VISION HOUSE

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

VISIONHOUSE
...until every child has a home.

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VISION HOUSE
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YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Vision House
Renton, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Vision House (a Washington nonprofit organization) (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 the Organization as of December 31, 2024, and the changes in their net assets and their 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 Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 financial statements, and our report dated December 30, 2024, 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, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
Vision House

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of state and local financial assistance on page 22 is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2025, on our consideration of the Organization'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 the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Bellevue, Washington
October 10, 2025

VISION HOUSE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals 2024	Totals 2023
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$ 370,631	$ 1,056,141	$ 1,426,772	$ 1,623,439
Investments	127,730	-	127,730	176,943
Beneficial Interest in Renton Foundation	40,938	44,000	84,938	78,273
Accounts Receivable	82,905	-	82,905	66,892
Grants Receivable	-	186,794	186,794	-
Right-of-Use Asset	37,562	-	37,562	100,904
Inventory	-	-	-	20,250
Other Current Assets	2,989	-	2,989	32,423
Total Current Assets	662,755	1,286,935	1,949,690	2,099,124
PROPERTY AND EQUIPMENT, NET	9,677,140	-	9,677,140	9,576,765
Total Assets	$ 10,339,895	$ 1,286,935	$ 11,626,830	$ 11,675,889
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable and Accrued Liabilities	$ 624,739	$ -	$ 624,739	$ 433,228
Lease Liabilities	39,298	-	39,298	64,982
LONG-TERM LIABILITIES				
Operating Lease Obligation - Long Term	-	-	-	39,298
Washington State Department of Commerce Note Payable	-	231,818	231,818	216,190
Total Liabilities	664,037	231,818	895,855	753,698
NET ASSETS				
Without Donor Restrictions:				
Undesignated	9,675,858	-	9,675,858	9,889,688
Total Without Donor Restrictions	9,675,858	-	9,675,858	9,889,688
With Donor Restrictions - Time and Purpose	-	1,011,117	1,011,117	988,503
With Donor Restrictions - Endowment	-	44,000	44,000	44,000
Total Net Assets	9,675,858	1,055,117	10,730,975	10,922,191
Total Liabilities and Net Assets	$ 10,339,895	$ 1,286,935	$ 11,626,830	$ 11,675,889

See accompanying Notes to Financial Statements.

VISION HOUSE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals 2024	Totals 2023
REVENUE AND SUPPORT				
Contributions and Grants	$ 4,217,434	$ 12,853	$ 4,230,287	$ 3,701,161
Contributed Nonfinancial Assets	7,920	-	7,920	59,629
Tenant and Subsidy Rental Income	409,465	-	409,465	278,102
Special Events, Net of Direct Expenses of $114,111 in 2024 and $140,200 in 2023	649,834	-	649,834	617,883
Net Investment Income (Loss)	(5,758)	37,489	31,731	25,092
Revenue from Daycare	1,809,440	-	1,809,440	1,358,557
Revenue from Thrift Store	72,341	-	72,341	83,969
Other Revenue	13,046	-	13,046	4,006
Net Assets Released from Restriction	27,728	(27,728)	-	-
Total Revenue and Support	7,201,450	22,614	7,224,064	6,128,459
EXPENSES				
Program	5,911,166	-	5,911,166	5,092,970
Management and General	656,792	-	656,792	701,445
Fundraising	847,322	-	847,322	738,085
Total Expenses	7,415,280	-	7,415,280	6,532,500
CHANGES IN NET ASSETS	(213,830)	22,614	(191,216)	(404,041)
Net Assets - Beginning of Year	9,889,688	1,032,503	10,922,191	11,326,232
NET ASSETS - END OF YEAR	$ 9,675,858	$ 1,055,117	$ 10,730,975	$ 10,922,191

See accompanying Notes to Financial Statements.

