consist of restricted cash representing tenant deposits held in separate accounts in accordance with the related lease agreements and cash on hand from the revolving home loan programs to be re-loaned to low-income homeowners.

|                             | <b>2025</b> | <b>2024</b> |
|-----------------------------|-------------|-------------|
| Funds held for:             |             |             |
| Tenant deposits             | \$ 116,828  | \$ 134,614  |
| Revolving loans payable     | 276,900     | 248,034     |
| Total funds held for others | \$ 393,728  | \$ 382,648  |

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 1 – Summary of Significant Accounting Policies – (Continued)**

**Home loans receivable and due to funding agencies:** In furtherance of its charitable purpose, Opportunity Council obtains grants and loans and uses those funds to provide loans to certain low and moderate-income households for housing and housing improvements throughout the State of Washington. Opportunity Council loans to these households to cover expenses necessary to purchase or enhance existing properties. The Council periodically receives proceeds under certain agreements with the State and other agencies that require repayment in a future period. The proceeds are then used primarily to make zero interest home rehabilitation loans to low-income homeowners. These transactions are presented as loans receivable and associated liabilities to the funding agencies in the accompanying consolidated statement of financial position. New loans issued totaled \$128,204 and \$148,317 as of December 31, 2025 and 2024, respectively, and repayments on existing loans totaled \$224,741 and \$107,009 as of December 31, 2025 and 2024, respectively.

The loans are secured by deeds of trust on the homeowners' residences. The loans require repayment when the subject property is sold or when the use is changed from single-family residential use. Certain loans are forgiven if certain criteria are met by the eligible participants, under varying terms up to 28 years. Loans forgiven totaled \$0 and \$41,893 as of December 31, 2025 and 2024, respectively.

Loans that Opportunity Council has the intent and ability to hold for the foreseeable future are stated at unpaid principal balances, adjusted for an allowance for credit losses. The loan agreements assess no interest and the principal balance is due should any of the following events take place: the property is sold or transferred to a third party, including as a result of death or divorce; the property is no longer occupied as the clients' principal residence; the property is rented; or the client refinances their mortgage.

**Allowance for credit losses on loans:** Effective January 1, 2023, the allowance for credit losses on loans is a valuation account that is deducted from the amortized cost basis of loans to present the net amount expected to be collected. The allowance for credit losses on loans is adjusted through the provision for credit losses to the amount of amortized cost basis not expected to be collected at the statement of financial position date. Loan losses are charged off against the allowance for credit losses on loans when Opportunity Council determines the loan balance to be uncollectible. Cash received on previously charged off amounts is recorded as a recovery to the allowance for credit losses on loans.

The measurement of expected credit losses encompasses information about historical events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Qualitative adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix, or delinquencies, as well as for changes in environmental conditions, such as changes in unemployment rates, property values, or other relevant factors.

Expected credit losses are estimated on a collective basis for groups of loans that share similar risk characteristics. Factors that may be considered in aggregating loans for this purpose include but are not necessarily limited to product or collateral type, geography, and internal risk ratings. For loans that do not share similar risk characteristics with other loans such as collateral dependent loans, expected credit losses are estimated on an individual basis.

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 1 – Summary of Significant Accounting Policies – (Continued)**

**Allowance for credit losses on loans (Continued):** Expected credit losses are estimated over the contractual terms of the loans, adjusted for expected prepayments. The contractual term excludes expected extensions, renewals, and modifications unless the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by Opportunity Council.

Loans are charged off against the allowance for credit losses on loans in the period in which they are deemed uncollectible, and recoveries are credited to the allowance for credit losses on loans when received. Expected recoveries on loans previously charged off and expected to be charged off are included in the allowance for credit losses on loans estimate.

Opportunity Council's expected loss estimate is anchored in historical credit loss experience, with an emphasis on all available portfolio data and a layer of peer group data. The historical lookback period includes loss experience from 2010 through the current period, on an annual basis. By leveraging the addition of peer group data, Opportunity Council is able to incorporate a full economic cycle into the loss estimation process.

Qualitative reserves reflect management's overall estimate of the extent to which current expected credit losses on collectively evaluated loans will differ from historical loss experience. The analysis takes into consideration other analytics performed within the organization, such as enterprise and concentration management, along with other credit-related analytics as deemed appropriate. Management attempts to quantify qualitative reserves whenever possible. The CECL methodology applied focuses on evaluation of qualitative and environmental factors, including but not limited to: (i) evaluation of facts and issues related to specific loans; (ii) management's ongoing review and grading of the loan portfolio; (iii) consideration of historical loan loss and delinquency experience on each portfolio segment; (iv) trends in past due and nonperforming loans; (v) the risk characteristics of the various loan segments; (vi) changes in the size and character of the loan portfolio; (vii) concentrations of loans to specific borrowers or industries; (viii) existing economic conditions; (ix) the fair value of underlying collateral; and (x) other qualitative and quantitative factors which could affect expected credit losses.

Opportunity Council's CECL estimate applies a forecast that incorporates macroeconomic trends and other environmental factors. Management utilized national, regional and local leading economic indexes, as well as management judgment, as the basis for the forecast period. The historical loss rate was utilized as the base rate, and qualitative adjustments were utilized to reflect the forecast and other relevant factors.

Although management believes the allowance for credit losses on loans to be adequate, ultimate losses may vary from its estimates. Prior to the adoption of ASC 326, Opportunity Council did not provision an allowance for loan losses.

**Deferred revenue:** Deferred revenue is recognized for program (grant) advances received by the Council that are in excess of eligible grant expenditures. Such amounts are restricted funds and as such can only be maintained and used in accordance with the respective grant contracts.

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 1 – Summary of Significant Accounting Policies – (Continued)**

**Grants from government agencies and private organizations:** A substantial portion of the Council's revenue is derived from governmental and private grant awards that are intended to support specific programs or projects. Grants from governmental sources represented approximately 65% and 75% of total revenues, gains, and public support for the years ended December 31, 2025 and 2024, respectively. Grants from private sources represented approximately 20% and 15% of total revenues, gains, and public support for each of the years ended December 31, 2025 and 2024. The Council recognizes grant revenue as eligible expenditures are incurred in accordance with applicable grant or contract provisions. Cash received in excess of grant expenditures is accounted for as deferred revenue, and expenses incurred which are not yet reimbursed are accounted for as due from granting agencies on the consolidated statement of financial position. Amounts remaining under conditional grants totaled approximately \$44,285,000 as of December 31, 2025.

**Fee-for-service contracts:** Revenue from fee-for-service contracts is recognized at either (a) the point in time when services are provided or (b) the fee value can be reasonably determined. The amount of revenue recognized is determined based on the fees mutually agreed upon within the fee-for-service contract. Services provided are specific to the program or project to which the contract relates. For fixed-fee contracts, revenue is typically billed monthly and recorded in the month in which services are rendered.

These amounts are due from clients and the Council's housing projects. Generally, the Council bills the clients' projects days after the services are performed. Performance obligations are determined based on the nature of the services provided by the Council. Revenue for performance obligations satisfied over time is recognized based on rates negotiated with the clients and its housing management contracts. The Council believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

**Contributions:** The Council recognizes donor contributions upon the earlier of receipt or when unconditionally promised. Contributions received are recorded as donor-restricted support depending on the existence and/or nature of donor restrictions.

**Contributed nonfinancial assets:** Donation of supplies, equipment, facilities and other goods are recorded at fair value on the date of receipt. Donated services are recognized if services received (a) create or enhance nonfinancial assets or (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not donated. During the years ended December 31, 2025 and 2024, the Council received donated facilities, which were valued at the market value of rental rates, totaling \$183,485 and \$82,754, respectively.

**Allocation of functional expenses:** The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of activities and consolidated statement of functional expenses. Accordingly, certain costs are allocated between programs, other supporting services, administration, and fundraising based on the relative benefits received.

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 1 – Summary of Significant Accounting Policies – (Continued)**

**Allocation of functional expenses (Continued):** The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated based on time and effort include certain occupancy, depreciation, repairs and maintenance, and communication costs.

**Other supporting services:** Other supporting services in the consolidated statement of functional expenses include expenses incurred in connection with the commercial activities of the Council and third-party contract administration.

**Leases:** The Council leases facilities and equipment. The Council determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position.

ROU assets represent the Council's right to use an underlying asset for the lease term and lease liabilities represent the Council's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Council uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Council will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Council has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the statements of financial position. These leases have varying expiration dates through October 2040.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Council has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

The Council has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

**Federal income tax and uncertain tax positions:** The Council is a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. Therefore, the Council is exempt from federal income tax. The Council files income tax returns in the U.S. federal jurisdiction. As of December 31, 2025, tax returns for the prior three fiscal years remain subject to examination by major tax jurisdictions.

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 1 – Summary of Significant Accounting Policies – (Continued)**

**Comparative financial information:** The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Council’s consolidated financial statements for the year ended **December 31, 2024**, from which the summarized information was derived.

