

## MAKING A DIFFERENCE FOUNDATION



### FINANCIAL REPORT

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(WITH INDEPENDENT AUDITORS' REPORT THEREON)

MAKING A DIFFERENCE FOUNDATION

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## 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, 2023 and 2022, 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, 2023 and 2022, 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.

### ***Other Matters***

#### *Other 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 20, 2024, 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.

A handwritten signature in black ink that reads "Lindley & Associates LLC". The signature is written in a cursive, flowing style.

Lindley & Associates LLC  
September 24, 2024

MAKING A DIFFERENCE FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2023 AND 2022

	2023	2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,505,866	\$ 1,621,756
Cash and cash equivalents, restricted	78,289	51,275
Investments	502,710	-
Grants receivable	389,202	461,286
Inventory	1,324,740	920,456
Prepaid expenses	33,695	30,434
Total current assets	3,834,502	3,085,207
Property & equipment	4,322,230	4,096,028
Accumulated depreciation	(1,650,515)	(1,417,825)
Total property & equipment	2,671,715	2,678,203
Long-term assets		
Deposits	1,200	1,200
Mortgage escrow accounts	10,104	4,692
Total long-term assets	11,304	5,892
Total assets	\$ 6,517,521	\$ 5,769,302
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 67,091	\$ 63,048
Accrued payroll expense	87,484	83,253
Tenant deposits	93,922	67,017
Current portion of capital lease obligation	81,893	81,893
Total current liabilities	330,390	295,211
Long-term liabilities		
Small Business Administration loan	473,516	500,000
Mortgages payable	1,887,440	1,966,104
Total long-term liabilities	2,360,956	2,466,104
Total liabilities	2,691,346	2,761,315
Net assets		
Without donor restrictions	3,637,362	3,007,987
With donor restrictions	188,813	-
Total net assets	3,826,175	3,007,987
Total liabilities and net assets	\$ 6,517,521	\$ 5,769,302

*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	<u>12,795,925</u>	<u>188,813</u>	<u>12,984,738</u>
Expenses			
Program services	11,902,773	-	11,902,773
Management and general	234,286	-	234,286
Fund raising	34,610	-	34,610
Total expenses	<u>12,171,669</u>	<u>-</u>	<u>12,171,669</u>
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	<u>\$ 3,637,362</u>	<u>\$ 188,813</u>	<u>\$ 3,826,175</u>

*See accompanying notes to the financial statements.*

MAKING A DIFFERENCE FOUNDATION  
STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without donor restrictions	With donor restrictions	Total
Revenue and support			
Contributions	\$ 523,862	\$ -	\$ 523,862
Rental income	650,182	-	650,182
Federal financial assistance	762,605	-	762,605
Federal nonfinancial assistance	1,952,474	-	1,952,474
Grants	753,000	-	753,000
Contributed nonfinancial assistance - food	6,831,927	-	6,831,927
Contributed nonfinancial assistance - facilities	12,782	-	12,782
Investment interest	1,406	-	1,406
Miscellaneous	30,717	-	30,717
Net assets released from restrictions	-	-	-
<b>Total support and revenue</b>	<b>11,518,955</b>	<b>-</b>	<b>11,518,955</b>
Expenses			
Program services	11,023,376	-	11,023,376
Management and general	225,317	-	225,317
Fund raising	21,957	-	21,957
<b>Total expenses</b>	<b>11,270,650</b>	<b>-</b>	<b>11,270,650</b>
 Change in net assets	 248,305	 -	 248,305
Net assets - beginning of year	2,759,682	-	2,759,682
<b>Net assets - end of year</b>	<b>\$ 3,007,987</b>	<b>\$ -</b>	<b>\$ 3,007,987</b>

*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	<u>898,537</u>	<u>88,866</u>	-	<u>987,403</u>
		-		
Occupancy	196,363	19,420	-	215,783
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	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	4,555	-	50,610
Contributed nonfinancial assistance:				
Food	9,202,764	-	-	9,202,764
Facilities	12,000	-	-	12,000
Services	35,410	-	-	35,410
Miscellaneous	283,705	-	-	283,705
Total expenses	<u>\$ 11,902,773</u>	<u>\$ 234,286</u>	<u>\$ 34,610</u>	<u>\$ 12,171,669</u>

