

MAKING A DIFFERENCE FOUNDATION

Financial Statements and Reports and Schedules in Accordance with
Government Auditing Standards and Required by the Uniform Guidance

December 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Making a Difference Foundation
Tacoma, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Making a Difference Foundation (the Organization, a nonprofit organization), 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 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, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Prior Period Financial Statements

The financial statements of the Organization as of December 31, 2024, were audited by other auditors whose report dated September 25, 2025, expressed an unmodified opinion on those statements.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 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 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 schedule of expenditures of federal awards 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 September 29, 2026, on our consideration of the Organization's 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 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.

Greenwood Ohlund

Seattle, Washington
September 29, 2026

MAKING A DIFFERENCE FOUNDATION

STATEMENTS OF FINANCIAL POSITION December 31, 2025 and 2024

ASSETS	2025	2024
Current Assets		
Cash and cash equivalents	\$ 2,051,087	\$ 478,032
Certificates of deposit	272,720	526,841
Contributions and grants receivable	77,905	301,688
Donated goods inventory	2,895,116	2,784,440
Prepaid expenses and other assets	36,021	50,670
Total current assets	5,332,849	4,141,671
Property and Equipment, net	7,963,867	8,337,367
Total assets	<u>\$ 13,296,716</u>	<u>\$ 12,479,038</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 222,596	\$ 87,709
Accrued wages and benefits	74,308	92,448
Current portion of long-term debt	183,289	367,175
Total current liabilities	480,193	547,332
Long-Term Debt, less current portion	6,735,902	6,352,204
Total liabilities	7,216,095	6,899,536
Net Assets Without Donor Restrictions	6,080,621	5,579,502
Total liabilities and net assets	<u>\$ 13,296,716</u>	<u>\$ 12,479,038</u>

See accompanying notes to financial statements.

MAKING A DIFFERENCE FOUNDATION

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2025 and 2024

	2025	2024
Support and Revenue		
Government grants	\$ 4,078,954	\$ 1,288,439
Contributions	660,176	2,927,131
In-kind contributions and food	12,746,998	8,668,462
Rental income	638,965	714,827
Interest and other income	206,316	103,237
Total support and revenue	18,331,409	13,702,096
Expenses		
Program services	17,261,398	11,583,141
Management and general	514,614	275,537
Fundraising	54,278	47,469
Total expenses	17,830,290	11,906,147
Change in net assets	501,119	1,795,949
Net Assets, beginning of year	5,579,502	3,783,553
Net Assets, end of year	\$ 6,080,621	\$ 5,579,502

See accompanying notes to financial statements.

MAKING A DIFFERENCE FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES For the Years Ended December 31, 2025 and 2024

	2025				2024			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 1,006,073	\$ 99,501	\$ -	\$ 1,105,574	\$ 791,222	\$ 78,253	\$ -	\$ 869,475
Payroll taxes	80,245	7,937	-	88,182	154,035	15,234	-	169,269
Employee benefits	113,649	11,240	-	124,889	44,825	4,433	-	49,258
Total payroll and related	1,199,967	118,678	-	1,318,645	990,082	97,920	-	1,088,002
In-kind food and other	13,102,240	-	-	13,102,240	8,749,749	-	-	8,749,749
Grants to others	924,696	-	-	924,696	-	-	-	-
Depreciation	415,588	41,101	-	456,689	418,756	41,415	-	460,171
Interest	312,881	30,944	-	343,825	204,601	20,235	-	224,836
Miscellaneous	114,563	208,932	-	323,495	122,847	8,651	-	131,498
Repairs and maintenance	274,257	27,124	-	301,381	245,114	24,242	-	269,356
Contract services	210,673	20,836	-	231,509	65,621	6,490	-	72,111
Supplies	199,034	19,686	-	218,720	151,399	14,973	-	166,372
Occupancy	179,464	17,749	-	197,213	229,210	21,482	-	250,692
Professional fees	99,967	9,887	-	109,854	110,651	10,943	-	121,594
Insurance	90,275	8,929	-	99,204	78,928	7,806	-	86,734
Meals, entertainment and other	29,138	-	54,278	83,416	-	-	47,469	47,469
Training materials	36,386	3,600	-	39,986	5,751	569	-	6,320
Food deliveries	32,792	3,243	-	36,035	94,969	9,392	-	104,361
Advertising and promotion	28,070	2,777	-	30,847	17,686	1,749	-	19,435
Equipment rental	11,407	1,128	-	12,535	47,985	4,746	-	52,731
Travel	-	-	-	-	49,792	4,924	-	54,716
Total expenses	\$17,261,398	\$ 514,614	\$ 54,278	\$17,830,290	\$11,583,141	\$ 275,537	\$ 47,469	\$11,906,147

See accompanying notes to financial statements.