**Reclassification:** Certain reclassification of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**Note 2 – Liquidity and Availability**

Financial assets available for general expenditures consist of the following within one year of December 31:

|   | <u>2025</u>         | <u>2024</u>         |
|---|---------------------|---------------------|
| Financial assets at year end:   |                     |                     |
| Cash  | \$ 3,016,395        | \$ 1,778,155        |
| Due from granting agencies  | 7,031,562           | 6,045,134           |
| Other current receivables   | 3,568,372           | 1,844,702           |
| Total financial assets  | <u>13,616,329</u>   | <u>9,667,991</u>    |
| Less amounts not available to be used within one year:                  |                     |                     |
| Reserved funds  | (2,290,986)         | (237,459)           |
| Funds held for others   | (393,728)           | (382,648)           |
| Net assets with donor restrictions                                      | <u>(4,539,637)</u>  | <u>(4,489,385)</u>  |
| Financial assets not available to be used within one year               | <u>(7,224,351)</u>  | <u>(5,109,492)</u>  |
| Financial assets available to meet general expenditures within one year | <u>\$ 6,391,978</u> | <u>\$ 4,558,499</u> |

The Council strives to maintain liquid financial assets sufficient to cover all general expenditures as they come due. During the years ended December 31, 2025 and 2024, the Council was able to meet its cash needs without utilizing designated reserves. Financial assets in excess of daily cash requirements are held in readily liquid short-term investments through bank sweep accounts, savings, money market accounts, and other short-term investments.

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 3 – Property and Equipment**

Property and equipment consist of the following at December 31:

|                                | <u>2025</u>          | <u>2024</u>          |
|--------------------------------|----------------------|----------------------|
| Land                           | \$ 2,249,891         | \$ 2,249,891         |
| Land improvements              | 32,085               | 32,085               |
| Buildings                      | 17,142,636           | 17,126,286           |
| Vehicles                       | 1,917,457            | 1,827,168            |
| Equipment and furnishings      | 1,540,943            | 1,534,788            |
| Leasehold improvements         | 462,038              | 462,038              |
| Construction in process        | 1,555,265            | 222,036              |
| Total                          | <u>24,900,315</u>    | <u>23,454,292</u>    |
| Less: Accumulated depreciation | <u>(8,619,671)</u>   | <u>(7,717,107)</u>   |
| Total property and equipment   | <u>\$ 16,280,644</u> | <u>\$ 15,737,185</u> |

Depreciation expense totaled \$902,564 and \$900,949 for the years ended December 31, 2025 and 2024, respectively.

**Note 4 – Reserved Funds**

Reserved funds held consist of the following at December 31:

|   | <u>2025</u>         | <u>2024</u>       |
|---|---------------------|-------------------|
| Contractually obligated property reserves       |                     |                   |
| Harbor View reserves                            | \$ 246,347          | \$ 183,970        |
| Dorothy Place capital reserves                  | 3,965               | 3,965             |
| Cornwall capital reserves                       | 7,500               | -                 |
| G Street reserves                               | 18,324              | 18,324            |
| Recovery House                                  | 14,850              | 31,200            |
| Board Designated Reserves                       | <u>2,000,000</u>    | <u>-</u>          |
| Total contractually obligated property reserves | <u>2,290,986</u>    | <u>237,459</u>    |
| Total reserved funds                            | <u>\$ 2,290,986</u> | <u>\$ 237,459</u> |

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 5 – Home Loans Receivable and Due to Funding Agencies**

Opportunity Council provides two types of loans through its home improvement programs. Mobile home repair loans are unsecured, zero-interest, forgivable after two years, and made through a revolving loan program. Other home repair loans are secured by a lien against the property, zero-interest, with terms of 15 or 28 years, or upon transfer of the property via sale or death. These loans represent a mixture of funding. Some arise from the original government funded programs, and some are funded out of repayments of the original programs which established the revolving loan fund. Due to the relatively short term of the loans, the effect of discounting is not material, so loans are recorded at their principal balance. The total outstanding balance of loans, net of the allowance for credit losses, was \$2,514,100 and \$2,610,779 at December 31, 2025 and 2024, respectively. The allowance for credit losses associated with these balances totaled \$2,462 and \$2,320 at December 31, 2025 and 2024, respectively.

These loans are included in the accompanying statements of financial position as follows:

|                                   | 2025       |              |              |
|-----------------------------------|------------|--------------|--------------|
|                                   | Current    | Noncurrent   | Total        |
| Home Loans - Secured              | \$ -       | \$ 2,270,335 | \$ 2,270,335 |
| Home Loans - Unsecured            | 118,023    | 128,204      | 246,227      |
| Total                             | 118,023    | 2,398,539    | 2,516,562    |
| Less: Allowance for Credit Losses | (1,180)    | (1,282)      | (2,462)      |
| Total Loan Balance                | \$ 116,843 | \$ 2,397,257 | \$ 2,514,100 |
|                                   |            |              |              |
|                                   | 2024       |              |              |
|                                   | Current    | Noncurrent   | Total        |
| Home Loans - Secured              | \$ -       | \$ 2,381,083 | \$ 2,381,083 |
| Home Loans - Unsecured            | 113,993    | 118,023      | 232,016      |
| Total                             | 113,993    | 2,499,106    | 2,613,099    |
| Less: Allowance for Credit Losses | (1,140)    | (1,180)      | (2,320)      |
| Total Loan Balance                | \$ 112,853 | \$ 2,497,926 | \$ 2,610,779 |

Loans are due as follows:

| Year Ending December 31, | Amount       |
|--------------------------|--------------|
| 2026                     | \$ 118,023   |
| 2027                     | 128,204      |
| 2028                     | -            |
| 2029                     | -            |
| 2030                     | -            |
| 2031 and beyond          | 2,270,335    |
| Total                    | \$ 2,516,562 |

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 5 – Home Loans Receivable and Due to Funding Agencies – (Continued)**

**Allowance for Credit Losses**

As described above, the allowance for credit losses is established to provide for loans that may be uncollectible. Loans are charged against the allowance when management believes that the principal is unlikely to be collectible. The allowance for credit losses on loans is adjusted through the provision (recovery) for credit losses. The allowance represents an amount which, in management's judgment, will be adequate to absorb losses from existing loans that may become uncollectible. Because of inherent uncertainties in estimating future credit losses, it is at least reasonably possible that the estimates will change in the near-term.

Loans are considered past-due/delinquent when a payment is not received within 30 days of its due date. Loans are placed into one of the following nine categories based on attributes of the loan, which are evaluated by the watch list committee. The below factors are incorporated by Opportunity Council to address qualitative adjustments for the CECL model as described in Note 1.

**Grade 1 Exceptional Quality**

Loans that are graded as superior quality based on the underlying financial information provided. Loans in this category are given a loan loss reserve percentage of 1%.

**Grade 2 Above Average**

Loans that are graded as above average quality based on the underlying financial information. Loans in this category are given a loan loss reserve percentage of 3%.

**Grade 3 Acceptable or Standard**

Loans disbursed with underlying collateral in the first lien position with loan to value percentage (LTV %) of 80% or less. Loans in this category are given a credit loss reserve percentage of 5%.

**Grade 4 Watch**

Loans that are considered to be high risk based on underlying financial information provided or delinquent payment history. Loans in this category are given a credit loss reserve percentage of 6%.

**Grade 5 Substandard**

Loans that are considered to be higher risk based on underlying financial information provided or delinquent payment history. Loans in this category are given a credit loss reserve percentage of 15%.

**Grade 6 Doubtful**

Loans that are considered to be highest risk based on underlying financial information provided or delinquent payment history. Loans in this category are given a credit loss reserve percentage of 50%.

**Grade 7 Expected Loss**

Loans with known issues, such as bankruptcy or other failure are assumed to not pay off. Loans in this category are given a credit loss reserve percentage of 100%.

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 5 – Home Loans Receivable and Due to Funding Agencies – (Continued)**

**Allowance for Credit Losses (Continued)**

The following are credit quality indicators by internally assigned grade:

|                     | <u>2025</u>         | <u>2024</u>         |
|---------------------|---------------------|---------------------|
| Grade 1 Exceptional | \$ 2,516,562        | \$ 2,613,099        |
| Total               | <u>\$ 2,516,562</u> | <u>\$ 2,613,099</u> |

All loans were considered to be performing as of the years ended December 31, 2025 and 2024.

The allowance for credit losses is as follows:

|                             | <u>Home Loans<br/>Secured</u> | <u>Home Loans<br/>Unsecured</u> | <u>Total</u>      |
|-----------------------------|-------------------------------|---------------------------------|-------------------|
| Balance - December 31, 2023 | \$ -                          | \$ (1,504)                      | \$ (1,504)        |
| 2024 Loan Write-Offs        | -                             | -                               | -                 |
| 2024 Provision              | -                             | (2,189)                         | (2,189)           |
| 2024 Recoveries             | -                             | -                               | -                 |
| Balance - December 31, 2024 | -                             | (3,693)                         | (3,693)           |
| 2025 Loan Write-Offs        | -                             | -                               | -                 |
| 2025 Provision              | -                             | (273)                           | (273)             |
| 2025 Recoveries             | -                             | -                               | -                 |
| Balance - December 31, 2025 | <u>\$ -</u>                   | <u>\$ (3,966)</u>               | <u>\$ (3,966)</u> |

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 5 – Home Loans Receivable and Due to Funding Agencies – (Continued)**

**Allowance for Credit Losses (Continued)**

Outstanding loan balances under each program are as follows:

|                                   | <b>2025</b>  | <b>2024</b>  |
|-----------------------------------|--------------|--------------|
| State of Washington:              |              |              |
| Home Program 1994                 | \$ 7,183     | \$ 7,183     |
| Home Program 1995                 | 60,485       | 60,485       |
| Home Program 1996                 | 31,542       | 31,542       |
| Home Program 1997                 | 31,482       | 31,482       |
| Home Program 1998                 | 32,711       | 57,710       |
| Home Program 1999                 | 95,392       | 108,519      |
| Home Program 2000                 | 77,883       | 77,883       |
| Home Program 2001                 | 100,727      | 100,727      |
| Home Program 2002                 | 71,859       | 90,296       |
| Home Program 2003                 | 58,417       | 58,417       |
| Home Program 2006                 | 92,537       | 92,537       |
| Home Program 2007                 | 169,083      | 169,083      |
| Home Program 2008                 | 35,603       | 35,603       |
| Home Ownership Retention Program  | 152,403      | 152,403      |
| Matchmaker                        | 24,093       | 24,093       |
| Housing Trust Fund 1997           | 53,605       | 55,605       |
| Housing Trust Fund 1999           | 38,103       | 52,951       |
| Housing Trust Fund Revolving Fund | 181,111      | 181,110      |
| Subtotal                          | 1,314,219    | 1,387,629    |
| Whatcom County                    | 876,580      | 913,198      |
| Skagit County                     | 47,614       | 47,614       |
| City of Bellingham                | 278,149      | 264,658      |
| Total                             | \$ 2,516,562 | \$ 2,613,099 |

In addition, there are \$276,900 and \$248,034 of funds on hand for redistribution at December 31, 2025 and 2024, respectively, presented as a revolving loan payable and reserved for as funds held for others in the consolidated statement of financial position.

