

## **BUILDING CHANGES**

Financial Statements with Supplementary Report  
in Accordance with *Government Auditing Standards*

December 31, 2024 and 2023

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Amanda O'Rourke, CPA  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Building Changes  
Seattle, Washington

### Opinion

We have audited the accompanying financial statements of Building Changes (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Building Changes as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Building Changes and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

Amanda O'Rourke, CPA  
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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2025 on our consideration of Building Changes' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Building Changes' internal control over financial reporting and compliance.

*Greenwood Ohlund*

Seattle, Washington  
October 24, 2025

## BUILDING CHANGES

### STATEMENTS OF FINANCIAL POSITION

December 31, 2024 and 2023

ASSETS	2024	2023
Current Assets		
Cash and cash equivalents	\$ 967,126	\$ 1,326,124
Cash and cash equivalents - held as fiscal agent	-	320,125
Investments	5,195,795	6,481,906
Contributions and grants receivable	1,130,554	717,927
Prepaid expenses and other assets	29,655	32,109
	<hr/>	<hr/>
Total current liabilities	7,323,130	8,878,191
Contributions and Grants Receivable, net of current portion	250,000	-
	<hr/>	<hr/>
Total assets	<u>\$ 7,573,130</u>	<u>\$ 8,878,191</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 265,215	\$ 435,059
Funds held as fiscal agent	-	320,125
	<hr/>	<hr/>
Total liabilities	265,215	755,184
Net Assets		
Without donor restrictions		
Undesignated	2,069,718	3,123,287
Board-designated	1,608,648	813,069
	<hr/>	<hr/>
Total net assets without donor restrictions	3,678,366	3,936,356
With donor restrictions	3,629,549	4,186,651
	<hr/>	<hr/>
Total net assets	7,307,915	8,123,007
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 7,573,130</u>	<u>\$ 8,878,191</u>

*See accompanying notes to financial statements.*

## BUILDING CHANGES

### STATEMENTS OF ACTIVITIES For the Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Contributions	\$ 680,593	\$ 1,235,385	\$ 1,915,978	\$ 1,419,178	\$ 3,303,005	\$ 4,722,183
Government grants	5,440,894	-	5,440,894	3,048,877	-	3,048,877
Technical assistance and other	253,129	-	253,129	539,651	-	539,651
Net assets released from restrictions	1,792,487	(1,792,487)	-	4,083,076	(4,083,076)	-
Total support and revenue	8,167,103	(557,102)	7,610,001	9,090,782	(780,071)	8,310,711
Expenses						
Programs	7,434,725	-	7,434,725	10,059,266	-	10,059,266
Management and general	956,869	-	956,869	1,378,448	-	1,378,448
Fundraising	300,169	-	300,169	135,420	-	135,420
Total expenses	8,691,763	-	8,691,763	11,573,134	-	11,573,134
Change in net assets before investment return	(524,660)	(557,102)	(1,081,762)	(2,482,352)	(780,071)	(3,262,423)
Investment Return	266,670	-	266,670	346,557		346,557
<b>Change in net assets</b>	<b>(257,990)</b>	<b>(557,102)</b>	<b>(815,092)</b>	<b>(2,135,795)</b>	<b>(780,071)</b>	<b>(2,915,866)</b>
Net Assets, beginning of year	3,936,356	4,186,651	8,123,007	6,072,151	4,966,722	11,038,873
Net Assets, end of year	<u>\$ 3,678,366</u>	<u>\$ 3,629,549</u>	<u>\$ 7,307,915</u>	<u>\$ 3,936,356</u>	<u>\$ 4,186,651</u>	<u>\$ 8,123,007</u>

