LINDLEY & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

MAKING A DIFFERENCE FOUNDATION

FINANCIAL REPORT

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(WITH INDEPENDENT AUDITORS' REPORT THEREON)

MAKING A DIFFERENCE FOUNDATION

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LINDLEY & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Making a Difference Foundation
Board of Directors
Tacoma WA

Opinion

We have audited the accompanying financial statements of Making a Difference Foundation (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 Making a Difference Foundation 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 audits in accordance with auditing standards generally accepted in the United States of America. 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 Making a Difference Foundation 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 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 Making a Difference Foundation'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 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, including omissions, 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, 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 Making a Difference Foundation'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 Making a Difference Foundation'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* (CFR) 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 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 September 26, 2025, on our consideration Making a Difference Foundation'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 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 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 Making a Difference Foundation's internal control over financial reporting and compliance.

Lindley & Associates LLC

Lindley & Associates LLC
September 25, 2025

Bellevue WA

MAKING A DIFFERENCE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	$ 397,312	$ 1,505,866
Cash and cash equivalents, restricted	80,720	78,289
Investments	526,841	502,710
Grants receivable	301,688	389,202
Inventory	2,784,440	1,324,740
Prepaid expenses	33,695	33,695
Total current assets	4,124,696	3,834,502
Property & equipment	10,448,137	4,322,230
Accumulated depreciation	(2,110,770)	(1,650,515)
Total property & equipment	8,337,367	2,671,715
Long-term assets		
Deposits	-	1,200
Mortgage escrow accounts	16,975	10,104
Total long-term assets	16,975	11,304
Total assets	$ 12,479,038	$ 6,517,521
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 53,715	$ 67,091
Accrued payroll expense	92,448	87,484
Tenant deposits	33,994	93,922
Current portion of long term debt	367,175	81,893
Total current liabilities	547,332	330,390
Long-term liabilities		
Small Business Administration loan	493,277	473,516
Mortgages payable	5,858,927	1,887,440
Total long-term liabilities	6,352,204	2,360,956
Total liabilities	6,899,536	2,691,346
Net assets		
Without donor restrictions	5,579,502	3,637,362
With donor restrictions	-	188,813
Total net assets	5,579,502	3,826,175
Total liabilities and net assets	$ 12,479,038	$ 6,517,521

See accompanying notes to the financial statements.

MAKING A DIFFERENCE FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without donor restrictions	With donor restrictions	Total
Revenue and support			
Contributions	$ 726,207	$ -	$ 726,207
Rental income	714,827	-	714,827
Federal financial assistance	1,288,439	-	1,288,439
Federal nonfinancial assistance	1,985,952	-	1,985,952
Grants	2,200,924	-	2,200,924
Contributed nonfinancial assistance:			
Food	6,551,756	-	6,551,756
Facilities	12,000	-	12,000
Services	118,754	-	118,754
Investment interest	45,843	-	45,843
Miscellaneous	57,394	-	57,394
Net assets released from restrictions	188,813	(188,813)	-
Total support and revenue	13,890,909	(188,813)	13,702,096
Expenses			
Program services	11,583,141	-	11,583,141
Management and general	275,537	-	275,537
Fund raising	47,469	-	47,469
Total expenses	11,906,147	-	11,906,147
Change in net assets	1,984,762	(188,813)	1,795,949
Net assets - beginning of year	3,637,362	188,813	3,826,175
Prior period adjustment	(42,622)	-	(42,622)
Net assets - end of year	$ 5,579,502	$ -	$ 5,579,502

See accompanying notes to the financial statements.

MAKING A DIFFERENCE FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without donor restrictions	With donor restrictions	Total
Revenue and support			
Contributions	$ 257,562	$ 188,813	$ 446,375
Rental income	673,651	-	673,651
Federal financial assistance	2,370,869	-	2,370,869
Federal nonfinancial assistance	1,748,708	-	1,748,708
Grants	1,591,108	-	1,591,108
Contributed nonfinancial assistance :			
Food	5,921,927	-	5,921,927
Facilities	12,000	-	12,000
Services	35,410	-	35,410
Investment interest	12,913	-	12,913
Miscellaneous	171,777	-	171,777
Net assets released from restrictions	-	-	-
Total support and revenue	12,795,925	188,813	12,984,738
Expenses			
Program services	11,902,773	-	11,902,773
Management and general	234,286	-	234,286
Fund raising	34,610	-	34,610
Total expenses	12,171,669	-	12,171,669
Change in net assets	624,256	188,813	813,069
Net assets - beginning of year	3,007,987	-	3,007,987
Prior period adjustment	5,119	-	5,119
Net assets - end of year	$ 3,637,362	$ 188,813	$ 3,826,175

See accompanying notes to the financial statements.