VISION HOUSE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	Program	Management and General	Fundraising	Totals 2024	Totals 2023
PERSONNEL					
Salaries, Taxes and Benefits	$ 4,104,902	$ 528,865	$ 519,878	$ 5,153,645	$ 4,303,242
OTHER					
Facilities	1,015,417	11,550	11,478	1,038,445	1,016,921
Nonpersonnel	357,856	15,342	176,021	549,219	446,562
Contract Services	63,148	41,614	69,119	173,881	185,763
Information Tech	114,425	38,004	27,464	179,893	178,540
Travel and Meetings	76,307	19,862	9,754	105,923	100,448
Business Exp	48	-	-	48	359
Other Expense	179,063	1,555	33,608	214,226	300,665
Total Before Special Events	1,806,264	127,927	327,444	2,261,635	2,229,258
SPECIAL EVENTS	-	-	114,111	114,111	140,200
Total - December 31, 2024	$ 5,911,166	$ 656,792	$ 961,433	$ 7,529,391	$ 6,672,700
Total - December 31, 2023	$ 5,092,970	$ 701,445	$ 878,285	$ 6,672,700	

See accompanying Notes to Financial Statements.

VISION HOUSE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	2024	2023
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Changes in Net Assets	$ (191,216)	$ (404,041)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activites:		
Noncash Interest Expense on Note Payable to Washington State Department of Commerce	15,628	14,575
Depreciation	513,762	497,283
Loss (Gain) on Investments	(22,521)	(20,329)
Noncash Lease Expense	1,736	7,106
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(16,013)	(18,507)
Prepaid Expenses and Other	29,434	(27,264)
Inventory	20,250	9,497
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Liabilities	191,511	108,394
Operating Lease Obligations	(64,982)	(5,467)
Net Cash Provided by Operating Activites	477,589	161,247
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(607,813)	(801,239)
Proceeds from Sale of Investments	29,489	37,814
Purchase of Investments	(95,932)	(80,207)
Net Cash Used by Investing Activities	(674,256)	(843,632)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(196,667)	(682,385)
Cash and Cash Equivalents - Beginning of Year	1,623,439	2,305,824
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,426,772	$ 1,623,439
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Increase in Loan Payable to Washington State Department of Commerce	$ 15,628	$ 14,575

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND PURPOSE

Founded in 1990, Vision House serves and empowers families experiencing homelessness. Through transitional housing, diversion services, and childcare, the ministry touched the lives of more than 1,400 families in 2024.
Vision House's mission: to show families experiencing homelessness the love of Jesus with housing support, childcare, and vital resources—so they can thrive.

Vision House operates four transitional housing "Family Program" facilities in Renton and Shoreline, three Diversion Centers in Renton, Shoreline, and Burien, and two childcare centers, called Children's Village, in Renton and Shoreline.

The Family Program provides 46 units of transitional housing with supportive services including life skills training, counseling for adults and children, job search assistance, referrals for medical and dental care, financial management training, and alumni support. Residents sign a lease and contribute 30% of their income toward rent, preparing them for future housing stability.

With caseworker support, families grow income through employment and social supports. Program participants sign a one-year lease with the possibility of one or two six-month extensions. Families benefit from weekly one-on-one meetings with a case manager, monthly group sessions, and targeted training and counseling. In 2024, the Family Program served 199 individuals—125 children, 59 mothers, and 15 fathers—with an 88% success rate of transitioning to permanent housing. Our goal: to break the cycle of family homelessness.

In addition, Vision House served 1,279 families in crisis through its three Diversion Centers. These centers provide casework to help families overcome barriers to housing—such as securing IDs, accessing therapy or job training, and obtaining emergency food and supplies. Families may also shower, do laundry, and use computers for job searches. Diversion serves as a gateway to stability and housing; in 2024 the team placed 61 families into permanent housing.

Vision House also operates Children's Village childcare centers in Renton and Shoreline. Children enrolled include those from Vision House programs, alumni families, and community families seeking high-quality care. Kids benefit from age-appropriate curriculum, play, and fresh meals in a structured, nurturing environment.