*See accompanying notes to financial statements.*

## BUILDING CHANGES

### STATEMENT OF FUNCTIONAL EXPENSES For the Year Ended December 31, 2024

	Programs					Management and General	Fundraising	Total
	Housing Crisis	Education / Student Homelessness	Knowledge Sharing & Policy	Partner's Group	Total Programs			
Salaries and wages	\$ 775,149	\$ 549,334	\$ 50,296	\$ 6,265	\$ 1,381,044	\$ 399,954	\$ 163,955	\$ 1,944,953
Payroll taxes and benefits	133,161	96,109	11,706	2,726	243,702	124,565	33,432	401,699
Total payroll expenses	908,310	645,443	62,002	8,991	1,624,746	524,519	197,387	2,346,652
Grants to others	4,462,413	221,497	-	685,616	5,369,526	-	-	5,369,526
Professional fees	67,969	45,510	66,615	122,118	302,212	172,453	88,445	563,110
Occupancy	-	-	-	-	-	133,717	-	133,717
Conferences/meetings/networking	8,979	15,672	5,281	-	29,932	16,519	897	47,348
Bank charges	30,326	-	-	-	30,326	10,977	4,577	45,880
Equipment rental and maintenance	5,842	874	3,154	-	9,870	32,022	-	41,892
Miscellaneous	-	-	2,442	29,938	32,380	103	112	32,595
Staff recruitment/development	1,910	-	710	-	2,620	23,037	4,725	30,382
Travel	6,022	9,944	1,852	(927)	16,891	7,840	175	24,906
Insurance	-	36	-	-	36	18,021	-	18,057
Partner stipend	6,491	670	-	407	7,568	2,507	500	10,575
Telecommunications	-	-	-	-	-	9,877	-	9,877
Taxes, dues and licenses	1,366	-	6,124	-	7,490	940	275	8,705
Supplies	7	189	22	107	325	2,088	387	2,800
Printing and publications	-	-	803	-	803	54	1,918	2,775
Staff racial equity	-	-	-	-	-	2,128	-	2,128
Postage and delivery	-	-	-	-	-	67	771	838
Total expenses	\$ 5,499,635	\$ 939,835	\$ 149,005	\$ 846,250	\$ 7,434,725	\$ 956,869	\$ 300,169	\$ 8,691,763

*See accompanying notes to financial statements.*

## BUILDING CHANGES

### STATEMENT OF FUNCTIONAL EXPENSES For the Year Ended December 31, 2023

	Programs					Management and General	Fundraising	Total
	Housing Crisis	Education / Student Homelessness	Knowledge Sharing & Policy	Partner's Group	Total Programs			
Salaries and wages	\$ 664,960	\$ 689,105	\$ 53,516	\$ 754,559	\$ 2,162,140	\$ 581,816	\$ 78,164	\$ 2,822,120
Payroll taxes and benefits	182,912	173,794	17,029	139,599	513,334	173,445	28,369	715,148
Total payroll expenses	847,872	862,899	70,545	894,158	2,675,474	755,261	106,533	3,537,268
Grants to others	1,686,436	46,625	-	3,318,193	5,051,254	-	-	5,051,254
Professional fees	81,643	34,390	120,646	1,515,640	1,752,319	327,054	16,333	2,095,706
Occupancy	120	6,551	-	242,841	249,512	2,630	558	252,700
Supplies	-	-	-	-	-	131,260	-	131,260
Partner stipend	200	-	2,298	50,891	53,389	39,282	514	93,185
Bank charges	1,047	222	7	75,460	76,736	11,854	91	88,681
Telecommunications	7,362	9,777	5,581	41,749	64,469	10,966	552	75,987
Staff recruitment/development	5,148	9,541	2,868	36,073	53,630	15,054	4,616	73,300
Equipment rental and maintenance	331	958	214	27,981	29,484	26,764	384	56,632
Conferences/meetings/networking	14,072	-	102	13	14,187	20,843	3,250	38,280
Taxes, dues and licenses	3,865	150	9,761	10,869	24,645	1,707	425	26,777
Travel	-	-	-	-	-	17,129	-	17,129
Insurance	560	745	1,915	2,575	5,795	9,226	-	15,021
Miscellaneous	48	-	-	6,504	6,552	4,100	-	10,652
Staff racial equity	-	-	474	92	566	5,316	-	5,882
Printing and publications	-	-	1,131	74	1,205	-	1,436	2,641
Postage and delivery	-	-	-	49	49	2	728	779
Total expenses	\$ 2,648,704	\$ 971,858	\$ 215,542	\$ 6,223,162	\$ 10,059,266	\$ 1,378,448	\$ 135,420	\$ 11,573,134