**Note 6 – Line-of-Credit**

The Council established a revolving line-of-credit with a bank for up to \$3,500,000. Interest was payable monthly at the Wall Street Journal Published prime rate plus 0% with a rate floor of 6.25% (resulting in a rate of 7.50% at December 31, 2025). At December 31, 2025 and 2024, there were no outstanding borrowings.

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 7 – Notes Payable**

Notes payable consists of the following as of December 31:

|   | <b>2025</b>  | <b>2024</b>  |
|---|--------------|--------------|
| <b>Real estate loans</b>  |              |              |
| Mortgage payable to bank in monthly installments of \$14,629, including interest at 4.25%, maturing July 2028, secured by land and building located at 1111 Cornwall Avenue.  | \$ 2,166,161 | \$ 2,247,523 |
| Mortgage payable to bank in monthly installments of \$1,625, including interest at 4.25%, maturing July 2028, secured by land and building located at 1421 Cornwall Avenue.   | 241,248      | 250,288      |
| <b>Harbor View Apartments</b>   |              |              |
| Three notes originating from the acquisition of Harbor View Apartments.   |              |              |
| USDA loan, 3.5% stated interest rate, 50-year amortization schedule, final payment due June 2049.   | 1,243,258    | 1,189,112    |
| Housing Trust Fund loan, 1% stated interest rate with interest accrual beginning January 1, 2020; principal and interest due annually on 50-year amortization schedule beginning March 2021, due in full March 2050, total authorized loan amount of \$1,100,000. | 1,012,956    | 1,030,712    |
| ORFH loan, 3.5% stated interest rate, 30-year amortization schedule, final payment due June 2049.   | 216,196      | 228,431      |
| <b>Dorothy Place Apartments</b>   |              |              |
| Two notes originating from federal funds and payable to City of Bellingham, 0% stated interest rate, secured by Deed of Trust, Due in full upon sale, change of use, or on February 1, 2047.  | 579,226      | 579,226      |
| Note payable to City of Bellingham, 0% stated interest rate, secured by Deed of Trust, due in full upon sale, change of use, or on February 1, 2047.  | 100,000      | 100,000      |
| Note originating from federal funds, payable to City of Bellingham, 0% stated interest rate, secured by Deed of Trust, Due in full upon sale, change of use, or on February 1, 2047.  | 25,000       | 25,000       |
| <b>Partnership House Apartments</b>   |              |              |
| Note originating from federal funds, payable to City of Bellingham, accruing interest at 4% compounded annually, secured by real property and improvements, due and payable upon sale, transfer, or change of use of the related property.                        | 145,000      | 145,000      |
| Accrued interest on the City of Bellingham note above.  | 137,444      | 137,444      |
| Note originating from federal funds, payable to City of Bellingham, 0% stated interest rate, secured by Deed of Trust, due in full upon sale, change of use, or on October 1, 2047.   | 3,854        | 3,854        |

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 7 – Notes Payable – (Continued)**

**Other Note**

The Council entered into a commercial loan agreement in November 2024 with the Whatcom Community Foundation for \$1,000,000. The purpose of the loan is funding of pre-development costs of Bellis Fair Senior Housing Project. The loan has a maturity of December 31, 2025 and bears interest payable monthly at a fixed rate of 4%.

|                                       | <b>2025</b>  | <b>2024</b>  |
|---------------------------------------|--------------|--------------|
|                                       | \$ -         | \$ 1,000,000 |
|                                       | 5,870,343    | 6,936,590    |
| Less unamortized debt issuance costs  | (28,314)     | (29,926)     |
| Less current portion of notes payable | (124,881)    | (1,133,380)  |
|                                       | \$ 5,717,148 | \$ 5,773,284 |
| 2026                                  | \$ 124,881   |              |
| 2027                                  | 129,492      |              |
| 2028                                  | 134,293      |              |
| 2029                                  | 139,287      |              |
| 2030                                  | 144,457      |              |
| Thereafter                            | 5,197,933    |              |
| Total                                 | \$ 5,870,343 |              |

**Note 8 – Net Assets with Donor Restrictions**

Net assets with donor restrictions are available for the following purposes at December 31:

|  | <b>2025</b>  | <b>2024</b>  |
|--|--------------|--------------|
| Early learning and family services                         | \$ 289,994   | \$ 204,605   |
| Community services   | 228,727      | 166,722      |
| Island County programs                                     | 48,912       | 70,258       |
| Community development projects                             | 50,000       | 50,000       |
| Administrative activities                                  | 40,763       | 41,355       |
| Homeless programs  | 58,936       | 62,537       |
| Housing development  | 26,320       | 26,320       |
| Energy and home repairs services                           | 17,288       | 19,691       |
| Volunteer programs   | 10,988       | 3,785        |
|  | 771,928      | 645,273      |
| Forgivable restricted loan balances - depreciable property | 2,832,579    | 2,908,982    |
| Restricted real estate                                     | 586,500      | 586,500      |
| Total net assets subject to purpose and time restrictions  | 4,191,007    | 4,140,755    |
| Forgivable restricted loan balances - land                 | 348,630      | 348,630      |
| Total net assets with donor restrictions                   | \$ 4,539,637 | \$ 4,489,385 |

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 8 – Net Assets with Donor Restrictions – (Continued)**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time as follows for the years ended December 31:

|                      | <u>2025</u>       | <u>2024</u>         |
|----------------------|-------------------|---------------------|
| Purpose restrictions | \$ 518,484        | \$ 1,310,636        |
| Time restrictions    | 57,987            | 76,403              |
| Total                | <u>\$ 576,471</u> | <u>\$ 1,387,039</u> |

**Note 9 – Contributed Non-financial Assets**

In accordance with financial accounting standards, the consolidated financial statements reflect only those contributed services requiring specific expertise that the Organization would otherwise need to purchase. Contributed services are recorded at rates that would have been paid for similar services if purchased. Management has estimated the fair value of these services at \$1,965,045 and \$878,313 for the years ended December 31, 2025 and 2024, respectively.

Following is a summary of contributed non-financial assets that have been recognized in the consolidated financial statements for the years ended December 31:

|              | <u>2025</u>       | <u>2024</u>      |
|--------------|-------------------|------------------|
| Rental space | <u>\$ 183,485</u> | <u>\$ 82,754</u> |

The Council also received noncash contributions of securities totaling \$19,472 and \$6,103 during the years ended December 31, 2025 and 2024, respectively. The noncash contributions are included in contributions on the consolidated statement of activities.

**Note 10 – Leases**

The Council leases equipment and facilities from various third parties under operating leases with varying terms and renewal options. Total lease costs were \$586,099 and \$561,033 as of December 31, 2025 and 2024, respectively, and are included in occupancy on the Council's consolidated statement of functional expenses.

Amounts reported on the consolidated statement of financial position as of December 31, 2025 are as follows:

|                              | <u>2025</u>  | <u>2024</u>  |
|------------------------------|--------------|--------------|
| Operating Right-of-Use Asset | \$ 1,272,942 | \$ 1,382,503 |
| Operating Lease Obligation   | \$ 1,310,299 | \$ 1,421,319 |

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 10 – Leases–** (Continued)

The following is a schedule of total future minimum lease payments and the present value of future minimum lease payments for operating leases:

| <u>Year Ending December 31,</u>       | <u>Operating</u>  |
|---------------------------------------|-------------------|
| 2026                                  | \$ 567,129        |
| 2027                                  | 368,074           |
| 2028                                  | 136,404           |
| 2029                                  | 56,508            |
| 2030                                  | 57,216            |
| Thereafter                            | <u>239,500</u>    |
| Total Undiscounted Lease Payments     | 1,424,831         |
| Less: Imputed Interest                | <u>93,951</u>     |
| Total Present Value                   | 1,330,880         |
| Short-Term Operating Lease Obligation | <u>539,174</u>    |
| Long-Term Operating Lease Obligation  | <u>\$ 771,125</u> |

Other information related to the Council's operating leases as of December 31, 2025 was as follows:

|  | <u>2025</u> | <u>2024</u> |
|--|-------------|-------------|
| Lease Cost:  |             |             |
| Finance lease cost:  |             |             |
| Amortization of right-of-use assets  |             |             |
| Interest on lease liabilities  |             |             |
| Operating lease cost   | \$ 586,099  | \$ 561,033  |
| Other Information:   |             |             |
| Cash Paid for Amounts Included in the Measurement of Lease Liabilities:    |             |             |
| Operating Cash Flows from Operating Lease                                  | \$ 599,216  | \$ 548,210  |
| Right-of-Use Assets Obtained in Exchange for New Operating Lease Liability | \$ -        | \$ 140,220  |
| Weighted-Average Remaining Lease Term - Operating Leases                   | 4.8 Years   | 5.4 Years   |
| Weighted-Average Discount Rate - Operating Leases                          | 2.79%       | 2.98%       |

**Note 11 – Employee Benefits**

The Council sponsors a 403(b) qualified defined contribution retirement plan (the Plan). All employees are eligible to participate in the Plan at time of hire and may contribute up to 100% of their annual compensation up to Internal Revenue Service limits. After one year of employment, the Council also contributes an amount equal to 5% of the compensation of all eligible employees to the Plan. The Council's retirement plan contributions totaled \$984,202 and \$894,712 for the years ended December 31, 2025 and 2024, respectively.