Children's Village Renton, licensed for 68 children, serves newborns through pre-K. In 2024, 44% of children were in Vision House programs or received low-income subsidies; 56% were community families paying privately. A total of 84 children were served, and the center was voted "Best Childcare Provider" for 2024 by the Renton Reporter. It also participates in Early Achievers of Washington, the state's quality recognition system.

NOTE 1 ORGANIZATION AND PURPOSE (CONTINUED)

Children's Village Shoreline serves newborns through school-age children, with before- and after-school programs and a summer program. In the summer program, kids learn and enjoy periodic community field trips. Licensed for 72, Children's Village Shoreline served 77 children in 2024. Of these, 74% were from low-income families and 26% from private-pay families. It also participates in Early Achievers of Washington.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to voluntary health and welfare organizations. The more significant accounting policies of the Organization are described as follows:

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 Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets which are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Time and Purpose – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization or the passage of time.

Net Assets With Donor Restrictions – Endowment – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

Contributions and Grants

Contributions and grants are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Governmental Grants and Contracts

A portion of the Association's revenue is derived from cost reimbursable federal, state, and county grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Association has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. At December 31, 2024 and 2023, amounts remaining under conditional grants from government agencies totaled approximately $107,000 and $500,000, respectively

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donor-Imposed Restrictions

All contributions are considered to be available for general use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported in net assets with donor restrictions and increases that net asset class. For all other restricted contributions, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

Donated Services

A substantial number of volunteers have donated significant amounts of time to the Organization program services and to its fundraising campaigns. However, only donated services that require specialized skills or create or enhance a nonfinancial asset are reflected in the financial statements. The estimated value of services performed by volunteers is recorded as donated service revenue and as a cost of services, but only if they would typically need to be purchased if not provided by donation.

Donated services meeting these qualifications recognized during the years ended December 31, 2024 and 2023 were $7,200 and $9,387, respectively.

Inventory

Inventory of merchandise held for sale in the Thrift Store consists of clothing, furniture, electronics, household, and other items. Nearly all items have been donated. For the years ended December 31, 2024 and 2023, management estimated the fair value of the inventory based historical value of items sold and actual inventory on hand.

Day Care and Thrift Store Revenue

The Organization enters into contracts with its customers to provide day care services and thrift store products, which are typically the only performance obligation. The pricing and payment terms for contracts are based on the Organization's standard terms and conditions or the result of specific negotiations with each customer. Contracts do not contain a significant financing component as the Organization's standard terms and conditions generally require immediate payment for thrift store sales and payment for daycare services within 30 days from the date billed.

Revenue is recognized when the service has been performed or control of the product has been transferred to customers.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Day Care and Thrift Store Revenue (Continued)

The timing of revenue recognition, billings, and cash collections results in receivables, contract assets, and contract liabilities. Accounts receivable are recorded when the right to consideration becomes unconditional and are presented separately in the statement of financial position. The Organization does not have significant contract assets and contract liabilities as of December 31, 2024.

For the year ended December 31, 2024, the Organization recognized all of its revenue at the time the services were provided.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with maturities of three months or less, except for those held as donor-restricted for long-term purposes, to be cash and cash equivalents. Management anticipates no material effect to the Organization's financial position as a result of cash held in a bank in excess of the available federal deposit insurance.

Investments

Investments in marketable securities with readily determinable fair values are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities and changes in net assets.

Beneficial Interest Held by Renton Foundation

The Organization has a beneficial interest in assets held by the Renton Foundation (the Foundation). Fair value of the beneficial interest is estimated as the net asset value of the underlying shares in the Foundation's investment pool. Fair value is determined in this manner because there are no observable market transactions for assets similar to the beneficial interest in the Foundation.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. Management has concluded that realization losses on balances outstanding at December 31, 2024 and 2023 are immaterial. Accordingly, no allowance for credit losses was recorded. At December 31, 2024 and 2023, no amounts past 90 days old existed.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment purchased by the Organization are recorded at cost. The Organization follows the practice of capitalizing all expenditures for land, buildings, and equipment in excess of $1,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is provided on the straight-line method based upon the estimated useful life of the assets as follows:

Buildings and Improvements	25 to 40 Years
Furniture and Equipment	3 to 7 Years
Vehicles	5 Years

Leases

The Organization leases warehouse space under a long-term, noncancelable lease agreement. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the statement of financial position. Finance leases are included in financing lease ROU assets and other current liabilities on our statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization'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 of leases do not provide an implicit rate, the Organization uses 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 Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization 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 balance sheet.