*See accompanying notes to financial statements.*



## BUILDING CHANGES

### STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Cash received from:		
Donors	\$ 6,694,245	\$ 9,268,967
Customers of technical assistance and other	253,129	539,651
Interest and dividends	116,643	196,530
Cash paid for:		
Grants to others	(5,369,526)	(5,051,254)
Personnel	(2,173,559)	(3,364,175)
Services and supplies	(1,182,351)	(3,217,679)
Fiscal agency projects	(453,842)	(1,233,022)
Net cash flows from operating activities	(2,115,261)	(2,860,982)
Cash flows from Investing Activities		
Purchases of investments	(706,076)	(276,080)
Proceeds from sales of investments	2,142,214	2,142,214
Net cash flows from investing activities	1,436,138	1,866,134
<b>Net change in cash and cash equivalents</b>	<b>(679,123)</b>	<b>(994,848)</b>
Cash and Cash Equivalents, beginning of the year	1,646,249	2,641,097
Cash and Cash Equivalents, end of the year	<u>\$ 967,126</u>	<u>\$ 1,646,249</u>
Cash is presented on the statement of financial position as follows:		
Cash and cash equivalents	\$ 967,126	\$ 1,326,124
Cash and cash equivalents - held as fiscal agent	-	320,125
	<u>\$ 967,126</u>	<u>\$ 1,646,249</u>

*See accompanying notes to financial statements.*

## BUILDING CHANGES

### NOTES TO FINANCIAL STATEMENTS

#### Note 1 – Organization and Summary of Significant Accounting Policies

Building Changes was founded in 1988 with the belief that everyone should have a safe place to call home and access to the support they need. For more than three decades, we have developed and advanced bold strategies to ensure that people in diverse communities have safe and stable housing and can equitably access and use services. Our ongoing efforts to drive change in Washington State’s homeless response systems is rooted in our deep commitment to centering equity and the needs of people, particularly children, youth, and families.

Building Changes leverages a holistic strategy across the sectors of Housing, Education, and Health to effectively address homelessness through system-level advocacy and collaborative action. Through this approach, we develop innovative solutions, advocate for change, and address homelessness at its roots. Our initiatives are centered around the following core activities:

- Advancing Equitable Strategies: We develop innovative solutions tailored to the specific challenges within housing, education, and health sectors, focusing on systemic changes that resolve housing crises and improve stability for vulnerable populations.
- Influencing Policy and Advocating for Resources: We work to secure adequate and sustainable resources across all systems, advocating for policies that support people experiencing homelessness and enhance service delivery. This includes specific attention to the unique needs of students experiencing homelessness and integration of health services with housing stability efforts.
- Holding Systems Accountable: We ensure that housing, education, and health systems adopt and implement racially equitable and culturally responsive policies, practices, and processes. This includes fostering community partnerships in education and prioritizing equitable health care practices.
- Facilitating Cross-System Collaboration: We enhance coordination among various stakeholders – including policymakers, community members, and service providers—to ensure integrated and effective service delivery across all sectors.

Through these concerted efforts, Building Changes creates a synergistic impact that addresses the roots of systemic barriers to stability and well-being for individuals experiencing homelessness in Washington State.

In 2024, we advanced our mission to build a more equitable and thriving Washington State through the following programmatic area:

Housing: To address the need for stable foundations that enable individuals to thrive, we implement a series of strategic actions to influence policy, advocate for adequate and sustainable resources for people experiencing homelessness, and ensure housing systems are held accountable. Through this work, our Housing initiative hit the following milestones:

Annual Outcomes (July 1, 2023 – June 30, 2024) **(the following bulleted information is unaudited)**

- Provided financial and technical support to seven community-based organizations and two tribes to help advance our shared vision of a more equitable and thriving Washington State.
- Impacted the lives of 146 households, including 212 children, older adults, parents, and individuals experiencing a housing crisis through our Washington Youth & Families Fund (WYFF).

## BUILDING CHANGES

### NOTES TO FINANCIAL STATEMENTS

- Supported eight new grantees in launching three-year WYFF projects—four focused on YYA and four focused on families.
- Through our Centralized Diversion Fund, we provided direct financial assistance to 394 households in King County, 90% of whom were BIPOC. 80% of requests were for move-in costs, averaging \$3,576 per household.

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

#### *Financial Statement Presentation*

The financial statements have been prepared on the accrual basis of accounting and have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions.