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

## **Note 12 – Concentrations of Credit Risk**

The Council receives a substantial amount of support from federal, state, and local governments. A significant reduction in the level of this support, if this were to occur, may affect the Council's ability to continue its operation.

The Council maintains its cash in bank accounts that may exceed federally insured limits at times during the year. The Council has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

## **Note 13 – Contingencies**

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. Any disallowed claims, including amounts already collected, would become a liability of the Council if so determined in the future. It is management's belief that no material amounts received or receivable will be required to be returned in the future.

Property and equipment acquired in conjunction with grant programs are recorded as net assets without donor restrictions in the accompanying consolidated financial statements. Grantors have, in many cases, placed restrictions on the Council's disposition of such assets. These restrictions may include a requirement that the Council obtain express approval for the sale or disposition of the asset, or that the grantor may require that any proceeds from the sale of such assets be returned to the granting agency. At the granting agency's option, the Council may be permitted to apply the proceeds from the sale of a program asset toward other program expenditures or may demand repayment. A significant portion of the Council's equipment is subject to such restrictions.

## **Note 14 – Affiliates**

The Council, through solely owned limited liability companies, manages 40 LLCs and 9 LPs. According to the terms of the management agreements for these entities, the Council is to receive the following:

- Annual administrative management fees ranging from \$5,000 – \$10,000.
- Profit and losses from operations and low-income tax credits are allocated 99 –99.99% to the non-managing member or partner, 0.005 – 0.5% to the administrative member or partner, and 0.005 – 0.5% to the managing member or partner.

The amount of revenue generated by the Council affiliates totaled \$2,641,650 and \$2,293,796 for the years ended December 31, 2025 and 2024, respectively, and is included in fee for service revenue on the statement of activities. While the Council has an economic interest in these affiliate organizations, it does not have a controlling interest. Therefore, the operations of the affiliates are not consolidated in the financial statements of the Council.

See Appendix I for a list of affiliates.

**Opportunity Council**  
**Notes to Consolidated Financial Statements**  
**December 31, 2025**  
(with Comparative Totals for December 31, 2024)

**Note 14 – Affiliates** – (Continued)

During 2020, an affiliate, 22 North, LLC, entered into a loan agreement with the Council. The loan totaled \$1,500,000 and accrues interest at 1.5% annually. Loan matures in October 2067 and is recorded in other long-term receivable in the consolidated statement of financial position. The balance at December 31, 2025 and 2024 was \$1,635,719.

During 2023, an affiliate, Laurel Forest Housing, LLC, entered into a loan agreement with the Council. The loan totaled \$3,000,000 and accrues interest at 4.34% annually. Loan matures in October 2074 and is recorded in other long-term receivable in the consolidated statement of financial position. The balance at December 31, 2025 and 2024 was \$2,881,185.

During 2024, an affiliate, Camas Flats Oak Harbor 1, LLLP, entered into a loan agreement with the Council. The loan totaled \$5,900,000 and accrues interest at 1.0% annually. Loan matures in September 2065 and is recorded in other long-term receivable in the consolidated statement of financial position. The balance at December 31, 2025 was \$5,900,000 and \$3,910,794 respectively.

During 2024, an affiliate, Bellis Fair Family Housing I, LLC, entered into a loan agreement with the Council. The loan totaled \$4,000,000 and accrues interest at 1.0% annually. Loan matures in December 2077 and is recorded in other long-term receivable in the consolidated statement of financial position. The balance at December 31, 2025 was \$3,991,960 and \$2,000,000, respectively.

**Note 15 – Subsequent Events**

We have evaluated subsequent events through May 28, 2026, which is the date the consolidated financial statements were available to be issued based on client facts and circumstances, for events requiring recording or disclosure in the consolidated financial statements for the year ended December 31, 2025. Subsequent to fiscal year-end, the Agency entered into an agreement to purchase certain office property for approximately \$1,900,000. The transaction is scheduled to close on April 30, 2026. Management has evaluated the terms of the agreement and believes the purchase price is consistent with current market conditions. Accordingly, management does not expect the transaction to result in a material loss

**Opportunity Council  
Appendix I: Affiliates  
Year Ended December 31, 2025**

| <i>Managed under CreateHousing, LLC</i>  |      |  |  |            |        |                          |                      |            |
|--|------|--|--|------------|--------|--------------------------|----------------------|------------|
| Wingate Limited Liability Company        | 1997 | Regency Manager, LLC                   | Regency Investor, LLC  | 12/1/2006  | 0.050% | Regency Park Apartments  | Whatcom County, WA   | 9/1/2016   |
| Admiralty Heights Associates II 1995, LP | 1995 | Admiralty Equities Development Company | Edison Capital Housing Partners VI, LP   | 10/1/2009  | 0.500% | Kent Manor               | King County, WA      |            |
| Block 24, LLC                            | 2009 | Discovery Heights, LLC                 | Discovery Heights Housing, LLC   | 12/1/2010  | 0.010% | Discovery Heights        | King County, WA      | 9/18/2020  |
| Willow Tree Grove I, LLC                 | 2010 | Willow Tree Manager, LLC               | Garnet LIHTC Fund XXXIX, LLC and Transamerica Affordable Housing, Inc.                             | 8/1/2011   | 0.005% | Willow Tree Grove        | Snohomish County, WA | 6/24/2020  |
| District, LLC                            | 2012 | District Manager, LLC                  | Enterprise Housing Partners XXV LP   | 5/13/2013  | 0.005% | The District Apartments  | Snohomish County, WA | 5/31/2017  |
| Speedway, LLC                            | 2012 | Speedway Management, LLC               | Garnet LIHTC Fund XXXVI, LLC and Transamerica Affordable Housing, Inc                              | 12/1/2013  | 0.005% | Vantage Apartments       | Snohomish County, WA | 8/1/2019   |
| Park 16, LLC                             | 2012 | Park 16 Manager, LLC                   | BF Park 16, LLC  | 12/1/2013  | 0.005% | Park 16 Apartments       | King County, WA      | 4/30/2016  |
| Kitts Corner, LLC                        | 2012 | Kitts Corner Manager, LLC              | Boston Financial Institutional Tax Credits XLI, LP and BFIM Special Limited Partner, Inc.          | 9/12/2014  | 0.005% | Kitts Corner Apartments  | King County, WA      | 8/31/2016  |
| High Point 320, LLC                      | 2013 | High Point Manager, LLC                | BFMM Tax Credits Fund IV, LP and BFIM Special Limited Partner, Inc.                                | 9/11/2014  | 0.005% | Uptown Square            | King County, WA      | 1/31/2018  |
| Axis Apartments, LLC                     | 2013 | Axis Manager, LLC                      | BF Axis Apartments, LLC and BFIM Special Limited Partner, Inc.                                     | 10/15/2014 | 0.005% | Axis Apartments          | Snohomish County, WA | 1/31/2018  |
| Grandview Apartments, LLC                | 2013 | GrandView Manager, LLC                 | Garnet LIHTC Fund XLIV, LLC and Transamerica Affordable Housing, Inc.                              | 9/1/2014   | 0.005% | GrandView Apartments     | King County, WA      | 9/1/2014   |
| Scriber Creek, LLC                       | 2014 | Scriber Creek Manager, LLC             | Enterprise Housing Partners XXV LP and Enterprise Housing Partners XXVII LP                        | 3/2/2015   | 0.005% | Scriber Creek Apartments | Snohomish County, WA | 11/30/2017 |
| Promenade Apartments, LLC                | 2014 | Promenade Manager, LLC                 | Enterprise Housing Partners XXVI LP  | 2/24/2016  | 0.005% | Promenade Apartments     | King County, WA      | 5/1/2019   |
| Gateway, LLC                             | 2015 | Gateway Manager, LLC                   | Boston Financial Institutional Tax Credits XLIII, LP and BFIM Special Limited Partner, Inc.        | 12/1/2015  | 0.005% | Gateway Apartments       | Snohomish County, WA | 12/1/2015  |
| Madison Way Apartments, LLC              | 2015 | Madison Management, LLC                | PNC Real Estate Tax Credit Capital Institutional Fund 61, LLC and Columbia Housing SLP Corporation | 5/1/2016   | 0.005% | Madison Way Apartments   | Snohomish County, WA | 5/1/2016   |
| Kingsgate, LLC                           | 2001 | Kingsgate Manager, LLC                 | Springfield Investor, LLC  | 11/15/2016 | 0.005% | Springfield Apartments   | Clark County, WA     | 5/1/2017   |
| Puget Park, LLC                          | 2016 | Puget Park Manager, LLC                | BF Puget Park, LLC and BFIM Special Limited Partner, Inc.  | 12/1/2016  | 0.005% | Puget Park Apartments    | Snohomish County, WA | 10/31/2019 |
| Valley View I Limited Partnership        | 2004 | Valley View Partners, LLC              | SunAmerica Housing Fund 1279, LP   | 4/27/2017  | 0.050% | Creston Point            | King County, WA      | 4/27/2017  |
| Mill Pointe Limited Partnership          | 1999 | Mill Pointe Devco, LLC                 | Mill Pointe Investor, LLC  | 5/25/2017  | 0.005% | Mill Pointe Apartments   | Snohomish County, WA | 12/15/2020 |
| Heatherwood I, LLC                       | 2002 | Heatherwood Manager, LLC               | Heatherwood Investor, LLC and DevCo, Inc   | 12/1/2017  | 0.005% | Heatherwood Apartments   | Snohomish County, WA | 3/1/2018   |
| The Seasons I, LLC                       | 2006 | The Seasons Managing Member, LLC       | The Seasons Managing Member, LLC   | 9/22/2017  | 0.001% | The Seasons              | King County, WA      | 9/15/2020  |
| Waterview Crossing, LLC                  | 2015 | Waterview Manager, LLC                 | BF Waterview Crossing, LLC and BFIM Special Limited Partner, Inc.                                  | 8/1/2017   | 0.005% | Waterview Crossing       | King County, WA      | 8/1/2017   |
| Watermark 320, LLC                       | 2016 | Watermark Manager, LLC                 | LIHTC Fund 53, LLC and Transamerica Affordable Housing, Inc.                                       | 12/1/2017  | 0.005% | Watermark Apartments     | King County, WA      | 12/1/2017  |
| Redmond Ridge, LLC                       | 2017 | Redmond Ridge Manager, LLC             | PNC LIHTC Fund 75, LLC and Columbia Housing SLP Corporation  | 10/10/2017 | 0.005% | Redmond Ridge Apartments | King County, WA      | 4/17/2020  |
| Panorama Apartments, LLC                 | 2017 | Panorama Manager, LLC                  | Panorama Apartments Investor, LLC  | 5/1/2018   | 0.005% | Panorama Apartments      | King County, WA      | 5/1/2018   |