The Organization 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.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Marketing and Advertising Expenses

The Organization expenses the costs of marketing and advertising expenses as they are incurred. For the year ended December 31, 2024, marketing and advertising totaled $163,643 and are included in nonpersonnel expenses on the statement of functional expenses.

Allocation of Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited using direct allocation methods for program expenses and overhead by square footage. Expenses by natural classification are presented in the statement of functional expenses.

Federal Income Taxes

The Organization has received notification from the Internal Revenue Service that it is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax is reflected in these financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Summarized Information for Prior Year

The 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 conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Certain accounts in the prior year summarized information have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. The reclassifications of prior balances did not affect previously reported net assets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grant Receivable

Receivables are stated at net realizable value. Grants receivable consist of amounts due from funders and donors. Management considers these amounts fully collectible.

Subsequent Events

The Organization has evaluated subsequent events through October 10, 2025, the date on which the financial statements were available to be issued.

NOTE 3 LIQUIDITY AND AVAILABILITY

As of December 31, 2024 and 2023, the Organization had the following financial assets available for general expenditure within one year of the statement of financial position.

	2024	2023
Cash	$ 1,426,772	$ 1,623,439
Investments and Beneficial Interest	212,668	255,216
Accounts Receivable	82,905	66,892
Subtotal	1,722,345	1,945,547
Less:		
Net Assets With Donor Restrictions for Time and Purpose	(973,168)	(988,503)
Net Assets With Perpetual Donor Restrictions	(44,000)	(44,000)
Subtotal	(1,017,168)	(1,032,503)
Total Financial Assets Available for Expenditure Within One Year	$ 705,177	$ 913,044

NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization follows FASB ASC Topic 820, *Fair Value Measurements and Disclosures (Topic 820)*, which provides a framework for measuring fair value under generally accepted accounting principles. Topic 820 applies to all financial instruments that are being measured and reported on a fair value basis.

The framework within the standard provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets measured at fair value on a recurring basis are summarized below as of December 31:

	2024			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Equities	$ 127,730	$ -	$ -	$ 127,730
Investments at Fair Value	127,730	-	-	127,730
Beneficial Interest in Renton Foundation	-	-	84,938	84,938
Beneficial Interest at Fair Value	$ 127,730	$ -	$ 84,938	212,668
Investments Not at Fair Value:				
Cash and Money Market Funds				-
Total				$ 212,668

NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	2023			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Equities	$ 91,660	$ -	$ -	$ 91,660
Investments at Fair Value	91,660	-	-	91,660
Beneficial Interest in Renton Foundation	-	-	78,273	78,273
Beneficial Interest at Fair Value	$ 91,660	$ -	$ 78,273	169,933
Investments Not at Fair Value:				
Cash and Money Market Funds				85,283
Total				$ 255,216

The following is a description of the valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Mutual Funds – Valued at fair market value based on quoted market prices for those of similar investments.

Beneficial Interest in Renton Foundation – Valued at the net asset value of the underlying shares in the Foundation's investment pool.

Total investment income, gains, and losses consist of the following for the years ended December 31:

	2024	2023
Interest and Dividend Income	$ 10,935	$ 6,494
Realized and Unrealized Losses, Net	22,521	20,329
Investment Fees	(1,725)	(1,731)
Net Investment Income	$ 31,731	$ 25,092

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2024	2023
Buildings and Improvements	$ 12,489,932	$ 12,255,918
Furniture and Equipment	820,400	489,320
Vehicles	100,916	78,995
Total	13,411,248	12,824,233
Less: Accumulated Depreciation	(6,213,903)	(5,706,690)
Total Depreciable Property and Equipment	7,197,345	7,117,543
Land	2,353,511	2,353,511
Total Property and Equipment	$ 9,672,077	$ 9,576,765

For the year ended December 31, 2024, depreciation expense was $513,762.