MAKING A DIFFERENCE FOUNDATION

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Cash received from donors	\$ 4,962,913	\$ 4,303,084
Cash received from tenants	638,965	714,827
Cash received from interest and other	206,316	103,237
Cash paid to employees	(1,336,785)	(1,083,038)
Cash paid to grantees	(924,696)	-
Cash paid to vendors	(2,000,577)	(2,987,137)
Cash paid for interest	(343,825)	(202,868)
Net cash flows from operating activities	1,202,311	848,105
Cash Flows from Investing Activities		
Purchase of certificates of deposit	-	(26,562)
Proceeds from maturities of certificates of deposits	254,121	-
Purchases of property and equipment	(83,189)	(6,125,907)
Net cash flows from investing activities	170,932	(6,152,469)
Cash Flows from Financing Activities		
Proceeds from issuance of long-term debt	500,000	4,276,530
Repayments of long-term debt	(300,188)	-
Net cash flows from financing activities	199,812	4,276,530
Net change in cash and cash equivalents	1,573,055	(1,027,834)
Cash and Cash Equivalents, beginning of the year	478,032	1,505,866
Cash and Cash Equivalents, end of the year	<u>\$ 2,051,087</u>	<u>\$ 478,032</u>

See accompanying notes to financial statements.

MAKING A DIFFERENCE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

Making a Difference Foundation (the Organization) is a nonprofit, charitable organization with the mission to make a difference in the lives of others, one person at a time, by helping them acquire the most basic needs: food, housing, encouragement, and opportunity. It was established in 2003 and is located in Tacoma, Washington. Services include the largest food bank in Pierce County.

Use of Estimates

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

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). In accordance with U.S. GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Contributions and grants that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire within the reporting period in which the contributions are recognized. There were no net assets with donor restrictions as of or during the years ended December 31, 2025 and 2024, and therefore, this classification of net assets is not presented.

Cash and Cash Equivalents

The Organization considers highly liquid investments with an original maturity of three months or less to be cash equivalents. At times, the Organization may hold deposits in excess of federally insured limits; however, management does not believe it is exposed to any significant credit risk.

Certificates of Deposit

Certificates of deposit are recorded at cost plus accrued interest.

Contributions and Grants Receivable

Contributions and grants receivable are recognized in the period in which the conditions of the award are met. Contributions and grants receivable are expected to be collected within one year and are recorded at net realizable value.

Management has not established an allowance for uncollectible balances based upon the Organization's historical experience in the collection of balances due.

MAKING A DIFFERENCE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Food Inventory and In-kind Food Contributions

Food inventory consists entirely of unused donated food that will be provided to persons in need. Food inventory is stated at fair market value. Cost is estimated based on the fair value for donated goods at the time of donation, which is recognized based on the dollar value per pound of food established by the State of Washington Emergency Food Assistance Program. The valuation was \$2.16/lb. The total value of donated food for the years ended December 31, 2025 and 2024, was \$12,746,998 and \$8,537,708, respectively, and is included in in-kind contribution revenue on the statement of activities.

Property and Equipment

The Organization capitalizes expenditures for property and equipment at cost or, if donated, at the estimated fair value at the time of receipt. The Organization capitalizes property and equipment purchases with a cost greater than \$1,000 and a useful life of more than one year. Depreciation is computed using the straight-line method over five years, representing the estimated useful lives of the assets. Buildings and improvements are depreciated over 27.5 years, furniture and equipment over 3-10 years, and vehicles over 3-5 years.

Property and equipment consist of the following at December 31:

	2025	2024
Buildings	\$ 8,934,330	\$ 8,957,303
Furniture and equipment	531,368	448,341
Vehicles	372,369	279,771
Building improvements	190,703	199,012
	10,028,770	9,884,427
Less: Accumulated depreciation	(2,567,459)	(2,110,770)
	7,461,311	7,773,657
Construction in progress	502,556	563,710
	<u>\$ 7,963,867</u>	<u>\$ 8,337,367</u>

Construction in progress consists of rehabilitation of food bank storage facilities. The project is to be completed in 2026 with an estimated total cost of \$1.8M.

Contribution and Government Grant Revenue Recognition

The Organization recognizes contributions and grants (including those from government agencies) when a cash or noncash gift is received or pledged, provided the pledge is unconditional.

MAKING A DIFFERENCE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Conditional promises to give—that is, those with a measurable performance-related barrier or other measurable barrier and a right of return—are not recognized until the conditions on which they depend have been met. The Organization had approximately \$1,070,000 in conditional government grants outstanding at December 31, 2025. These awards are conditional upon the Organization achieving certain goals related to specific programs run by the Organization, and accordingly, revenue has not been recognized for these grants as of December 31, 2025.

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, 2025 and 2024, no such adjustments were made.

Donated Services

The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization's program operations and in its fund-raising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in the financial statements. GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

Rental Income

For each of the properties, rental income is recognized over time as the space is occupied. If there are any adjustments to the expected amount of income received, those adjustments are recognized at the time rent is received.

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. Certain expenses are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel. Occupancy and depreciation are allocated on a square footage basis dependent on the programs and supporting activities that occupy the space. Repairs and maintenance, supplies, professional fees, food deliveries, insurance, and miscellaneous are allocated based on estimates of time and effort.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Reclassifications

Certain prior year balances have been reclassified in order to conform to the current year's presentation.