The net assets of Building Changes are classified as follows:

- Net assets without donor restrictions are available without restriction for support of Building Changes' operations. A portion of net assets without donor restrictions are designated by the board for an Emergency Reserve Fund. The Emergency Reserve Fund is intended to cover any unexpected material funding shortfall related to operational needs and amounted to \$1,608,648 and \$813,069 at December 31, 2024 and 2023, respectively.
- Net assets with donor restrictions consist of unexpended contributions or grants restricted for particular purposes or time periods. Net assets with temporary donor restrictions are transferred to net assets without donor restrictions as expenditures are incurred for the restricted purpose or as time restrictions expire.

Net assets with donor restrictions consist of the following at December 31:

	2024	2023
Day 1 Fund	\$ 1,525,092	\$ 2,442,890
Family Homelessness Initiative	890,957	958,200
Time restricted	475,000	-
Homeless Prevention and Diversion Fund	400,000	-
Upstream	269,818	150,000
Other	68,682	92,230
We Are In	-	502,439
Community Solutions	-	40,892
	<u>\$ 3,629,549</u>	<u>\$ 4,186,651</u>

## BUILDING CHANGES

### NOTES TO FINANCIAL STATEMENTS

#### *Cash and Cash Equivalents*

Cash and cash equivalents consist of checking, savings, and money market accounts. Building Changes regularly has amounts deposited with financial institutions in excess of federally insured limits, although does not believe it is exposed to any significant credit risk.

#### *Cash and Cash Equivalents – Held as a Fiscal Agent*

During 2023, Building Changes acted as a fiscal agent for three projects: Lived Experience Coalition (LEC), Look, Listen, and Learn (LLL), and the African American Leadership Forum (AALF). Building Changes does not have variance power over the funds of the fiscally sponsored projects, so no income or expense is recognized from the fiscally sponsored projects. Cash belonging to the fiscally sponsored projects is presented as held as a fiscal agent with a corresponding liability.

Building Changes terminated their fiscal agent relationships with LEC and AALF during 2023, and with LLL in January 2024.

#### *Fair Value Measurements*

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

- Level 1: This level consists of observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: This level consists of observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly.
- Level 3: This level consists of unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

#### *Investments*

Investments in debt and equity securities are reported at fair value (using Level 1 inputs of the fair value hierarchy, which are quoted market prices in active markets for identical assets) in the statements of financial position. Certificates of deposit are recorded at cost-plus accrued interest.

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## BUILDING CHANGES

### NOTES TO FINANCIAL STATEMENTS

Investments are composed of the following at December 31:

	2024	2023
Cash and cash equivalents	\$ 129,215	\$ -
United States Treasury securities	2,538,599	3,756,810
Corporate bonds	1,808,667	2,018,730
Government mortgage-backed securities	537,307	513,688
Certificates of deposit	182,007	192,678
	<u>\$ 5,195,795</u>	<u>\$ 6,481,906</u>

Investment return consists of interest and dividends, realized and unrealized gains and losses, net of external investment fees.

#### *Contributions and Grants Receivable*

Contributions and grants receivable are expected to be collected in one year and are recorded at net realizable value. Contributions and grants receivable due in excess of one year are recognized at fair value at the time of the donation and are measured at the present value of the estimated future cash flows. In arriving at fair value, the promises to give are discounted using an estimated market rate, which includes a present value discount rate and an estimated rate for an allowance for doubtful accounts.

Management reviews the collectability of contributions and grants receivable on a periodic basis and determines the amount estimated to be uncollectible. A reserve for doubtful accounts is then established. Building Changes charges off receivables against the allowance when management determines that a receivable is not collectible. No discount or allowance for contributions and grants receivable was considered necessary at December 31, 2024 or 2023.

All noncurrent contributions and grants receivable are expected to be collected in one to five years at December 31, 2024.

Receivables from one donor and one government agency comprised approximately 99% of contributions and grants receivable at December 31, 2024. Receivables from one government agency comprised all contributions and grants receivable at December 31, 2023.

#### *Revenue Recognition*

Contributions - Unconditional promises to give are recognized as support with or without donor restrictions depending on the existence and/or nature of any donor restrictions during the period a cash gift or noncash gift is received or pledged.

