EMERGENCY FOOD NETWORK OF TACOMA AND PIERCE COUNTY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2025 AND 2024

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EMERGENCY FOOD NETWORK OF TACOMA AND PIERCE COUNTY
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YEARS ENDED DECEMBER 31, 2025 AND 2024

INDEPENDENT AUDITORS' REPORT

Board of Directors
Emergency Food Network of Tacoma and Pierce County
Lakewood, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Emergency Food Network of Tacoma and Pierce County (EFN) (a Washington nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of EFN, as of December 31, 2025 and 2024, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of EFN 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 EFN's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EFN'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 EFN'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.

Board of Directors
Emergency Food Network of Tacoma and Pierce County

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2026, on our consideration of EFN's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of EFN's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering EFN's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Bellevue, Washington
July 16, 2026

EMERGENCY FOOD NETWORK OF TACOMA AND PIERCE COUNTY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 3,633,434	$ 3,738,837
Grants and Accounts Receivable	1,089,206	826,234
Pledges Receivable	13,975	5,800
Prepaid Expenses	91,205	80,074
Inventory - Purchased	522,282	257,362
Inventory - Donated	1,661,922	1,153,329
Total Current Assets	7,012,024	6,061,636
NONCURRENT ASSETS		
Cash and Cash Equivalents, Reserved for Capital Project and Home Purchase	902,650	824,635
Right-of -Use Asset, Net of Accumulated Amortization of $12,274 and $5,826 in 2025 and 2024, respectively	20,847	27,295
Beneficial Interest in Assets Held by Community Foundation	10,003	-
Total NonCurrent Assets	933,500	851,930
PROPERTY AND EQUIPMENT		
Building and Improvements	9,716,365	9,056,405
Land	485,259	485,259
Land Improvements	475,609	469,482
Farm Equipment	6,185	8,818
Vehicles	933,129	910,492
Warehouse Fixtures	311,225	311,225
Warehouse Equipment	1,822,562	1,810,050
Subtotal	13,750,334	13,051,731
Less: Accumulated Depreciation	2,791,393	2,617,195
Total Property and Equipment	10,958,941	10,434,536
Total Assets	$ 18,904,465	$ 17,348,102

See accompanying Notes to Financial Statements

EMERGENCY FOOD NETWORK OF TACOMA AND PIERCE COUNTY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

LIABILITIES AND NET ASSETS	2025	2024
CURRENT LIABILITIES		
Accounts Payable	$ 25,872	$ 399,661
Accrued Wages and Payroll Taxes	34,357	37,939
Accrued Vacation	64,720	51,655
Accrued Expenses	6,662	417
Operating Lease Liability, Current Portion	6,462	6,448
Long-Term Debt, Current Portion	-	750,000
Total Current Liabilities	138,073	1,246,120
LONG-TERM LIABILITIES		
Operating Lease Liability, Less Current Portion	14,385	20,847
Long-Term Deposits	3,000	-
Total Long-Term Liabilities	17,385	20,847
Total Liabilities	155,458	1,266,967
NET ASSETS		
Net Assets Without Donor Restrictions:		
Unrestricted for General Operations	16,244,389	14,168,392
Board Designated	902,650	824,635
Total Net Assets Without Donor Restrictions	17,147,039	14,993,027
Net Assets With Donor Restrictions	1,601,968	1,088,108
Total Net Assets	18,749,007	16,081,135
Total Liabilities and Net Assets	$ 18,904,465	$ 17,348,102