MAKING A DIFFERENCE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Subsequent Events

Management of the Organization has evaluated subsequent events through the date these financial statements were available to be issued, which was September 29, 2026.

Note 2 – Liquidity and Availability of Resources

The Organization strives to maintain liquid financial assets sufficient to cover a minimum of 90 days of general expenditures. In addition to the financial assets available to meet general expenditures over a 12-month period, the Organization operates with a balanced budget and anticipates sufficient revenue to cover general expenditures. The following table reflects Organization's financial assets as of December 31, available to meet general expenditures within one year:

	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 2,051,087	\$ 478,032
Certificates of deposit	272,720	526,841
Contributions and grants receivable	77,905	301,688
	<u>\$ 2,401,712</u>	<u>\$ 1,306,561</u>

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MAKING A DIFFERENCE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Note 3 – Long-Term Debt

Long-term debt consists of the following at December 31:

	2025	2024
Veteran home mortgages through Heritage Bank. Various interest rates, monthly payments and maturities. Secured by residential properties.	\$ 1,622,494	\$ 1,888,824
30 year SBA secured business loan with monthly payments of \$2,207, 2.75% interest rate, secured by general assets.	479,391	493,277
Community loan, fixed interest at 4.00%, monthly payments of \$5,011 due through maturity of September 15, 2040. Secured by general assets.	493,308	-
Commercial bank loan, fixed interest at 6.23%, monthly payments of \$5,011 due through maturity of February 5, 2034. Secured by assignment of rents.	723,998	737,278
Commercial bank loan, fixed interest at 6.33%, monthly interest only payments due through July 5, 2031, followed by monthly payments of \$25,392 due through maturity of July 5, 2036. Secured by equipment and other property.	3,600,000	3,600,000
	6,919,191	6,719,379
Less: Current portion	(183,289)	(367,175)
	<u>\$ 6,735,902</u>	<u>\$ 6,352,204</u>

Principal maturities on long-term debt are as follows for the years ending December 31:

2026	\$ 183,289
2027	186,498
2028	187,809
2029	195,047
2030	200,824
Thereafter	5,965,724
	<u>\$ 6,919,191</u>

**SUPPLEMENTAL REPORTS AND SCHEDULES IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS AND REQUIRED BY
THE UNIFORM GUIDANCE**



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Making a Difference Foundation
Tacoma, 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 Making A Difference Foundation (the Organization, a nonprofit organization), 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 financial statements, and have issued our report thereon dated September 29, 2026.

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.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Greenwood Ohlund

Seattle, Washington
September 29, 2026



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

To the Board of Directors
Making a Difference Foundation
Tacoma, Washington

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Making a Difference Foundation's (the Organization, a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended December 31, 2025. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the Organization 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 the major federal program. Our audit does not provide a legal determination of the Organization'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 the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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.

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

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

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

Greenwood Ohlund

Seattle, Washington
September 29, 2026

MAKING A DIFFERENCE FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2025

Federal Grantor/Program Titles	Award Number	Federal Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Food Distribution Cluster				
<i>Passed through Emergency Food Network</i>				
Emergency Food Assistance Program (Food Commodities)	K4745	10.569	\$ 3,414,132	\$ -
<i>Passed through Food Lifeline</i>				
Emergency Food Assistance Program (Food Commodities)	257WAWA9Y8105	10.569	899,582	-
Total Assistance Listing 10.569, Food Distribution Cluster, and U.S. Department of Agriculture			4,313,714	-
U.S. Department of the Treasury				
<i>Passed through Emergency Food Network</i>				
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	Pierce County ARPA	21.027	174,014	-
Total U.S. Department of the Treasury			174,014	-
Total Federal Expenditures			\$ 4,487,728	\$ -

The accompanying notes are an integral part of this schedule.

MAKING A DIFFERENCE FOUNDATION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Making a Difference Foundation (the Organization) under programs of the federal government for the year ended December 31, 2025. The information in the Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

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 cost principles in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

The Organization has elected not to use the 15 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance for the year ended December 31, 2025.

MAKING A DIFFERENCE FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2025

A. Summary of Audit Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal Control over Financial Reporting

Material weaknesses identified: None reported

Significant deficiencies identified not considered to be material weaknesses: None reported

Noncompliance material to financial statements noted: None reported

Federal Awards

Material weaknesses identified: None reported

Significant deficiencies identified not considered to be material weaknesses: None reported

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

Any audit findings disclosed that are required to be reported: None reported

Identification of Major Programs

<u>Program Title</u>	<u>Assistance Listing</u>
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Food Distribution Cluster	
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Emergency Food Assistance Program (Food Commodities)	10.569
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Dollar threshold used to distinguish between Type A and B programs:	\$ 1,000,000
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Auditee qualified as low-risk auditee:	Yes
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B. Findings – Financial Statement Audit	None
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C. Findings and Questioned Costs – Major Federal Award Programs Audit	None
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