*See accompanying notes to the financial statements.*

MAKING A DIFFERENCE FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program	Management & General	Fundraising	Total
Salaries and wages	\$ 654,923	\$ 64,773	\$ -	\$ 719,696
Payroll taxes	56,935	5,631	-	62,566
Employee benefits	52,658	5,208	-	57,866
Total payroll & related expenses	<u>764,516</u>	<u>75,612</u>	<u>-</u>	<u>840,128</u>
		-		
Occupancy	138,912	13,739	-	152,650
Training materials	3,202	317	-	3,519
Fundraising expense	-	-	21,957	21,957
Food deliveries	56,385	5,576	-	61,961
Property repair & maintenance	356,954	35,303	-	392,257
Equipment rental	10,274	1,016	-	11,290
Depreciation	227,343	22,485	-	249,828
Advertising	6,175	611	-	6,786
Supplies	448,945	44,401	-	493,346
Contract workers	180,686	17,870	-	198,556
Professional fees	57,467	5,684	-	63,151
Insurance	27,349	2,704	-	30,053
In-kind expenses - goods	8,658,464	-	-	8,658,467
Facilities	12,000	-	-	12,000
Miscellaneous	74,704	-	-	74,704
Total expenses	<u>\$ 11,023,376</u>	<u>\$ 225,317</u>	<u>\$ 21,957</u>	<u>\$ 11,270,650</u>

*See accompanying notes to the financial statements.*

MAKING A DIFFERENCE FOUNDATION  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 818,188	\$ 248,305
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	232,690	243,561
Change in operating assets and liabilities:		
Grants receivable	72,084	(316,841)
Inventory	(404,284)	(140,068)
Prepaid expenses	(3,261)	(4,013)
Deposits	-	-
Accounts payable	4,043	(84,240)
Accrued payroll expense	4,231	37,484
Tenant deposits	26,905	(4,262)
Net cash from operating activities	<u>750,596</u>	<u>(20,074)</u>
Cash flows from investing activities		
Purchase of fixed assets	(226,202)	(28,048)
Change in mortgage escrow accounts	(5,412)	37,151
(Purchase) sale of investments	<u>(529,724)</u>	<u>44,182</u>
Net cash from investing activities	<u>(761,338)</u>	<u>53,285</u>
Cash flows from financing activities		
Principal payments on mortgages	(78,664)	(76,566)
Principal payments on SBA loan	(26,484)	
Net cash from financing activities	<u>(105,148)</u>	<u>(76,566)</u>
Net change in cash and cash equivalents	(115,890)	(43,355)
Cash and cash equivalents at beginning of period	1,621,756	1,665,111
Cash and cash equivalents at end of period	<u>\$ 1,505,866</u>	<u>\$ 1,621,756</u>

*See accompanying notes to the financial statements.*

MAKING A DIFFERENCE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**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. It is 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.

*Blair’s Sanctuary Garden and Nurturer Program:* This serves as a place for women veterans to grow in serenity, acceptance, peace, and empowerment – without judgment – while raising organic and healthy food for people in need.

*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.

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 its 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. Cash equivalents, other securities, and limited amounts of cash held at brokerage accounts are protected the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to \$500,000 of protection for each brokerage account, with a limit of \$250,000 for claims of uninvested cash balances. Additional brokerage insurance, in addition to SIPC protection, is provided through underwriters in London. The SIPC insurance does not protect against market losses on investments.

### ***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. The 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, 2023. Food was valued \$1.82 per pound for the year ended December 31, 2022. 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.

### **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 calculates 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 valuation rate of \$1.82 per pound for January through June, 2023, and \$2.16 per pound for July through December, 2023. Food was valued \$1.82 per pound for the year ended December 31, 2022. The estimated value of donated food was \$5,857,571 and \$6,831,928 for the years ended December 31, 2023 and 2022, 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 \$47,410 and \$12,782 for the years ended December 31, 2023 and 2022, respectively.

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.

### **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. 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.

### ***Recent accounting pronouncements adopted***

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and changes in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. In 2020, the FASB delayed the effective date for nonpublic entities to fiscal years beginning after December 15, 2021. Early adoption is permitted. There was no material impact on the financial statements upon the adoption of ASU 2016-02.