See accompanying Notes to Financial Statements

EMERGENCY FOOD NETWORK OF TACOMA AND PIERCE COUNTY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions of Non-Financial Assets	29,522,659	$ -	$ 29,522,659
Government Grants	6,106,598	-	6,106,598
Community Contributions	1,613,838	-	1,613,838
Private Foundations	1,299,613	1,004,960	2,304,573
Special Events, Net of Direct Expenses of $137,952	646,989	-	646,989
Capital Campaign Contributions	400		400
Change in Value of Beneficial Interests in Assets Held by Others	-	10,003	10,003
Interest Income	35,787	-	35,787
Other Income	165,557	-	165,557
Gain on Disposal of Assets	35,000	-	35,000
Net Assets Released from Restrictions	501,103	(501,103)	-
Total Support and Revenue	39,927,544	513,860	40,441,404
EXPENSES			
Program Services:			
Food Banks	36,586,807	-	36,586,807
Farm	6,960	-	6,960
Supporting Services:			
Management and General	523,764	-	523,764
Fundraising	656,001	-	656,001
Total Expenses	37,773,532	-	37,773,532
CHANGE IN NET ASSETS	2,154,012	513,860	2,667,872
Net Assets - Beginning of Year	14,993,027	1,088,108	16,081,135
NET ASSETS - END OF YEAR	$ 17,147,039	$ 1,601,968	$ 18,749,007

See accompanying Notes to Financial Statements

EMERGENCY FOOD NETWORK OF TACOMA AND PIERCE COUNTY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions of Non-Financial Assets	$ 24,351,508	$ -	$ 24,351,508
Government Grants	4,193,521	-	4,193,521
Community Contributions	1,191,147	292,000	1,483,147
Private Foundations	951,402	-	951,402
Special Events, Net of Direct Expenses of $152,241	549,976	-	549,976
Capital Campaign Contributions	500,040	-	500,040
Interest Income	91,855	-	91,855
Other Income	5,108	-	5,108
Loss on Disposal of Assets	(14,007)		(14,007)
Net Assets Released from Restrictions	1,179,413	(1,179,413)	-
Total Support and Revenue	32,999,963	(887,413)	32,112,550
EXPENSES			
Program Services:			
Food Banks	29,252,889	-	29,252,889
Farm	331,753	-	331,753
Supporting Services:			
Management and General	747,189	-	747,189
Fundraising	520,647	-	520,647
Total Expenses	30,852,478	-	30,852,478
CHANGE IN NET ASSETS	2,147,485	(887,413)	1,260,072
Net Assets - Beginning of Year	12,845,542	1,975,521	14,821,063
NET ASSETS - END OF YEAR	$ 14,993,027	$ 1,088,108	$ 16,081,135

See accompanying Notes to Financial Statements

EMERGENCY FOOD NETWORK OF TACOMA AND PIERCE COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services			Supporting Services		
	Food Banks	Farm	Total	Management and General	Fundraising	Total
In-Kind Expenses	$ 28,984,140	$ -	$ 28,984,140	$ -	$ -	$ 28,984,140
Salaries, Benefits, and Payroll Expenses	1,846,522	6,907	1,853,429	232,938	565,098	2,651,465
Food and Related Expenses	2,607,701	-	2,607,701	-	9,083	2,616,784
Food Bank Expense	2,145,416	-	2,145,416	-	-	2,145,416
Depreciation	494,846	-	494,846	5,102	10,203	510,151
Facility and Equipment Expense	332,814	-	332,814	13,929	50	346,793
Property Expense	-	-	-	19,074	-	19,074
Insurance and Other Fees	96,494	-	96,494	131,552	10,204	238,250
Contract Services	48,937	-	48,937	73,389	11,055	133,381
Capital Fund Expenses	17,490	-	17,490	-	-	17,490
Farm Expenses	-	28	28	-	-	28
Office Expenses	12,287	25	12,312	28,272	-	40,584
Donation	-	-	-	10,000	-	10,000
Advertising and Marketing	-	-	-	-	49,791	49,791
Travel, Training and Meeting Expense	160	-	160	9,508	517	10,185
Credit Loss	-	-	-	-	-	-
Total Expenses by Function	36,586,807	6,960	36,593,767	523,764	656,001	37,773,532
Expenses Netted Against Revenues on the Statement of Activities and Changes in Net Assets:						
Special Event Expenses	-	-	-	-	137,952	137,952
Total Expenses Included in the Expense Section of the Statement of Activities and Changes in Net Assets	$ 36,586,807	$ 6,960	$ 36,593,767	$ 523,764	$ 793,953	$ 37,911,484