**Opportunity Council  
Appendix I: Affiliates  
Year Ended December 31, 2025**

|  |      |   |   |            |           |                            |                            |            |
|--|------|---|---|------------|-----------|----------------------------|----------------------------|------------|
| 22 North Development LLC                 | 2016 | 22 North Manager, LLC   | Heritage Bank Fund I, LLC   | 10/18/2017 | 0.010%    | 22 North                   | Whatcom County, WA         | 10/18/2017 |
| Teal Pointe Wishrock Limited Partnership | 2018 | Teal Pointe Wishrock, LLC and OC Housing Partners I, LLC                                | Teal Pointe Wishrock, LLC   | 10/1/2018  | 0.010%    | Teal Pointe Apartments     | Clark County, WA           | 10/1/2018  |
| Riverview I, LLC                         | 2017 | Riverview Manager, LLC  | Riverview Investor, LLC   | 3/1/2019   | 0.005%    | Riverview Apartments       | Snohomish County, WA       | 3/1/2019   |
| Ravenswood Apartments, LLC               | 2018 | Ravenswood Manager, LLC   | Ravenswood Investor, LLC  | 12/1/2019  | 0.005%    | Ravenswood Apartments      | Snohomish County, WA       | 12/1/2019  |
| Speedway II, LLC                         | 2019 | Speedway II Management, LLC   | Garnet LIHTC Fund XX, LLC and Transamerical Affordable Housing, Inc.                              | 12/1/2019  | 0.005%    | Vantage II Apartments      | Snohomish County, WA       | 12/1/2019  |
| Holly Ridge, LLC                         | 2018 | Holly Ridge Manager, LLC  | Holly Ridge Investor, LLC   | 4/1/2020   | 0.005%    | Holly Ridge Apartments     | Snohomish County, WA       | 4/1/2020   |
| Manor Way Apartments, LLC                | 2017 | Manor Way Manager, LLC  | BF FRE 2018, LP   | 7/1/2020   | 0.005%    | Manor Way Apartments       | Snohomish County, WA       | 7/1/2020   |
| Four Corners, LLC                        | 2019 | Four Corners Manager, LLC   | Four Corners Investor, LLC  | 12/9/2020  | 0.005%    | Four Corners Apartments    | Snohomish County, WA       | 12/9/2020  |
| Springtree Associates, LP                | 2019 | OCHP Springtree, LLC and Springtree WDP LLC   | PNC LIHTC Fund 76, LLC, Columbia Housing SLP Corporation, and Springtree Partners, LLC            | 10/29/2020 | 0.005%    | Spruce Grove Apartments    | Multnomah County, OR       | 10/29/2020 |
| Blackbird & Main Managers, LLC           | 2020 | Blackbird & Main Managers, Wishcamper Development Partners, LLC and OCHP Blackbird, LLC | TBD   | 3/4/2021   | 0.010%    | Amity Orchards             | Washington County, OR      | 3/4/2021   |
| Oregon 4 Apartments, LLC                 | 2020 | Oregon 4 Manager, LLC   | OCHP Covey Run, LLC   | 3/1/2021   | 0.010%    | Covey Run Apartments       | Washington County, OR      | 3/1/2021   |
| Logan Park, LLC                          | 2020 | Loren Ness, Jennifer Ness, and OCHP Logan Park, LLC                                     | n/a   | 3/22/2021  | 0.010%    | Logan Park Apartments      | Skagit County, WA          | 3/22/2021  |
| Ovation at Meeker, LLC                   | 2020 | Ovation at Meeker Manager, LLC  | OCHP Meeker, LLC and Meeker Investor, LLC   | 5/1/2021   | 0.005%    | Ovation at Meeker          | King County, WA            | 5/1/2021   |
| Sunshine Housing Associates, LP          | 2018 | OCHP Sunshine Park, LLC and Sunshine Managers LLC                                       | OCHP Sunshine Park, LLC and AHP Housing Fund, 286, LLC  | 5/14/2021  | 0.005%    | Sunshine Park Apartments   | Douglas County, OR         | 5/14/2021  |
| East Park Villas WDP, LLLP               | 2021 | East Park Villas WDP Managers LLC and OCHP East Park MT LLC                             | East Park Villas WDP Limited Partner LLC and KFI Helena, LLC                                      | 5/28/2021  | 0.010%    | East Park Villas           | Lewis and Clark County, MT | 5/28/2021  |
| Solera Affordable, LLC                   | 2021 | Solera Manager, LLC   | OCHP Solera, LLC, BR Solera Affordable, LLC, and BFIM Special Limited Partner, Inc.               | 8/31/2021  | 0.005%    | Solera Apartments          | King County, WA            | 8/31/2021  |
| Ponderosa Ventures Terrace Manor, LLC    | 2023 | Marcel van der Wurff  | OCHP Terrace Manor, LLC   | 4/25/2023  | 0.010%    | Terrace Manor Apartments   | East Wenatchee, WA         | 10/17/2023 |
| Seneca Housing, LLLP                     | 2020 | OCHP Seneca Housing MGP, LLC; Seneca Admin GP LLC                                       | RBC-Fifth Seneca, LLC; RBC Community Investments Manager  | 6/15/2023  | 0.001%    | Fifth and Seneca           | Seattle, WA                | 6/1/2023   |
| Laurel Forest Housing, LLC               | 2021 | Laurel Forest Manager, LLC  | Wincopin Circle, LLLP   | 11/5/2021  | 0.010%    | Laurel Forest              | Bellingham, WA             |            |
| Ponderosa Ventures Valley Manor, LLC     | 2021 | Marcel van der Wurff  | OCHP Valley Manor, LLC  | 11/1/2024  | 0.010%    | Valley Manor Apartments    | East Wenatchee, WA         | 11/1/2024  |
| Bellis Fair Family Housing I, LLC        | 2023 | BF Family Housing I Manager, LLC  | PNC Bank NA   | 12/19/2024 | 0.010%    | Bellis Fair Family Housing | Bellingham, WA             | 12/19/2024 |
| Camas Flats Oak Harbor 1, LLLP           | 2022 | OCHP Camas Flats, LLC   | SRI Camas Flats GP1, LLC and Key Community Development Corporation                                | 7/23/2024  | 0.0015%   | Camas Flats                | Oak Harbor, WA             | 7/23/2024  |
| Bellis Fair Family Housing II, LLC       | 2023 | BF Family Housing II Manager, LLC   | PNC LIHTC Fund 97 MT 1, LLC; Columbia Housing SLP Corporation                                     | 7/10/2023  | 100.0000% | Bellis Fair Senior Housing | Bellingham, WA             | 7/10/2023  |
| 1806 23rd Partners LLC                   | 2018 | Anew Holdings I, LLC  | OCHP 23rd Avenue, LLC   | 1/1/2025   | 0.0100%   | 1806 23rd Apartments       | Seattle, WA                | 1/1/2025   |
| 510 Broadway Partners, LLC               | 2017 | Anew Holdings I, LLC  | OCHP Broadway, LLC  | 1/1/2025   | 0.0100%   | 510 Broadway Apartments    | Seattle, WA                | 1/1/2025   |
| 500 Broadway QOZB, LLC                   | 2022 | OCHP Cityscape, LLC   | 500 Broadway Admin, LLC; 500 Broadway B, LLC; Enterprise Community Opportunity Zone Fund III, LLC | 1/1/2025   | 0.0100%   | Cityscape Apartments       | Seattle, WA                | 1/1/2025   |