MAKING A DIFFERENCE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program	Management & General	Fundraising	Total
Salaries and wages	$ 791,222	$ 78,253	$ -	$ 869,475
Payroll taxes	154,035	15,234	-	169,269
Employee benefits	44,825	4,433	-	49,258
Total payroll & related expenses	990,082	97,920	-	1,088,002
Occupancy	217,210	21,482	-	238,692
Training materials	5,751	569	-	6,320
Fundraising expense	-	-	47,469	47,469
Food deliveries	94,969	9,392	-	104,361
Property repair, maintenance & interest	449,715	44,477	-	494,192
Program travel	49,792	4,924	-	54,716
Equipment rental	47,985	4,746	-	52,731
Depreciation	418,756	41,415	-	460,171
Advertising	17,686	1,749	-	19,435
Supplies	151,399	14,973	-	166,372
Contract workers	65,621	6,490	-	72,111
Professional fees	110,651	10,943	-	121,594
Insurance	78,928	7,806	-	86,734
Contributed nonfinancial assistance:				
Food and supplies	8,749,749	-	-	8,749,749
Facilities	12,000	-	-	12,000
Services	35,410	-	-	35,410
Miscellaneous	87,440	8,648	-	96,088
Total expenses	$ 11,583,141	$ 275,537	$ 47,469	$ 11,906,147

See accompanying notes to the financial statements.

MAKING A DIFFERENCE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program	Management & General	Fundraising	Total
Salaries and wages	$ 767,126	$ 75,870	$ -	$ 842,996
Payroll taxes	97,325	9,626	-	106,951
Employee benefits	34,085	3,371	-	37,456
Total payroll & related expenses	898,537	88,866	-	987,403
		-		
Occupancy	196,365	19,420	-	215,785
Training materials	17,851	1,766	-	19,617
Fundraising expense	-	-	34,610	34,610
Food deliveries	53,883	5,329	-	59,212
Property repair, maintenance & interest	321,180	31,765	-	352,945
Equipment rental	23,176	2,292	-	25,468
Depreciation	215,599	21,323	-	236,922
Advertising	109,457	10,825	-	120,282
Supplies	309,555	30,615	-	340,170
Contract workers	106,085	10,492	-	116,577
Professional fees	71,154	7,037	-	78,191
Insurance	46,055	4,556	-	50,611
Contributed nonfinancial assistance:		-	-	
Food	9,202,764	-	-	9,202,764
Facilities	12,000	-	-	12,000
Services	35,410	-	-	35,410
Miscellaneous	283,702	-	-	283,705
Total expenses	$ 11,902,773	$ 234,286	$ 34,610	$ 12,171,669

See accompanying notes to the financial statements.

MAKING A DIFFERENCE FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash flows from operating activities		
Change in net assets	$ 1,753,327	$ 818,188
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	460,255	232,690
Change in operating assets and liabilities:		
Grants receivable	87,514	72,084
Inventory	(1,459,700)	(404,284)
Prepaid expenses	-	(3,261)
Deposits	1,200	-
Accounts payable	(13,376)	4,043
Accrued payroll expense	4,964	4,231
Tenant deposits	(59,928)	26,905
Net cash from operating activities	774,256	750,596
Cash flows from investing activities:		
Purchase of property and equipment	(6,125,907)	(226,202)
Change in mortgage escrow accounts	(6,871)	(5,412)
(Purchase) sale of investments	(26,562)	(529,724)
Net cash from investing activities	(6,159,340)	(761,338)
Cash flows from financing activities:		
Proceeds from borrowing	4,256,769	(78,664)
Principal payments on SBA loan	19,761	(26,484)
Net cash from financing activities	4,276,530	(105,148)
Net change in cash and cash equivalents	(1,108,554)	(115,890)
Cash and cash equivalents at beginning of period	1,505,866	1,621,756
Cash and cash equivalents at end of period	$ 397,312	$ 1,505,866
Cash paid for interest	$ 202,868	$ 53,057

See accompanying notes to the financial statements.