See accompanying Notes to Financial Statements

EMERGENCY FOOD NETWORK OF TACOMA AND PIERCE COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services			Supporting Services		
	Food Banks	Farm	Total	Management and General	Fundraising	Total
In-Kind Expenses	$ 24,263,545	$ 28,800	$ 24,292,345	$ -	$ -	$ 24,292,345
Salaries, Benefits, and Payroll Expenses	1,607,723	246,997	1,854,720	413,530	435,659	2,703,909
Food and Related Expenses	1,635,977	-	1,635,977	-	-	1,635,977
Food Bank Expense	915,532	-	915,532	-	-	915,532
Depreciation	371,570	597	372,167	10,056	13,078	395,301
Facility and Equipment Expense	272,172	392	272,564	3,036	6,470	282,070
Insurance and Other Fees	23,299	1,238	24,537	165,845	10,299	200,681
Contract Services	81,631	-	81,631	97,349	2,868	181,848
Capital Fund Expenses	73,999	-	73,999	10,137	-	84,136
Farm Expenses	30	53,729	53,759	-	-	53,759
Office Expenses	6,801	-	6,801	41,189	2,875	50,865
Advertising and Marketing	150	-	150	242	42,012	42,404
Travel, Training and Meeting Expense	460	-	460	5,805	796	7,061
Credit Loss	-	-	-	-	6,590	6,590
Total Expenses by Function	29,252,889	331,753	29,584,642	747,189	520,647	30,852,478
Expenses Netted Against Revenues on the Statement of Activities and Changes in Net Assets:						
Special Event Expenses	-	-	-	-	152,241	152,241
Total Expenses Included in the Expense Section of the Statement of Activities and Changes in Net Assets	$ 29,252,889	$ 331,753	$ 29,584,642	$ 747,189	$ 672,888	$ 31,004,719

See accompanying Notes to Financial Statements

EMERGENCY FOOD NETWORK OF TACOMA AND PIERCE COUNTY
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 2,667,872	$ 1,260,072
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	510,151	395,301
Credit Loss	-	6,590
Amortization of Right-of-Use Asset - Operating	6,448	2,596
Noncash Lease Expense	1,021	18,255
(Gain) Loss on Disposal of Assets	(35,000)	14,007
Change in beneficial interests in assets held by Community Foundations	(10,003)	-
Increase in Inventory - Donated	(1,404,560)	(876,494)
(Increase) Decrease in Operating Assets:		
Grants and Accounts Receivable	(262,972)	1,195,643
Pledges Receivable	(8,175)	238,210
Prepaid Expenses	(11,131)	(27,509)
Inventory - Purchased	631,047	817,331
Operating Right-of-Use Asset	-	(45,550)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(373,789)	180,198
Accrued Wages and Payroll Taxes	(3,582)	8,561
Accrued Vacation	13,065	(11,356)
Accrued Expenses	6,245	(983)
Operating Lease Liability	(7,469)	24,699
Deposits	3,000	
Net Cash Provided by Operating Activities	1,722,168	3,199,571
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(999,556)	(3,675,199)
Net Cash Used by Investing Activities	(999,556)	(3,675,199)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Long-Term Debt	(750,000)	-
Net Cash Provided by Financing Activities	(750,000)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(27,388)	(475,628)
Cash and Cash Equivalents - Beginning of Year	4,563,472	5,039,100
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 4,536,084	$ 4,563,472
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING ACTIVITIES		
Equipment and Facilities Received in Exchange for Operating Leases	$ -	$ 18,255
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents	$ 3,633,434	$ 3,738,837
Restricted	902,650	824,635
Total	$ 4,536,084	$ 4,563,472

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Emergency Food Network of Tacoma and Pierce County (EFN) became an independent 501(c)(3) nonprofit organization in 1991. EFN began as a program in 1982 when the leadership of FISH Food Banks, The Rescue Mission, Salvation Army, and Associated Ministries recognized a great need in the community to resource emergency food collectively. In 1985, EFN was transferred as a program to Associated Ministries. Originally designed to meet a temporary need caused by the economic recession of the 1980s, it became apparent in the early 1990s that the need for such a community service had grown. EFN collects donated food and purchases food using federal, state, county and other governmental grants and private contributions. EFN distributes food to other food banks and feeding centers in Pierce County.

EFN has the following programs:

Food Banks

Collection and distribution of food-to-food banks and feeding centers throughout Pierce County.