## **Supplementary Information**

**Opportunity Council  
Schedule of Expenditures of State Awards  
Year Ended December 31, 2025**

| Pass-Through Grantor/<br>Program Title  | Pass-Through<br>Grantor's<br>Number | State<br>Expenditures |
|---|-------------------------------------|-----------------------|
| <b>Passed-Through Department of Children, Youth, and Families</b>                         |                                     |                       |
| Early Support for Infants and Toddlers (ESIT)   | 21-1158-12                          | \$ 1,739,790          |
| Early Support for Infants and Toddlers (ESIT)   | 21-1158-16                          | 960,538               |
| Early Support for Infants and Toddlers (ESIT)   |                                     | 70,445                |
| Early Childhood Education and Assistance Program (ECEAP)                                  | 25-1069                             | 1,434,790             |
| Early Childhood Education and Assistance Program (ECEAP)                                  | 25-1069                             | 1,298,723             |
| Early Childhood Education and Assistance Program (ECEAP) Complex Needs                    | 25-1069                             | 224,279               |
| Early Childhood Education and Assistance Program (ECEAP) Complex Needs                    | 25-1069                             | 21,790                |
| <b>Total Department of Children, Youth, and Families</b>                                  |                                     | <b>5,750,355</b>      |
| <b>Passed-Through Washington State Health Care Authority</b>                              |                                     |                       |
| Access to Baby and Child Dentistry Services   | K7470                               | 37,789                |
| Housing First Services  | K6537-3                             | 339,503               |
| Housing First Services  | K6537-4                             | 411,494               |
| <b>Total Washington State Health Care Authority</b>                                       |                                     | <b>788,786</b>        |
| <b>Passed-Through State of Washington State Department of Financial Institutions</b>      |                                     |                       |
| Financial Literacy and Renters Education  | 102-25-062                          | 1,991                 |
| Financial Literacy and Renters Education  | G0015                               | 2,763                 |
| <b>Total State of Washington State Department of Department of Financial Institutions</b> |                                     | <b>4,753</b>          |
| <b>Passed-Through Washington State Department of Commerce</b>                             |                                     |                       |
| Community Behavioral Health Rental Assistance (CRBRA)                                     | NS 072523-3                         | 199,242               |
| Community Behavioral Health Rental Assistance (CRBRA)                                     | NS 072523-4                         | 197,393               |
| Consolidated Homeless Grant   | 24-46108-25                         | 223,826               |
| Consolidated Homeless Grant   | 26-46108-25                         | 135,929               |
| Tax Credit Community Outreach Program   | S24-32013-016                       | 81,235                |
| Operating, Maintenance, and Supportive Services (OMS)                                     | 24-49202-099                        | 55,212                |
| Operating, Maintenance, and Supportive Services (OMS)                                     | 26-49202-10                         | 299,088               |
| Operating, Maintenance, and Supportive Services (OMS)                                     | 24-49202-100                        | 25,213                |
| Operating, Maintenance, and Supportive Services (OMS)                                     | 26-49202-10                         | 140,191               |
| Asset Building Coalition  | S24-32010-012                       | 48,677                |
| Driver's License Assistance and Support Services  | K8889                               | 1,771                 |
| State Home Energy Assistance Program  | 24-32608-078                        | 201,312               |
| State Home Energy Assistance Program  | S26-32608-078                       | 105,377               |
| State Home Energy Assistance Weatherization Program                                       | S24-32610-424                       | 410,927               |
| State Home Energy Assistance Weatherization Program                                       | S25-32608-424                       | 18,170                |
| Home Rehabilitation Grant Program   | S23-92402-424                       | 96,990                |
| Home Rehabilitation Grant Program   | S25-95402-424                       | 5,766                 |
| Weatherization Plus Health  | S23-92401-424                       | 624,434               |
| Weatherization Plus Health  | S25-95401-424                       | 550,971               |
| Clean Energy Community Grants   | 25-9221A-025                        | 2,919                 |
| Community Energy Efficiency Programs  | S21-92404-001                       | 159,720               |
| Community Energy Efficiency Programs  | S23-92404-001                       | 188,158               |
| Home Electrification Appliance Rebates  | 24-92701-044                        | 1,000,000             |
| Community Services Block Grant  | S24-32101-222                       | 25,531                |
| Community Services Block Grant  | S26-32101-222                       | 2,285                 |
| Community Services Block Grant  | S24-32B902-222                      | 4,086                 |
| Civilian Intervention Program   | LA11134                             | 176,175               |
| <b>Total Washington State Department of Commerce</b>                                      |                                     | <b>4,980,598</b>      |
| <b>Total State Awards</b>   |                                     | <b>\$ 11,524,492</b>  |



**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 Directors  
Opportunity Council  
Bellingham, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Opportunity Council, which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 28, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Opportunity Council'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Opportunity Council's internal control. Accordingly, we do not express an opinion on the effectiveness of Opportunity Council's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated 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.

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 were not identified.

**Report on Compliance and Other Matters**

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

***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 entity’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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Bellevue, Washington  
May 28, 2026



## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors  
Opportunity Council  
Bellingham, Washington

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Opportunity Council's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Opportunity Council's major federal programs for the year ended December 31, 2025. Opportunity Council's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

#### ***Basis for Opinion on Each Major Federal Program***

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

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

#### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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



**CliftonLarsonAllen LLP**

Bellevue, Washington  
May 28, 2026

**Opportunity Council  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2025**

---

**Section I - Summary of Auditors' Results**

---

**Financial Statements**

Type of Auditors' Report Issued Unmodified

Internal Control over Financial Reporting:

- Material Weakness(es) Identified                      Yes       X       No
- Significant Deficiency(ies) Identified that is not Considered to be a Material Weakness                      Yes       X       None Reported
- Noncompliance Material to Financial Statements Noted                      Yes       X       No

**Federal Awards**

Internal Control over Major Programs:

- Material Weakness(es) Identified?                      Yes       X       No
- Significant Deficiency(ies) Identified?                      Yes       X       None Reported

Type of Auditors' Report Issued on Compliance for the Major Federal Programs Unmodified

Any Audit Findings Disclosed that are Required to be Reported in Accordance with 2 CFR 200.516(a)?                      Yes       X       No

Major Programs

**Federal Grant Programs**

CFDA Number

Department of Housing and Urban Development:  
Community Development Block Grant 14.228  
Department of Housing and Urban Development:  
Home Investment Partnership Program 14.239  
Department of Health and Human Services:  
Head Start 93.600

The Dollar Threshold used to Distinguish Between Type A and Type B Programs: \$ 1,000,000

Auditee Qualified as Low-Risk Auditee?       X       Yes                      No

**Opportunity Council**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2025**

---

**Section II – Financial Statement Findings**

---

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

---

**Section III – Findings and Questioned Costs – Major Federal Programs**

---

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**Opportunity Council  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2025**

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title   | COVID-19<br>Funding | Assistance<br>Listing<br>Number | Grant Identification<br>Number | Passed<br>Through to<br>Subrecipients | Federal<br>Expenditures |
|--|---------------------|---------------------------------|--------------------------------|---------------------------------------|-------------------------|
| <b><u>Department of Health and Human Services</u></b>  |                     |                                 |                                |                                       |                         |
| Head Start Cluster:  |                     |                                 |                                |                                       |                         |
| Head Start   | No                  | 93.600                          | 10CH012283                     | \$ -                                  | \$4,021,748             |
| Total Head Start Cluster:  |                     |                                 |                                | -                                     | 4,021,748               |
| Child Care and Development Block Grant Cluster:  |                     |                                 |                                |                                       |                         |
| Passed Through the Washington State Child Care Resource and Referral Network,<br>dba "Child Care Aware of Washington": |                     |                                 |                                |                                       |                         |
| Child Care and Development Block Grant   | No                  | 93.575                          | 0-110-201120-6100              | \$ -                                  | \$ 218,748              |
| Passed Through the Washington State Department of Children, Youth, and Families:                                       |                     |                                 |                                |                                       |                         |
| Child Care and Development Block Grant   | No                  | 93.575                          | 22-1118-05                     | -                                     | 98,686                  |
| Child Care and Development Block Grant   | No                  | 93.575                          | 22-1118-06                     | -                                     | 110,534                 |
| Total Child Care and Development Block Grant Cluster:  |                     |                                 |                                | -                                     | 427,968                 |
| Community Development Block Grant Cluster:   |                     |                                 |                                |                                       |                         |
| Passed Through Washington State Department of Commerce:  |                     |                                 |                                |                                       |                         |
| Community Services Block Grant   | No                  | 93.569                          | F24-32101-022                  | \$ -                                  | \$ 38,937               |
| Community Services Block Grant   | No                  | 93.569                          | F25-32101-022                  | -                                     | 160,085                 |
| Total Community Development Block Grant Cluster:   |                     |                                 |                                | -                                     | 199,022                 |
| Passed Through Washington State Department of Commerce:  |                     |                                 |                                |                                       |                         |
| Low-Income Home Energy Assistance Program  | No                  | 93.568                          | 24-32606-078                   | \$ -                                  | \$ 3,283,806            |
| Low-Income Home Energy Assistance Program  | No                  | 93.568                          | 25-32606-078                   | -                                     | 55,689                  |
| Low-Income Home Energy Assistance Program  | No                  | 93.568                          | F24-53101-424                  | -                                     | 84,328                  |
| Low-Income Home Energy Assistance Program  | No                  | 93.568                          | F25-53101-424                  | -                                     | 235,663                 |
| Total ALN 93.568:  |                     |                                 |                                | -                                     | 3,659,486               |
| Passed Through Whatcom County:   |                     |                                 |                                |                                       |                         |
| Block Grants for Prevention and Treatment of Substance Abuse   | No                  | 93.959                          | 202106006-8                    | \$ -                                  | \$ 54,813               |
| Block Grants for Prevention and Treatment of Substance Abuse   | No                  | 93.959                          | 202506004                      | -                                     | 41,702                  |
| Total ALN 93.959:  |                     |                                 |                                | -                                     | 96,515                  |
| Passed Through Within Reach:   |                     |                                 |                                |                                       |                         |
| Every Student Succeeds Act/Preschool Development Grants  | No                  | 93.434                          | WR-25-1205-OC                  | \$ -                                  | \$ 18,453               |
| Total ALN 93.434:  |                     |                                 |                                | -                                     | 18,453                  |
| <b>Total Department of Health and Human Services</b>   |                     |                                 |                                | -                                     | <b>8,423,192</b>        |

See accompanying notes to the schedule of expenditures of federal awards.