Note 1. Description of Organization

Making a Difference Foundation (“MADF””) 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 WA. Services include the largest food bank in Pierce County.

The Organization provides the following program services:

Eloise’s Cooking Pot (ECP) Food Bank: Quality food is provided to the communities of East and South Tacoma, Washington.

Home delivery food service: Delivery is designed to serve the most at-risk constituency in its target community, and all individuals served by ECP’s delivery program are unable to travel to the food bank because of either financial or physical hardship or disability.

Homes for Veterans program: A Washington and Texas based program providing safe, secure and stable housing for high-need homeless and disabled veterans and their families by financing and carrying the underlying loans.

ECP Garden: The community garden was developed in collaboration with Tahoma Urban Agriculture Guild to provide a stable, internal source of fresh food and herbs for our clients. The garden is managed by volunteers.

Children’s Snack and Literacy Program: This provides families with nutritious culturally sensitive food during difficult times, children also select three to six new books each quarter as a part of the Literacy Program.

Transitions Backpack Program: This program serves homeless youth and adults living on the streets by providing them with backpacks loaded with nonperishable food, beverages, a can opener and hygiene items. Each backpack pack provides 25 lbs. of food and non-food product with nine meals per pack.

The Joy Box Ministry: This provides spiritually encouraging gifts to uplift the soul of individuals who are going through challenging times in their life. Each person receives an anonymous box with five personal letters written to them and five wrapped gifts.

Scholarships and funding for third world humanitarian mission: Individual students selected by The MADF Scholarship Selection Committee will be awarded $1,500 scholarship to apply towards college educational expenses. Past scholarship awardees can apply annually up to a maximum of four years.

Feeding Our Future Youth Farming Program: This program empowers at-risk youth ages 16–25 through hands-on farming and business education. Participants learn sustainable urban agriculture practices, grow culturally relevant crops, and develop entrepreneurial skills by harvesting, packaging, and selling their produce. The program combines workforce training, mentorship, and trauma-informed support to help youth build self-sufficiency, leadership, and pathways to higher education or career opportunities.

Rising Higher Workforce Training and Reintegration Program: This program provides workforce development, mentorship, and support services to at-risk youth and adults reintegrating after incarceration. The program equips participants with warehouse and forklift training and skills, job placement assistance, and wraparound support such as case management and mentoring. By reducing barriers to employment and creating opportunities for economic stability, Rising Higher helps individuals rebuild their lives and successfully reenter the community.

Yaweh Oasis Farm (Community Garden): This is a new community garden that grows fresh herbs and micro-greens for Eloise's Cooking Pot Food Bank. It also serves as an educational and healing space, engaging youth and volunteers in sustainable growing practices while supplying nutrient- rich produce to families in need. The farm fosters community connection, food security, and environmental stewardship.

Management and general activities include the functions necessary to provide support for the Organization's program activities. They include activities that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar functions that ensure an adequate working environment and an equitable employment program.

Fundraising activities include publicizing and conducting fundraising campaigns; maintaining donor lists; conducting special fundraising events; and other activities involved with soliciting contributions from corporations, foundations, individuals and others.

Note 2. Significant Accounting Policies

Basis of Accounting

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (US GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions: Net assets without donor restrictions are resources available to support operations, the only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of tis operations.

Net assets with donor restrictions: Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use resources in accordance with the donor's instructions.

Classification of Transactions

All revenue and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period.

Cash and Cash Equivalents

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, including certificates of deposit, unless the investments are held for meeting restrictions of a capital or endowment nature. The organization maintains cash balances at several financial institutions locally. Deposit accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per account. The balance occasionally may exceed those limits. Management does not believe it is exposed to any significant credit risk.