Effective January 1, 2022, the Organization adopted the provisions of FASB ASU 2020-07, Not-for-Profit Entities (Topic 958) *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendments in this Update apply to nonprofit organizations that receive contributed nonfinancial assets (also referred to as gifts-in-kind) and address presentation and disclosure of those contributed nonfinancial assets. The term "nonfinancial assets" includes fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, cryptocurrency, services, and unconditional promises of those assets. Under ASU 2020-07, organizations must present gifts-in-kind as a separate line item in the statement of activities, apart from gifts of cash and other financial assets. In addition to this presentation requirement, the gifts-in-kind must be further broken down into categories (fixed assets, supplies, contributed services, etc.) in the notes to the financial statements. For each category of contributed nonfinancial assets recognized in the financial statements, further footnote disclosures are required under the ASU, including whether the gifts-in-kind were sold or used, among other disclosures. The provisions of ASU 2020-07 must be applied on a retrospective basis (meaning that all periods presented in comparative financial statements must reflect the requirements of the new standard). Adoption of this standard had no effect on its net assets for the years ending December 31, 2023 and 2022.

### **Note 3. Liquidity and Availability**

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, 2023, 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.

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,505,866	\$ 1,621,756
Investments	502,710	-
Deposits	<u>15,388</u>	<u>70,278</u>
Financial assets available to meet cash needs	<u>\$ 2,023,964</u>	<u>\$ 1,692,034</u>

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, 2023, 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 assets 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:

Money market funds: Determined by the published NAV per unit at the end of the last trading day of the year, this is the basis for transactions at that date. 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, 2023, two government agencies comprised 83% of the outstanding accounts receivable at year end. Management believes these amounts are collectible.

## Note 7. Fixed Assets

Fixed assets consisted of the following at December 31:

	2023	2022
Property and equipment		
Buildings and improvements	\$ 3,307,394	\$ 3,307,393
Furniture and equipment	387,333	335,766
Vehicles	239,679	239,679
Other	199,012	199,012
	<u>4,133,418</u>	<u>4,081,850</u>
Less accumulated depreciation	<u>(1,650,515)</u>	<u>(1,417,825)</u>
	2,482,903	2,664,025
Construction in progress	188,813	14,178
	<u>\$ 2,671,716</u>	<u>\$ 2,678,203</u>

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 thru a property management service contract. BSI Financial Services finances the mortgages for thirty-four properties.

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

2024	\$	81,893
2025		75,998
2026		81,067
2027		83,232
2028		83,456
Thereafter		1,563,687
	\$	<u>1,969,333</u>

The Organization also received a loan from the US Small Business Administration as follows:

	<u>2023</u>	<u>2022</u>
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.	\$ 473,516	\$ 500,000
	<u>\$ 473,516</u>	<u>\$ 500,000</u>

### Note 9. Donated Food

The following food was donated, by source, for the year ended December 31, 2023:

	<u>2023</u>	<u>2022</u>
Donations from the community	\$ 2,538,456	\$ 2,400,072
Donations from Emergency Food Network	1,587,373	1,066,902
Donations from Food Lifeline	1,731,743	3,364,953
Donations from local produce company	28,945	-
Total non-federal donations	<u>5,886,517</u>	<u>6,831,927</u>
Donations from TEFAP federal assistance	1,748,708	1,952,474
Total donations	<u>\$ 13,521,742</u>	<u>\$ 15,616,328</u>

**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 enters into a 12-month lease of a food storage warehouse. The lease does 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 \$166,700 and \$86,640 for the years ended December 31, 2023 and 2022, 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 13. Related Parties**

The President/CEO (executive director) purchases items for the organization to be reimbursed. Those purchases totaled \$185,109 and \$136,000 for the years ended December 31, 2023 and 2022, respectively. The organization owed the executive director over \$17,000 and \$17,000 for the year ended December 31, 2022. 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, 2023 and 2022, respectively. The executive director also donates three garages attached to a residential rental property, which she donated for \$12,000 and \$47,410 for the years ended December 31, 2023 and 2022, respectively. The executive director also donated \$15,000 for the year ended December 31, 2023.