Farm

Farming produce for distribution in the food bank program. As of December 31, 2024, EFN did not renew their lease with Mother Earth Farm and vacated the property.

Basis of Presentation

EFN's financial statements are presented on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America (GAAP).

Cash and Cash Equivalents

For purposes of the statement of cash flows, EFN considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. EFN maintains cash balances at certain financial institutions insured by the Federal Deposit Insurance Corporation (FDIC), with basic coverage up to $250,000. At December 31, 2025, there were no amounts exceeding the FDIC limit. Management of EFN does not anticipate any material adverse effect on its financial position as a result of the concentration of credit risk.

Grants Receivable and Allowance for Credit Losses

Grants receivable consist primarily of noninterest-bearing amounts due for program services. EFN uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables. A loss rate is developed for each risk category based on aging. Management believes the composition of receivables at year-end is consistent with historical conditions such as credit terms and practices and the customer base has not changed significantly. EFN considers all receivables to be fully collectible; therefore, no allowance for credit losses has been established. EFN has no contract assets with an exchange component at December 31, 2025, 2024, or 2023.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

EFN records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. Amortization of the discounts are included in contribution revenue in the statement of activities and changes in net assets. EFN determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible.

EFN initially records unconditional promises to give and subsequently carried at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

Inventory

Inventory consists of food donated to EFN and food purchased by EFN. Purchased inventory is stated at average cost. For the years ended December 31, 2025 and 2024, donated inventory is stated at an industry standard of $2.25 and $2.16 per pound. Government surplus commodities are stated at prices established by the United States Department of Agriculture.

Leases

EFN leases equipment. EFN determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position.

ROU assets represent EFN’s right to use an underlying asset for the lease term and lease liabilities represent EFN’s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, EFN uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that EFN will exercise that option.

Lease expense for lease payments are recognized on a straight-line basis over the lease term. EFN has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position. The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, EFN has elected to use a risk-free discount rate determined by using a period comparable with that of the lease term for computing the present value of all lease liabilities.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

EFN has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Beneficial Interest in Assets Held by Community Foundation

During 2025, EFN established an endowment fund that is perpetual in nature (the Emergency Food Network of Tacoma and Pierce County Fund under Greater Tacoma Community Foundation (GTCF) Program and named EFN as beneficiary. We granted variance power to the GTCF, which allows the GTCF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the GTCF's board of directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by the GTCF for our benefit and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

Property and Equipment

EFN records property and equipment additions over $2,500 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 39 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities and changes in net assets. The costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are currently expensed.

EFN reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2025 and 2024. Depreciation expense for the years ended December 31, 2025 and 2024, was $510,151 and $395,301, respectively.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

EFN reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. EFN reports conditional contributions restricted by donors simultaneously in the reporting period.

Revenue Recognition

Government Grants, Private Foundations and Community Contributions

EFN recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Activities funded by governments are often carried out for the benefit of the general public, rather than to obtain goods or services for the government's own use or proprietary benefit. Accordingly, if the primary beneficiary of the activity is the general public, rather than the government itself, the transaction is treated as nonreciprocal.

A portion of EFN's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when EFN has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. EFN received cost-reimbursable grants of $3,186,173 and $6,394,056 that have not been recognized at December 31, 2025 and 2024, respectively, because qualifying expenditures have not yet been incurred. No amounts have been received in advance under our federal and state contracts and grants.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Contributions on Non-Financial Assets

Contributed non-financial assets include donated food, materials and equipment, donated use of land, and other in kind contributions which are recorded at the respective fair values of the goods received (Note 12). EFN does not sell donated gifts-in-kind except for donated vehicles. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time in the warehouse throughout the year to support its program services in a variety of ways; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Total volunteer hours for the years ended December 31, 2025 and 2024, were 10,171 and 12,003, respectively.

Special Events

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. EFN recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. EFN recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place. Amounts received prior to the special event occurring are reported as deferred revenue in the statements of financial position.

Advertising Costs

During the years ended December 31, 2025 and 2024, advertising and marketing costs were expensed as incurred and totaled $49,791 and $42,404, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Those expenses include depreciation and salaries and wages, benefits, and payroll taxes which are allocated on the basis of estimates of time and effort.