**Opportunity Council  
 Schedule of Expenditures of Federal Awards (Continued)  
 Year Ended December 31, 2025**

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title | COVID-19<br>Funding | Assistance<br>Listing<br>Number | Grant Identification<br>Number | Passed<br>Through to<br>Subrecipients | Federal<br>Expenditures |
|--|---------------------|---------------------------------|--------------------------------|---------------------------------------|-------------------------|
|--|---------------------|---------------------------------|--------------------------------|---------------------------------------|-------------------------|

*See accompanying notes to the schedule of expenditures of federal awards.*

**Opportunity Council  
Schedule of Expenditures of Federal Awards (Continued)  
Year Ended December 31, 2025**

**Centers for Medicare and Medicaid Services**

Medicaid Cluster:

Passed Through Washington State Health Care Authority:

|  |    |        |       |      |           |
|--|----|--------|-------|------|-----------|
| Environmental Justice Government-to-Government (EJG2G) Program | No | 93.778 | K7470 | \$ - | \$ 37,789 |
| Total Medicaid Cluster:  |    |        |       | -    | 37,789    |

**Total Centers for Medicare and Medicaid Services**

|  |  |  |  |   |        |
|--|--|--|--|---|--------|
|  |  |  |  | - | 37,789 |
|--|--|--|--|---|--------|

**Environmental Protection Agency**

Passed Through Partnership for Air Matters (PAM):

|   |    |        |          |      |        |
|---|----|--------|----------|------|--------|
| Grants to States for Medicaid: Medical Assistance Program | No | 66.312 | subaward | \$ - | \$ 367 |
| Total ALN 66.312:   |    |        |          | -    | 367    |

**Total Environmental Protection Agency**

|  |  |  |  |   |     |
|--|--|--|--|---|-----|
|  |  |  |  | - | 367 |
|--|--|--|--|---|-----|

**Department of Labor**

Workforce Innovation and Opportunity Act (WIOA) Cluster:

Passed Through Washington State Employment Security Department:

|   |    |        |                               |      |           |
|---|----|--------|-------------------------------|------|-----------|
| Workforce Innovation and Opportunity Act - Adult Program                    | No | 17.258 | OPPCO ECSA 2025-1: OC-01-2021 | \$ - | \$ 75,743 |
| Workforce Innovation and Opportunity Act - Adult Program                    | No | 17.258 | OPPC JC 2024-1                | -    | 42,109    |
| Workforce Innovation and Opportunity Act - Adult Program                    | No | 17.258 | OPPC OSY 2024-1               | -    | 11,921    |
| Workforce Innovation and Opportunity Act - Youth Activities                 | No | 17.259 | OPPCO ECSA 2025-1: OC-01-2021 | -    | 12,470    |
| Workforce Innovation and Opportunity Act - Dislocated Worker Formula Grants | No | 17.278 | OPPCO ECSA 2025-1: OC-01-2021 | -    | 15,701    |
| Workforce Innovation and Opportunity Act - Adult Program                    | No | 17.278 | OPPCO ECSA 2025-1             | -    | 39,098    |
| Total Workforce Innovation and Opportunity Act (WIOA) Cluster:              |    |        |                               | -    | 197,042   |

**Total Department of Labor**

|  |  |  |  |   |         |
|--|--|--|--|---|---------|
|  |  |  |  | - | 197,042 |
|--|--|--|--|---|---------|

**Department of Energy**

Passed Through the Washington State Department of Commerce:

|                      |    |        |              |      |          |
|----------------------|----|--------|--------------|------|----------|
| State Energy Program | No | 81.041 | 25-95701-008 | \$ - | \$ 7,532 |
| Total ALN 81.041:    |    |        |              | -    | 7,532    |

Passed Through the Washington State Department of Commerce:

|  |    |        |                |      |            |
|--|----|--------|----------------|------|------------|
| Weatherization Assistance for Low-Income Persons | No | 81.042 | F23-53103-705  | \$ - | \$ 402,125 |
| Weatherization Assistance for Low-Income Persons | No | 81.042 | F24-53103-424  | -    | 134,182    |
| Weatherization Assistance for Low-Income Persons | No | 81.042 | F22-92401F-424 | -    | 101,579    |
| Sustainable Energy for Homes and Business        | No | 81.042 | F23-53104-424  | -    | 28,797     |
| Sustainable Energy for Homes and Business        | No | 81.042 | F25-53104-424  | -    | 21         |
| Total ALN 81.042:                                |    |        |                | -    | 666,704    |

**Total Department of Energy**

|  |  |  |  |   |         |
|--|--|--|--|---|---------|
|  |  |  |  | - | 674,236 |
|--|--|--|--|---|---------|

**Opportunity Council  
Schedule of Expenditures of Federal Awards (Continued)  
Year Ended December 31, 2025**

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title                             | COVID-19<br>Funding | Assistance<br>Listing<br>Number | Grant Identification<br>Number | Passed<br>Through to<br>Subrecipients | Federal<br>Expenditures |
|--|---------------------|---------------------------------|--------------------------------|---------------------------------------|-------------------------|
| <b>Department of Agriculture</b>   |                     |                                 |                                |                                       |                         |
| Child and Adult Care Food Program  | No                  | 10.558                          | 1681024                        | \$ -                                  | \$ 126,297              |
| Child and Adult Care Food Program  | No                  | 10.558                          | 1681025                        | -                                     | 53,099                  |
| Total ALN 10.558:  |                     |                                 |                                | -                                     | 179,396                 |
| Supplemental Nutrition Assistance Program (SNAP) Cluster:                              |                     |                                 |                                |                                       |                         |
| Passed Through Washington State Department of Social and Health Services:              |                     |                                 |                                |                                       |                         |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | No                  | 10.561                          | 2412-58202                     | \$ -                                  | \$ 10,543               |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | No                  | 10.561                          | 2412-58210                     | -                                     | 45,439                  |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | No                  | 10.561                          | 2412-57969                     | -                                     | 132,084                 |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | No                  | 10.561                          | 2512-58210                     | -                                     | 18,963                  |
|  |                     |                                 |                                | -                                     | 207,029                 |
| Supplemental Nutrition Assistance Program (SNAP) Cluster (Continued):                  |                     |                                 |                                |                                       |                         |
| Passed Through Within Reach:   |                     |                                 |                                |                                       |                         |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | No                  | 10.561                          | 2212-44425-14                  | \$ -                                  | \$ 60,265               |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | No                  | 10.561                          | 2212-44425-13                  | -                                     | 46,359                  |
|  |                     |                                 |                                | -                                     | 106,624                 |
| Total Supplemental Nutrition Assistance Program (SNAP) Cluster:                        |                     |                                 |                                | -                                     | 313,653                 |
| <b>Total Department of Agriculture</b>   |                     |                                 |                                | -                                     | <b>493,049</b>          |

See accompanying notes to the schedule of expenditures of federal awards.

**Opportunity Council  
Schedule of Expenditures of Federal Awards (Continued)  
Year Ended December 31, 2025**

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title  | COVID-19<br>Funding | Assistance<br>Listing<br>Number | Grant Identification<br>Number | Passed<br>Through to<br>Subrecipients | Federal<br>Expenditures |
|---|---------------------|---------------------------------|--------------------------------|---------------------------------------|-------------------------|
| <b><u>Department of Housing and Urban Development</u></b>   |                     |                                 |                                |                                       |                         |
| Continuum of Care Program                                   | No                  | 14.267                          | WA0299L0T012309                | \$ -                                  | \$ 151,038              |
| Continuum of Care Program                                   | No                  | 14.267                          | WA0299L0T012410                | -                                     | 140,156                 |
| Continuum of Care Program                                   | No                  | 14.267                          | WA0368L0T012307                | -                                     | 47,587                  |
| Continuum of Care Program                                   | No                  | 14.267                          | WA0368L0T012408                | -                                     | 114,753                 |
| Continuum of Care Program                                   | No                  | 14.267                          | WA0097L0T012316                | -                                     | 1,372,411               |
| Continuum of Care Program                                   | No                  | 14.267                          | WA0097L0T012417                | -                                     | 459,133                 |
| Continuum of Care Program                                   | No                  | 14.267                          | WA0393L0T012306                | -                                     | 233                     |
| Continuum of Care Program                                   | No                  | 14.267                          | WA0393L0T012407                | -                                     | 97,976                  |
| Continuum of Care Program                                   | No                  | 14.267                          | WA0229L0T012312                | -                                     | 360,755                 |
| Continuum of Care Program                                   | No                  | 14.267                          | WA0229L0T012413                | -                                     | 115,616                 |
| Total ALN 14.267:   |                     |                                 |                                | -                                     | 2,859,658               |
| Passed Through Whatcom County:                              |                     |                                 |                                |                                       |                         |
| Community Development Block Grant                           | No                  | 14.228                          | 202407024                      | \$ -                                  | \$ 47,967               |
| Community Development Block Grant                           | No                  | 14.228                          | 202510026                      | -                                     | 71,256                  |
| Community Development Block Grant - Loan                    | No                  | 14.228                          | Loan 2024 balance              | -                                     | 943,759                 |
| Total ALN 14.228:   |                     |                                 |                                | -                                     | 1,062,982               |
| Passed Through the Washington State Department of Commerce: |                     |                                 |                                |                                       |                         |
| Home Investment Partnerships Program - Loan                 | No                  | 14.239                          | Loan 2024 balance              | \$ -                                  | \$ 965,924              |
|   |                     |                                 |                                | -                                     | 965,924                 |
| Passed Through Skagit County:                               |                     |                                 |                                |                                       |                         |
| Home Investment Partnership Program                         | No                  | 14.239                          | C20230376                      | \$ -                                  | \$ 7,476                |
| Home Investment Partnership Program                         | No                  | 14.239                          | C20240650                      | -                                     | 40,971                  |
| Home Investment Partnership Program                         | No                  | 14.239                          | C2024xxxx                      | -                                     | 59,765                  |
| Home Investment Partnership Program                         | No                  | 14.239                          | C20240396                      | -                                     | (2,136)                 |
| Home Investment Partnership Program                         | No                  | 14.239                          | C20250089                      | -                                     | 52,065                  |
|   |                     |                                 |                                | -                                     | 158,141                 |

See accompanying notes to the schedule of expenditures of federal awards.