Grants Receivable

Grants receivable are primarily unsecured non-interest-bearing accounts due from vendors or grantors on a cost reimbursement or performance grants, or as a payment for goods and services. Management believes that all outstanding accounts receivable are collectible in full, therefore no allowance for uncollectible receivables has been provided.

Investments

Investments are carried at fair value. Fair value is determined from readily available quoted market sources where available. Realized gains and losses from the sale of investments are computed based on the difference between the proceeds received and the carrying value. Unrealized gains and losses are reported as investment income is combined with realized gains and losses and reported as investment income.

Inventory

Inventory consists of donated consumable perishable and non-perishable food items and purchased items not commonly donated. The food is to be distributed at food bank locations to the public or delivered to people upon request. The food is also distributed in other programs. Food contributed by the US Department of Agriculture (USDA) are recognized on the wholesale, per-pound individual food prices provided by Feeding America, a nationwide network of food banks and meal programs, for the year ended December 31, 2024. Other donated food is valued at the Washington State valuation rate of $1.82 per pound for January through June, 2023, and $2.16 per pound for July through December, 2024. The valuation method was used for the year ended December 31, 2023. Food donated from government resources cannot be resold. The organization has no plans to resell any non-government donated food items. Purchased items are valued at cost (the purchase price).

Fixed Assets
Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as donations without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as donations with donor restrictions.

Depreciation is provided using the straight-line method over the estimated useful lives of five to thirty-nine years. The Organization's policy is to capitalize property and equipment over $1,000.

Functional Allocation of Expenses
The costs of providing the programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Accounting for Contributions
Contributions, including unconditional promises to give, are recognized when received. All contributions are reports as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future period or for specific purposes are reported as increases to net assets with donor restrictions, consistent with the nature of the restriction, Unconditional promises with payments due in future year have an implied restriction to be used in the year the payment is due, and therefore are reported as donor restricted until the payment is due unless the contributions is clearly intended to support activities of the current fiscal year or is received with permanent restrictions, Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Donated Non-financial Assets
Contributed materials have been recorded on the basis of rates that otherwise would have been paid for similar goods. Donated services are recorded as in-kind contributions and are recognized as revenue at the estimated values at the date of receipt if they (a) create or enhance non-financial assets, or (b) require specialized skills and would need to be purchase if not provided by donation. Corresponding expenses are recognized as the assets and services are utilized.

The organization calculated the value of food and non-food donations based on the weight at the time of the donation. The donated food is valued at the Washington State Department of Agriculture valuation rate of $1.82 per pound for January through June, 2023, and $2.16 per pound for July through December, 2024, for the year ended December 31, 2023. For the year ended December 31, 2024, food donated by the USDA was valued at the per-pound valuation from Feeding America, when provided. When not provided, the WA EFAP per-pound valuation rate was used. The estimated value of donated food was $5,448,630 and $5,857,571 for the years ended December 31, 2024 and 2023, respectively.

Such donations cannot be resold or used internally by the Organization. This method was applied consistently and the estimated fair value was not expected to be materially different from that determined using a more detail measurement of the inventory's fair value.

Donated supplies, which are recorded as contributions at the date of the gift and as expense when the donated items are placed into service or distributed. If the organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy.

Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reports as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use. The amount of donated use of facilities totaled $12,000 and $47,410 for the years ended December 31, 2024 and 2023, respectively.

In addition, donated professional services for realtor commissions and program management totaling $121,594 was received for the year ended December 31, 2024. Donated fork lifts totaling $35,500 were also received for the year ended December 31, 2024.

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 specialize skills, and are provided by individuals possessing those skills.

Grant Revenue
Grant revenue is recognized when the qualifying costs are incurred under cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal and other governmental agencies is subject to independent audit under the US Office of Management and Budget's audit requirements for federal awards and review by grantor agencies for state and local government funding. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

Rental Income
For each of the properties, rental income is recognized when rent is due, not when it is received. If there are any adjustments to the expected amount of income received, those adjustments are recognized at the time rent is received.

Expense Recognition and Allocation
The costs of providing the programs and other activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Expenses that can be identified with a specific program or support service are charge directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

Salaries and wages, benefits and payroll taxes are allocated based on activity reports prepared by key personnel.

Occupancy, depreciation and amortization are allocated on a square foot basis dependent on the programs and supporting activities that occupy the space. The organization allocates property management by number of clients in each cost center.