Income Tax

EFN is organized as a Washington nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(a) as organizations described in Internal Revenue Code (IRC) Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and have been determined not to be private foundations under IRC Sections 509(a)(1) and (3), respectively. EFN is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, EFN is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. We have determined that EFN is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax (Continued)

EFN accounts for uncertainty in income taxes in accordance with the provisions of FASB ASC 740, *Accounting for Uncertainty in Income Taxes,* which clarifies the accounting for uncertainty in income taxes recognized and disclosed in an entity's financial statements. This topic prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. EFN believes it has no uncertain tax positions.

Estimates

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

Financial Instruments and Credit Risk

EFN manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, EFN has not experienced losses in any of these accounts. Credit risk associated with grants receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members, governmental agencies, and foundations supportive of our mission.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

Subsequent events have been evaluated through July 16, 2026, which is the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

The following table reflects EFN's financial assets available for general expenditure, reduced by amounts that are not available to meet general expenditures within one year of the statements of financial position date because of contractual restrictions, donor restrictions, or internal board designations comprise the following at December 31:

	2025	2024
Cash and Cash Equivalents	$ 3,633,434	$ 3,738,837
Grants and Accounts Receivable	1,089,206	826,234
Pledges Receivable	13,975	5,800
Subtotal	4,736,615	4,570,871
Less: Board Designated Net Assets	(902,650)	(824,635)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 3,833,965	$ 3,746,236

Board designated funds are to be used for emergency purposes and while they do not intend to spend the reserve on general operations, amounts could be made available at the board's discretion. EFN also has a $500,000 line of credit available to draw upon for operating cash management purposes (Note 8). As part of the EFN's liquidity management plan, cash in excess of daily requirements is invested in money market funds and savings accounts.

NOTE 3 GRANTS AND ACCOUNTS RECEIVABLE

As of December 31, 2025 and 2024, EFN had $1,089,206 and $826,234 in government grants and accounts receivable, representing unconditional promises expected to be collected in less than one year. Management has evaluated the collectability of the outstanding grants and accounts receivables, and considers all outstanding amounts to be fully collectible. As such, management did not record an allowance for credit losses for the years ended December 31, 2025 and 2024.

NOTE 4 FAIR VALUE MEASUREMENTS AND DISCLOSURES

EFN reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

NOTE 4 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2025.

Funds Held by Others – EFN is the beneficiary of an agency fund held with Greater Tacoma Community Foundation. EFN does not have a direct claim to any individual assets within the affiliated agency fund but rather at the aggregate level of the assets within the fund.

Since the agency fund is comprised of many different investments with varying levels of observable inputs, the valuation of the entire portfolio cannot directly be corroborated by the EFN with observable market data. Thus, the EFN's beneficial interest in this fund is reported at Level 3.

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

NOTE 4 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the EFN's assets and at fair value as of December 31:

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets				
Assets Held by Community Foundation	$ -	$ -	$ 10,003	$ 10,003
Total Assets at Fair Value	$ -	$ -	$ 10,003	$ 10,003

For the year ended December 31, 2024, the balance was $0.

The value of Funds Held by Others represents an irrevocable right to receive distributions in perpetuity from a trust that is managed by a third-party. EFN does not have variance power over the trust's portfolio. The value of Fund Held by Others is estimated based on the fair value of the underlying investments held by the trust.

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2025:

Fair Value Measurements at Report Date using Significant Unbservable Inputs Beneficial Interests	
December 31, 2025	Assets Held by Community Foundation
Balance - Beginning of Year	$ -
Purchases/Contributions of Investments	10,000
Investment Return, Net	3
Ditributions	-
Balance - End of Year	$ 10,003

NOTE 5 PLEDGES RECEIVABLE

As of December 31, 2025 and 2024, EFN had $13,975 and $5,800, respectively, in unconditional promises. All amounts are expected to be collected within one year. Management has evaluated the collectability of pledges outstanding, and considers all outstanding amounts to be fully collectible. As such, management did not record a discount to present value or an allowance for credit losses for the years ended December 31, 2025 and 2024.