NOTE 6 NOTE PAYABLE

Note payable consisted of the following at December 31:

Description	2024	2023
Note payable, Washington State Department of Commerce loan originated on August 22, 2007, secured by a deed of trust, requires no payments and has a 0% stated interest rate, loan is due in full on May 31, 2048, in the amount of $1,188,393 and	$ 1,188,393	$ 1,188,393
has been discounted to present value using a 7%	(956,575)	(972,203)
market interest rate.	$ 231,818	$ 216,190

Future maturities of note payable are as follows:

	Amount
Due at Decemer 31, 2025	$ -
Due at Decemer 31, 2026	-
Due at Decemer 31, 2027	-
Due at Decemer 31, 2028	-
Due at Decemer 31, 2029	-
Thereafter	1,188,393
Total	$ 1,188,393

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following for the years ended December 31:

	2024	2023
Program Restrictions:		
Program Services	$ 17,064	$ 16,300
Time Restrictions	956,564	972,203
Endowment	81,489	44,000
Total	$ 1,055,117	$ 1,032,503

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	2024			
	Balance at Beginning of Year	Donor Restricted Contributions	Released from Restrictions	Balance at End of Year
Program Services	$ 16,300	$ 12,853	$ 12,549	$ 16,604
Time Restrictions:				
Housing Trust Fund	972,203	-	15,639	956,564
Endowment	44,000	-	-	44,000
Total	$ 1,032,503	$ 12,853	$ 28,188	$ 1,017,168

	2023			
	Balance at Beginning of Year	Donor Restricted Contributions	Released from Restrictions	Balance at End of Year
Program Services	$ 251,867	$ 93	$ 235,660	$ 16,300
Time Restrictions:				
Housing Trust Fund	986,778	-	14,575	972,203
Endowment	44,000	-	-	44,000
Total	$ 1,282,645	$ 93	$ 250,235	$ 1,032,503

NOTE 8 ENDOWMENT

The Organization's endowment consists of an endowment held at the Renton Foundation. All of the income from the endowment may be used to support the general operations of the Organization.

The following summarizes the Organization's endowment-related activities for the year ended June 30, 2024

	Endowment Available for Expenditure	Endowment Principal	Total
Endowment Net Assets at Beginning of Year	$ -	$ 44,000	$ 44,000
Contributions	36,442		36,442
Transfers		-	-
Net Investment Return	6,222	-	6,222
Endowment Management Fee	(1,725)	-	- (1,725)
Endowment Net Assets at End of Year	$ 40,939	$ 44,000	$ 84,939

NOTE 8 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) governs Oregon charitable institutions with respect to the management, investment, and expenditure of donor-restricted endowment funds.

The Organization's board of directors has interpreted Oregon's adoption of UPMIFA as requiring the Organization to adopt investment and spending policies that are designed to preserve the fair value of the original gift as of the date of gift, absent explicit donor stipulations to the contrary. Although the Organization has a long-term fiduciary duty to the donor (and to others) for a fund of perpetual duration, the preservation of the endowment's purchasing power is only one of several factors that are considered in managing and investing these funds. Furthermore, in accordance with UPMIFA, a portion of the endowment's original gift may be appropriated for expenditure in support of the restricted purposes of the endowment if this is consistent with a spending policy that otherwise satisfies the requisite standard of prudence under UPMIFA.

Interpretation of Relevant Law (Continued)

As a result of this interpretation, the Organization classifies as endowment principal (1) the original value of endowment gifts, (2) subsequent gifts to the endowment, and (3) accumulations to the endowment made pursuant to the direction of the applicable donor gift instrument.