**Opportunity Council  
Schedule of Expenditures of Federal Awards (Continued)  
Year Ended December 31, 2025**

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title                       | COVID-19<br>Funding | Assistance<br>Listing<br>Number | Grant Identification<br>Number | Passed<br>Through to<br>Subrecipients | Federal<br>Expenditures |
|--|---------------------|---------------------------------|--------------------------------|---------------------------------------|-------------------------|
| <b><u>Department of Housing and Urban Development (Continued)</u></b>            |                     |                                 |                                |                                       |                         |
| Home Investment Partnerships Program   | No                  | 14.239                          | C2400863                       | \$ -                                  | \$ 96,232               |
| Home Investment Partnerships Program   | No                  | 14.239                          | C2500863 Year 2 of 3           | -                                     | 74,274                  |
| Home Investment Partnerships Program   | No                  | 14.239                          | C2400672                       | -                                     | 152,226                 |
| Home Investment Partnerships Program - Loan                                      | No                  | 14.239                          | Loan 2024 balance              | -                                     | 683,081                 |
| Home Investment Partnerships Program - Loan                                      | No                  | 14.239                          | Loan 2024 balance              | -                                     | 502,000                 |
| Home Investment Partnerships Program - Loan                                      | No                  | 14.239                          | Loan 2024 balance              | -                                     | 150,000                 |
|  |                     |                                 |                                | <u>-</u>                              | <u>1,657,813</u>        |
| Total ALN 14.239:  |                     |                                 |                                | -                                     | 2,781,878               |
| Community Development Block Grants/Entitlement Grants                            | No                  | 14.218                          | C2400743                       | \$ -                                  | \$ 4,377                |
| Community Development Block Grants/Entitlement Grants                            | No                  | 14.218                          | C2400743                       | -                                     | 28,249                  |
| Community Development Block Grant - Loan   | No                  | 14.218                          | Loan 2024 balance              | -                                     | 32,642                  |
| Community Development Block Grant - Loan   | No                  | 14.218                          | Loan 2024 balance              | -                                     | 794,833                 |
| Total ALN 14.218:  |                     |                                 |                                | -                                     | 860,101                 |
| <b>Total Department of Housing and Urban Development</b>                         |                     |                                 |                                | <u>-</u>                              | <u>7,564,619</u>        |
| <b><u>Corporation for National and Community Service</u></b>                     |                     |                                 |                                |                                       |                         |
| AmeriCorps Volunteers In Service to America 94.013                               | No                  | 94.013                          | 22VSIWA003-03                  | \$ -                                  | \$ 20,000               |
| <b>Total for Corporation for National and Community Service</b>                  |                     |                                 |                                | <u>-</u>                              | <u>20,000</u>           |
| <b><u>Department of Education</u></b>  |                     |                                 |                                |                                       |                         |
| Passed Through the Washington State Department of Children, Youth, and Families: |                     |                                 |                                |                                       |                         |
| Special Education-Grants for Infants and Families                                | No                  | 84.181                          | 21-1158-12                     | \$ -                                  | \$ 80,272               |
| Special Education - Grants for Infants and Families                              | No                  | 84.181                          | 21-1158-16                     | -                                     | 73,901                  |
| Total ALN 84.181:  |                     |                                 |                                | -                                     | 154,173                 |
| <b>Total Department of Education</b>   |                     |                                 |                                | <u>-</u>                              | <u>154,173</u>          |

See accompanying notes to the schedule of expenditures of federal awards.

**Opportunity Council  
Schedule of Expenditures of Federal Awards (Continued)  
Year Ended December 31, 2025**

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title | COVID-19<br>Funding | Assistance<br>Listing<br>Number | Grant Identification<br>Number | Passed<br>Through to<br>Subrecipients | Federal<br>Expenditures     |
|--|---------------------|---------------------------------|--------------------------------|---------------------------------------|-----------------------------|
| <b>Department of Veterans Affairs</b>                      |                     |                                 |                                |                                       |                             |
| VA Supportive Services for Veteran Families Program        | No                  | 64.033                          | 19-WA-079-LT                   | \$ 2,595                              | \$ 52,336                   |
| VA Supportive Services for Veteran Families Program        | No                  | 64.033                          | 19-WA-079                      | 251,039                               | 581,455                     |
| VA Supportive Services for Veteran Families Program        | No                  | 64.033                          | 19-WA-079                      | -                                     | 2,173,790                   |
| Total ALN 64.033:  |                     |                                 |                                | <u>253,634</u>                        | <u>2,807,581</u>            |
| <b>Total Department of Veterans Affairs</b>                |                     |                                 |                                | <b><u>253,634</u></b>                 | <b><u>2,807,581</u></b>     |
| <b>Department of Treasury</b>                              |                     |                                 |                                |                                       |                             |
| Passed Through Whatcom County:                             |                     |                                 |                                |                                       |                             |
| Coronavirus State and Local Fiscal Recovery Funds          | Yes                 | 21.027                          | 202304025                      | \$ -                                  | \$ 153,828                  |
|  |                     |                                 |                                | -                                     | 153,828                     |
| Passed through Snohomish County:                           |                     |                                 |                                |                                       |                             |
| Coronavirus State and Local Fiscal Recovery Funds          | Yes                 | 21.027                          | EL-22-AR-30-399                | \$ -                                  | \$ 325,144                  |
| Coronavirus State and Local Fiscal Recovery Funds          | Yes                 | 21.027                          | EL-23-AR-41-399                | -                                     | 156,191                     |
|  |                     |                                 |                                | -                                     | 481,335                     |
| Passed Through City of Bellingham:                         |                     |                                 |                                |                                       |                             |
| Coronavirus State and Local Fiscal Recovery Funds          | Yes                 | 21.027                          | C2301070                       | \$ -                                  | \$ 27,530                   |
| Coronavirus State and Local Fiscal Recovery Funds          | Yes                 | 21.027                          | C2400719                       | -                                     | 186,876                     |
|  |                     |                                 |                                | -                                     | 214,406                     |
| Total ALN 21.027:  |                     |                                 |                                | -                                     | 849,569                     |
| <b>Total Department of Treasury</b>                        |                     |                                 |                                | <b><u>-</u></b>                       | <b><u>849,569</u></b>       |
| <b>Total Federal Awards</b>                                |                     |                                 |                                | <b><u>\$ 253,634</u></b>              | <b><u>\$ 21,221,617</u></b> |

See accompanying notes to the schedule of expenditures of federal awards.

**Opportunity Council**  
**Notes to Schedule of Expenditures of Federal Awards**  
**December 31, 2025**

**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Council under programs of the federal government for the year ended December 31, 2025. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Council.

**Note 2 – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing Numbers 21.023 and 21.027, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The Company has not elected to use the 10 percent/15 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 3 – Indirect Costs**

The accompanying schedule of expenditures of federal awards includes indirect costs, calculated at 14% of total direct federal expenditures excluding capital expenditures, subawards in excess of \$25,000 and flow-through funds.

**Opportunity Council**  
**Notes to Schedule of Expenditures of Federal Awards**  
**December 31, 2025**

**Note 4 – Federal Loans**

The federal loan programs listed subsequently are administered directly by Opportunity Council, and balances and transactions relating to these programs are included in Opportunity Council's basic consolidated financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at December 31, 2025 consists of:

|  | <u>CFDA<br/>Number</u> | <u>Amount<br/>Outstanding<br/>End of Year</u> | <u>Amount<br/>Outstanding<br/>Beginning<br/>of Year</u> |
|--|------------------------|---|---|
| U.S. Department of Housing and Urban Development<br>Passed Through the Washington State Department<br>of Commerce: |                        |   |   |
| Home Investment Partnership Program  | 14.239                 | \$965,924                                     | \$ 1,025,588  |
| Passed Through Whatcom County:   |                        |   |   |
| Community Development Block Grant  | 14.238                 | 943,759                                       | 952,698   |
| Community Development Block Grant  | 14.228                 |   | 30,294  |
| Passed Through City of Bellingham:   |                        |   |   |
| Home Investment Partnership Program  | 14.239                 | 683,081                                       | 683,081   |
| Home Investment Partnership Program  |                        | 502,000                                       | 502,000   |
| Home Investment Partnership Program  | 14.239                 | 150,000                                       | 150,000   |
| Community Development Block Grant  | 14.218                 | 32,642  | 32,642  |
| Community Development Block Grant  | 14.218                 | 794,833                                       | 794,833   |
| Total  |                        | <u>\$ 4,072,239</u>                           | <u>\$ 4,171,136</u>                                     |



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.