Government Grants - Government grants are generally conditional based on incurring qualified expenditures. Revenue from government agencies is subject to audit, which could result in adjustments to revenue. The adjustments are recorded at the time that such amounts can first be reasonably determined, normally upon notification by the government agency. During the years ended December 31, 2024 and 2023, no such adjustments were made.

## BUILDING CHANGES

### NOTES TO FINANCIAL STATEMENTS

Two and three donors accounted for 76% and 68% of total support and revenue during the years ended December 31, 2024 and 2023, respectively.

Conditional promises to give – that is, those with a measurable performance or barrier and a right of return – are not recognized until the conditions on which they depend have been met. Building Changes had approximately \$2,000,000 in conditional contributions of which it was notified during the year ended December 31, 2024. These promises are conditional upon Building Changes achieving certain goals related to specific programs run by Building Changes. Due to the uncertainty regarding meeting the conditions, revenue was not recognized for these contributions during the year ended December 31, 2024.

Technical Assistance Service Fees and Other - Technical assistance service fees and other primarily represent fees for training and consulting services and fiscal agency fees and are over time as the related service is provided (the sole performance obligation). There are no significant judgments affecting the determination of amount and timing of technical assistance revenue and there are no contract assets or liabilities.

#### *Grants Payable*

Grants payable and the related expense are recognized when the unconditional award is made to the grantee.

Conditional grants payable – that is, those with a measurable performance or barrier and a right of return – are not recognized until the conditions on which they depend have been met. Building Changes had approximately \$500,000 in conditional grants payable of which it notified grantees during the year ended December 31, 2024. These promises are conditional upon the grantees achieving certain goals related to specific programs. Due to the uncertainty of the grantee meeting the conditions, expenses were not recognized for these grants during the year ended December 31, 2024.

#### *Functional Allocation of Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated between the program and supporting services benefited. The expenses that are allocated include salaries and wages, payroll taxes, benefits, professional fees, partner stipends, and other, which are allocated on the basis of time and effort. The methodologies used to allocate expenses on a functional basis are consistent during the periods presented.

#### *Tax Exemption*

Building Changes has been granted exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

#### *Subsequent Events*

Management of Building Changes has evaluated subsequent events through the date these financial statements were available to be issued, which was October 24, 2025.

## BUILDING CHANGES

### NOTES TO FINANCIAL STATEMENTS

#### Note 2 – Liquidity and Availability of Resources

Building Changes strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested within Building Changes' investment pool.

The following table reflects Building Changes' financial assets as of December 31, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions with a fiscal agent or donor, or internal board designations. Amounts not available for general expenditure include a board-designated emergency reserve fund that is intended to cover unexpected material funding shortfall related to operational needs. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution.

	2024	2023
Financial Assets		
Cash and cash equivalents	\$ 967,126	\$ 1,326,124
Cash and cash equivalents - held as fiscal agent	-	320,125
Investments	5,195,795	6,481,906
Contributions and grants receivable	1,130,554	717,927
	7,293,475	8,846,082
Less: Amounts Not Available to Meet General Expenditures		
Board-designated Emergency Reserve Fund	(1,608,648)	(1,489,838)
Cash and cash equivalents - held as fiscal agent	-	(320,125)
Net assets with donor restrictions	(3,629,549)	(4,186,651)
	<u>\$ 2,055,278</u>	<u>\$ 2,849,468</u>

**SUPPLEMENTAL REPORT IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS***



Amanda O'Rourke, CPA  
Matt Smith, CPA  
Claire Chow, CPA  
Jason Mallon, CPA  
Andrew Van Ness, CPA



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

To the Board of Directors  
Building Changes  
Seattle, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial auditing standards generally accepted in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Building Changes, which comprise the statements of financial position as of December 31, 2024, and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 24, 2025.

### **Internal Control over Financial Reporting**

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

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

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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

### **Report on Compliance and Other Matters**

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

Amanda O'Rourke, CPA  
Matt Smith, CPA  
Claire Chow, CPA  
Jason Mallon, CPA  
Andrew Van Ness, CPA



### **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 Building Changes' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Greenwood Ohlund*

Seattle, Washington  
October 24, 2025