Telephone and internet services, insurance, and supplies and miscellaneous expense that cannot be directly identified are allocated on the basis of employee headcount for each program and supporting activity.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization. The organization allocates management and general by payroll by cost center.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities. Advertising costs are expensed as incurred.

Tax status
The Organization is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The organization is not classified as a private foundation.

Reclassifications
Certain prior year balances have been reclassified to conform to current year presentation.

Note 3. Liquidity and Availability of Resources

Making a Difference Foundation strives to maintain liquid financial assets sufficient to cover a minimum of 90 days of general expenditures. As of December 31, 2024, Making a Difference Foundation has liquid assets that would be sufficient to cover approximately 5 months 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 Making a Difference Foundation's financial assets as of December 31, reduced by the amounts that are not available to meet general expenditures, if any.

	2024	2023
Cash and cash equivalents	$ 397,312	$ 1,505,866
Investments	526,841	502,710
Grants receivable	301,688	389,202
Financial assets available to meet cash needs	$ 1,225,841	$ 2,397,778

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments.

Note 4.   Fair Value Measurements

The Organization reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The assets or liabilities measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

- Level 1: Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.

- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

    - Quoted prices for similar assets or liabilities in active markets;

    - Quoted prices for identical or similar assets in markets that are not active;

    - Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and

    - Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

- Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for many of the assets and liabilities the Organization is required to measure at fair value (for example, unconditional promises to give and in-kind contributions).

The primary uses of fair value measures in the Organization's financial statements are:

- Initial measurement of noncash gifts, including unconditional promises to give.
- Recurring measurement of short-term investments.
- Recurring measurement of long-term investments.

Note 5. Investments

As discussed in Note 4 to these financial statements, the Organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the Organization's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments at December 31, 2024, including investments measured at NAV if the NAV is determined as the fair value per share (unit) is published, and is the basis for current transactions. Level 2 is for investments measured using inputs such as the quoted prices for similar assets or quoted prices for identical assists in inactive markets. Level 3 is for investments measured using inputs that are unobservable, and is used for situations for which there is little, if any market activity for the investment.

The Organization uses the following ways to determine the fair value of its instruments:

Certificates of Deposit: Determination of fixed-maturity certificates of deposit are estimated using the rates currently offered for deposits of similar remaining maturities. Such funds are considered Level 1 on the fair value hierarchy.

Note 6. Grants Receivable

Grants receivable, including federal financial assistance, consists mainly of amounts due under government reimbursed-based contracts. Management believes all amounts are collectible. The government agencies reimburse the organization upon satisfactory completion of services and the requirements of the contract. Retroactive adjustments can be made by the government agencies up to sixty (60) days after the submission of the invoice.

For the year ended December 31, 2024, one government agency comprised 47% of the outstanding receivables and for the year ended December 31, 2024, two government agencies comprised 83% of the outstanding accounts. Management believes these amounts are collectible.

Note 7. Fixed Assets

Fixed assets consisted of the following at December 31:

	2024	2023
Property and equipment		
Buildings and improvements	$ 8,957,303	$ 3,307,393
Furniture and equipment	448,341	387,333
Vehicles	279,771	239,679
Other	199,012	199,012
	9,884,427	4,133,417
Less accumulated depreciation	(2,110,770)	(1,650,515)
	7,773,657	2,482,902
Construction in progress	563,710	188,813
	$ 8,337,367	$ 2,671,715

Construction in progress consists of rehabilitation of food bank storage facilities. The project is to be completed in January 2025 with an estimated total cost of $1.8M.

Note 8. Long-Term Debt

Long-term debt consists thirty-six properties purchased in the states of Texas and Washington to rent to low-income veterans. A majority of the properties were purchased from the Federal Department of Veterans Affairs (VA). These properties are acquired as a result of terminations on VA-guarantees and VA-financed loans. These properties are then marketed for sale through a property management service contract. BSI Financial Services finances the mortgages for thirty-four properties and Heritage Bank the remainder.