The President/CEO engaged a consulting firm, owed by a family member, to provide consulting services with a contract of \$100,000. The firm was paid approximately \$35,000 and donated the remainder of the contract of \$35,410 as nonfinancial assistance – donated services for the year ended December 31, 2023.

**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.

**Note 15. Subsequent Events**

Management of the Organization has evaluated events and transactions occurring after December 31, 2023, through the date this report, the date the financial statements were available for issuance, for recognition or disclosure in the financial statements.

The organization purchased an administrative office at 730 S Fawcett, Tacoma WA. Their former leased location was demolished.

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, 2023

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Grant Period	Current Federal Expenditures	Total	Major Program
<b>US Dept of Agriculture</b>						
<u>Pass Through WA State Department of Agriculture</u>						
Emergency Food Assistance Program	10.569	Farm to Food Bank	4/1/2023-10/31/2023	\$ 38,249		
<u>Pass Through the Emergency Food Network</u>						
Emergency Food Assistance Program	10.568	TEFAP Food Commodities only		3,319,134		
<b>Total US Department of Agriculture</b>				<u>3,319,134</u>	<b>\$ 3,357,383</b>	<b>X</b>
<b>US Department of Treasury</b>						
<u>Pass Through the WA State Dept of Agriculture</u>						
Coronavirus State & Local Fiscal Recovery Funds	21.027	Resiliency	7/1/2023-6/30/2024	20,000		
Coronavirus State & Local Fiscal Recovery Funds	21.027	Resiliency	7/1/2022-6/30/2023	11,040		<b>X</b>
Coronavirus State & Local Fiscal Recovery Funds	21.027	Farm to Food Bank		1,419		
Coronavirus State & Local Fiscal Recovery Funds	21.027	WA Feed		681,925		
<u>Pass Through Pierce County</u>						
Coronavirus State & Local Fiscal Recovery Funds	21.027	ARPA Pierce County	1/1/2023-10/13/2023	74,515		
<u>Pass Through Harvest Against Hunger</u>						
Coronavirus State & Local Fiscal Recovery Funds	21.027	Farm to Food Panty	7/1/22-6/30/2023	11,840		
Coronavirus State & Local Fiscal Recovery Funds	21.027	Farm to Food Panty	7/1/23-6/30/2024	19,400		
<b>Total US Department of Treasury</b>				<u>820,139</u>	<b>\$ 820,139</b>	<b>x (A)</b>
<b>Total Expenditure of Federal Awards</b>					<u><b>\$ 4,177,522</b></u>	

(A) Designated as higher risk by grantor

MAKING A DIFFERENCE FOUNDATION  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2023

**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, 2023. 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.



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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, 2023, 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 20, 2024.

***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.

A handwritten signature in black ink that reads "Lindley & Associates LLC". The signature is written in a cursive, flowing style.

Lindley & Associates LLC  
September 27, 2024



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## 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, 2023. 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, 2023.

### ***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***

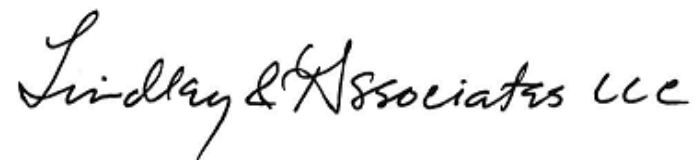
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

A handwritten signature in black ink that reads "Lindley & Associates LLC". The signature is written in a cursive, flowing style.

Lindley & Associates LLC  
September 20, 2024

MAKING A DIFFERENCE FOUNDATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED DECEMBER 31, 2023

**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 no

Significant deficiency(s) identified: yes no

Noncompliance material to the financial statements noted:

yes no

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified: yes no

Significant deficiency(s) identified yes 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 no

Identification of major programs (loans):

<u>CFDA Number (s)</u>	<u>Name of Federal Program or Cluster</u>
10.588, 10.589 cluster	Emergency Food Assistance Program TEFAP Commodities only
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee:

yes no

MAKING A DIFFERENCE FOUNDATION  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2023 (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

:

MAKING A DIFFERENCE FOUNDATION  
SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2023

**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