Net earnings (realized and unrealized) on the investment of endowment assets are classified as accumulated endowment return until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA and until expended in a manner consistent with the purpose or time restrictions, if any, imposed by the donor. Any investment return classified as endowment principal represents only those amounts required to be retained permanently as a result of explicit donor stipulations.

In the absence of donor stipulations or law to the contrary, losses or appropriations of a donor-restricted endowment reduce accumulated endowment return to the extent that donor-imposed restrictions on net appreciation of the fund have not been satisfied before the loss or appropriation occurs. Any remaining loss or appropriation reduces endowment principal.

Endowments With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowments may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In addition, the Organization's board of directors interprets UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law, and the Organization has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater.

NOTE 8 ENDOWMENTS (CONTINUED)

Investment and Spending Policies
In accordance with UPMIFA, the Organization's board of directors has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs and operations supported by its endowment, while also seeking to maintain the long-term purchasing power of the endowment assets. Therefore, the board of directors considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the Organization and the fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Organization; and
- The investment policies of the Organization.

Actual endowment return earned in excess of distributions under this policy is reinvested as part of the Organization's management of endowment. For years when actual endowment return is less than distribution under the policy, the shortfall is intended to be covered by realized and unrealized returns from prior years.

NOTE 9 CONTRIBUTED NONFINANCIAL ASSETS

The Organization received contributions of nonfinancial assets consisting of professional services. The value of donated professional services is based on the market value of the services provided. For the year ended December 31, 2024, the total value of contributions in-kind received totaled $7,920.

	2024	2023
Professional Services	$ 7,200	$ 9,387
Other Services	720	-
Equipment and Supplies	-	50,242
Total	$ 7,920	$ 59,629

NOTE 10 LEASE

The Organization leases warehouse space under a long-term, noncancelable lease agreement. The lease expires in 2025. In the normal course of business, it is expected that the lease will be renewed or replaced with a similar lease. Total lease cost of $64,729 as of December 31, 2024, is included in occupancy on the Organization's statement of functional expenses.

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

	2024	2023
Operating Lease Right-of-Use Asset	$ 37,562	$ 100,904
Operating Lease Obligation	$ 39,298	$ 104,280

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

Year Ending December 31,	Operating	Totals
2025	$ 39,495	$ 66,369
Total Undiscounted Lease Payments	39,495	105,864
Less: Imputed Interest	197	1,584
Total Present Value	39,298	104,280
Short-Term Operating Lease Obligation	39,298	64,982
Long-Term Operating Lease Obligation	$ -	$ 39,298

Other information related to the Organization's operating leases as of December 31, 2024 was as follows:

	2024	2023
Lease Costs:		
Operating Lease Costs	$ 64,729	$ 64,729
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Lease	$ 66,369	$ 64,125
Weighted-Average Remaining Lease Term - Operating Leases	0.6 Years	1.6 Years
Weighted-Average Discount Rate - Operating Leases	2%	2%

NOTE 11 CONCENTRATION RISK

During the year ended December 31, 2024, the Organization received contributions from one donor approximating 11% of total Contributions and Grants in the statement of activities.

Grantor	State of Washington
Grantor Agency Name	Washington State Department of Commerce
State Program Name	Housing Trust Fund
Agency Contract Number	06-94100-104
Contract Award Amount	$ 1,188,393

	Washington State Department of Commerce Deferred Loan	Net Assets	Total
Beginning Balance	$ 201,615	$ 986,778	$ 1,188,393
Current Year Revenues	-	-	-
Current Year Expenditures	-	(15,639)	-
Current Year Transfers	14,575	(14,575)	-
Ending Balance and Program Total	$ 216,190	$ 956,564	$ 1,188,393

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
Vision House
Renton, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Vision House (a nonprofit organization) (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 8, 2025.

Report on Internal Control Over Financial Reporting

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

Board of Directors
Vision House

Report on Compliance and Other Matters

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

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

CliftonLarsonAllen LLP

Bellevue, Washington
October 8, 2025

Global

INDEPENDENT
NETWORK MEMBER