The long-term loan balances and the aggregate annual principal maturities on long-term debt for the years ending December 31 are as follows:

	2024	2023
Veteran home mortgages through BSI Financial Services and Heritage Bank. Various interest rates, monthly payments and date of pay-off. Secured by residential properties.	$ 1,888,824	$ 1,969,333
SBA Secured Business Loan, initial amount of $150,000 increased to $500,000, monthly payments of $2,207 begin July 2022, 2.75% interest rate, 30 year note, secured by business assets.	$ 493,277	473,516
Commercial Bank loan, $748,000, monthly interest only payments of $5,011 commencing March 5, 2024. Balloon payment due Febreuary 5, 2034, for principal and all unpaid accrued interest. Interest rate of 6.23%. Secured by tenant rent.	737,278	-
Commercial Bank loan, $3.6M, commencing June 2024 and terminating July 2036. Interest only of 6.33% payments of approximatekly $19M until August 2030, with balloon payment of principal in July 2023. Secured by walk-in freezer, inventory, equipment and other property.	3,600,000	-
	$ 6,719,379	$ 2,442,849
Current portion	(367,175)	(81,893)
	$ 6,352,204	$ 2,360,956

	Warehouse Loan	Administation Loan	SBA Loan	Veteran Housing Loans	Total
2025	$ -	$ 25,057	$ 26,484	$ 75,998	$ 127,539
2026	-	50,114	26,484	81,067	157,665
2027	-	50,114	26,484	83,232	159,830
2028	-	50,114	26,484	83,456	160,054
2029	-	50,114	26,484	89,564	166,162
Thereafter	3,600,000	511,765	360,857	1,475,507	5,948,129
	$ 3,600,000	$ 737,278	$ 493,277	$ 1,888,824	$ 6,719,379

Note 9. Donated Food

The following food was donated, by source, for the year ended December 31, 2024:

	2024
Donations from the community	$ 1,999,424
Donations from Emergency Food Network	1,909,825
Donations from Food Lifeline	1,527,331
Donations from local produce companies	1,115,179
Total non-federal donations	6,551,759
Donations from TEFAP federal assistance	1,985,952
Total donations	$ 8,537,711

Note 10. Short-Term Lease

The Organization has adopted the accounting policy election of not recognizing right-of-use assets and lease liabilities arising from short-term leases for any class of underlying asset. The Organization entered into a 12-month lease of a food storage warehouse which terminated in 2024. The lease did not have an option to purchase the underlying asset that the Organization is reasonably certain to exercise.

Note 11. Commitments

The Organization leases five facilities to be used for program services on short-term leases. These facilities are primarily leased on a yearly basis at approximately $500 per month for each space. Rent expense was $158,662 and $166,700 for the years ended December 31, 2024 and 2023, respectively.

Note 12. Concentration of Credit Risk

The Organization's investments are subject to various risks, such as interest rate, credit, and overall market volatility risk. Further, because of the significance of the investments to the Organization’s financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts report in the financial statements. Management is of the opinion that the diversification of the invested assets amount the various asset classes should mitigate the impact of changes in any one class.

Note 14. Pension Plan

The Company sponsors a defined contribution plan (the "Plan") under Section 401(k) of the Internal Revenue Code. All employees who completed 1,000 hours of service andsix months of service and have attained age eighteen are eligible to participate. Employees may contribute up to 100% of their eligible compensation on a pre-tax basis, subject to annual IRS limits.

The Company makes a matching contribution equal to 100% of compensation the first 6% of employee contributions. For the years ended December 31, 2024 and 2023, the Company's contributions to the Plan were $9,135 and $2,300, respectively. The company may also make discretionary profit-sharing contributions to the Plan, though no such contributions were made during the reporting periods.

Plan participants are immediately vested in their own contributions and the Company's matching contributions. Participants have the option to invest their account balances in a diversified portfolio of investment options.

Note 13. Related Parties

The President/CEO (executive director) purchases items for the Organization personally to be reimbursed. Those purchases totaled $108,900 and $185,109 for the years ended December 31, 2024 and 2023, respectively. The executive director is president of another company which rents property to the organization and paid rent to that company of $28,390 and $28,930 during the years ended December 31, 2024 and 2023, respectively. The executive director also donates three garages attached to a residential rental property, which she donated for $12,000 and $12,000 for the years ended December 31, 2024 and 2023, respectively. The executive director also donated $15,000 for the year ended December 31, 2024.

The executive director also engaged a consulting firm, owed by a family member, to provide consulting services with a annual contract of $100,000 for the years ended December 31, 2024 and 2023. The firm was paid approximately $46,619 and $35,000 for the years ended December 31, 2024 and 2023, and the firm donated the remainder of the contract of $53,881 and $35,410 as nonfinancial assistance – donated services for the years ended December 31, 2024 and 2023. For the year ended December 31, 2024, the family hired as an employee at the end of the contract.

Note 14. Prior Period Adjustment

In the year 2023, the organization reclassified equipment from a balance sheet asset to an expense, thus decreasing assets and decreasing net income. In the year 2024, other reclassifications to fixed assets, thus decreasing net income and increasing assets.

Note 15. Subsequent Events

Management of the Organization has evaluated events and transactions occurring after December 31, 2024, through the date this report, the date the financial statements were available for issuance, for recognition or disclosure in the financial statements.

SUPPLEMENTARY REPORTS AND SCHEDULES
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
AND THE UNIFORM GUIDANCE

MAKING A DIFFERENCE FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2024

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing	Program Name	Grant Period	Current Federal Expenditures		Total
US Dept of Agriculture						
Pass through WA Department of Agriculture						
Emergency Food Assistance Program (Administrative Costs)	10.598	Farm to Food		$ 4,261		
Pass through Emergency Food Network Inc.						
Emergency Food Assistance Program (Food Commodities)	10.569	TEFAP Food Commodities only		1,981,521	(A)	
Pass Through Food Lifeline						
Emergency Food Assistance Program (Food Commodities)	10.569	TEFAP Food Commodities only		3,125,534	(B)	
Total US Department of Agriculture						**$ 5,111,316**
Total Expenditure of Federal Awards						**$ 5,111,316**

(A) Funder provided per pound valuation per USDA Price List

(B) Funder did not provide valuation 2 CFR Sec 200.332(a)), WA EFAP per pound rate of $2.16 was used

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Making a Difference Foundation under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 US 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 Making a Difference Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Making a Difference Foundation.

Note 2. Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Making a Difference Foundation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

LINDLEY & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 26, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Making a Difference Foundation’s internal control over financial reporting (internal control) to determine the 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 Making a Difference Foundation'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 and therefore, 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 Making a Difference Foundation'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 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 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.

Lindley & Associates LLC

Lindley & Associates LLC
September 26, 2025
Bellevue WA

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

To the Board of Directors
Making a Difference Foundation

Report on Compliance for Each Major Federal Program

We have audited Making a Difference Foundation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Making a Difference Foundation's major federal programs for the year ended December 31, 2024. The Making a Difference Foundation's major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Making a Difference Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Making a Difference Foundation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Making a Difference Foundation 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 Making a Difference Foundation'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 Making a Difference Foundation'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 Making a Difference Foundation's compliance with the requirements of each 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 Making a Difference Foundation'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 Making a Difference Foundation'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 Making a Difference Foundation'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.

Lindley & Associates LLC

Lindley & Associates LLC
September 25, 2025
Bellevue WA

MAKING A DIFFERENCE FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024

SECTION 1 – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial Statements audited were prepared in accordance With GAAP	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified:	______yes ___X_no
Significant deficiency(s) identified:	______yes __X_no
Noncompliance material to the financial statements noted:	______yes ___X_no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified:	______yes ___x_no
Significant deficiency(s) identified	______yes ___x__no
Type of auditors' report issued on compliance for major federal award programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516(a)?	_______yes ___x_no

Identification of major programs (loans):

CFDA Number (s)	Name of Federal Program or Cluster
10.588, 10.589 cluster	Emergency Food Assistance Program TEFAP Commodities only

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee:	___x__yes ______no

MAKING A DIFFERENCE FOUNDATION
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024 (continued)

SECTION 2 – Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

None

SECTION 3 – Findings and Questioned Costs for Federal Awards

None

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MAKING A DIFFERENCE FOUNDATION
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2024

SECTION 2 – Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

None

SECTION 3 – Findings and Questioned Costs for Federal Awards

None