NOTE 6 INVENTORY

EFN maintains an inventory comprised of both purchased food and donated food. Purchased food is used to supplement donations and ensure the availability of essential items needed to complete meals. Contributions of non-financial assets include food received through government grants, as well as donations from individuals and community organizations. EFN supplements donated food with purchased items to ensure consistent availability of complete meals for distribution. Purchased food is essential to fill gaps in donations and to provide necessary additions—such as staple items and meal components.

Inventory consisted of the following as of December 31:

	2025	2024
Community Contributions	$ 1,074,918	$ 357,221
Government Grants	587,004	796,108
Total Donated	1,661,922	1,153,329
Purchased	522,282	257,362
Total Inventory	$ 2,184,204	$ 1,410,691

NOTE 7 LEASES

EFN leases office equipment under long-term, non-cancelable lease agreements. The leases expire at various dates through 2029. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. For the years ended December 31, 2025 and 2024, EFN incurred total lease cost of $7,469 and $3,746, and is included in facility and equipment expense on the statements of functional expenses.

Information on EFN's leases is as follows at December 31:

Operating lease payments expected to be paid for each of the following fiscal years are as follows:

Year Ending December 31,	
2026	$ 7,209
2027	7,122
2028	4,317
2029	3,723
Total Lease Payments	22,371
Less: Amounts Representing Interest	(1,524)
Present Value of Lease Liabilities	$ 20,847
Short-Term Lease Liability	$ 6,462
Long-Term Lease Liability	14,385
Total Operating Lease Liability	$ 20,847

NOTE 8 LONG-TERM DEBT

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

	2025	2024
Construction Loan Payable to Elevate Health/ One Pierce County Resiliency Fund, Due January 31, 2025, Including Interest At 2%. Interest Will be Forgiven if Principal is Repaid by Repayment Date.	$ -	$ 750,000
Less: Portion Due Within One Year Classified as a Current Liability	-	(750,000)
Total Long-Term Debt	$ -	$ -

NOTE 9 LINE OF CREDIT

EFN has a $500,000 revolving line of credit with a bank, secured by accounts receivable and equipment. Borrowings under the line bear interest at the variable prime rate plus 0.25%, or a floor of 6.75%. Accrued interest and principal are due at maturity on February 28, 2027. There were no amounts outstanding on the line of credit as of December 31, 2025 and 2024.

NOTE 10 NET ASSETS WITHOUT DONOR RESTRICTIONS - BOARD DESIGNATED

Board designated funds are to be used for emergency purposes, and are authorized to be used up to 75% for temporary purposes for grant reimbursable expenses. During the years ended December 31, 2025 and 2024, the board of directors undesignated $71,985 and $0, respectively. During the years ended December 31, 2025 and 2024 the board of directors designated $150,000 and $0. In June 2025, the board voted to reduce the amount that can be used for reimbursable grant expenditures from 75% down to 50%, and authorized an additional $100,000 to be used for improvements to the property purchased.

Board designation activity is as follows for the years ended December 31:

	2025	2024
Board Designated Net Assets, Beginning of Year	$ 824,635	$ 824,635
Undesignated	(71,985)	-
Designated	150,000	-
Board Designated Net Assets, End of Year	$ 902,650	$ 824,635

The undesignated amounts are now available for general use and are included in the net assets without donor restrictions on the statements of financial position.

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at December 31:

	2025	2024
Restricted for Purpose or Time:		
Other Programs and Property Purchase	$ -	$ 292,000
Community Foundation	10,003	-
Purchase of Food	1,591,965	796,108
Capital Campaign	-	-
Total Net Assets With Donor Restrictions	$ 1,601,968	$ 1,088,108

NOTE 12 ENDOWMENT FUNDS

A donor established a permanently restricted endowment fund for the benefit of EFN by contributing $7,500 directly to the Greater Tacoma Community Foundation (GTCF). The GTCF retains variance power over the fund, which allows it to redirect the use of the fund if the original purpose becomes impractical or inconsistent with community needs. As a result, EFN does not retain a beneficial interest in the fund and does not record the endowment as an asset on its statements of financial position. EFN receives annual distributions from the fund, which are restricted for use to purchase infant food for program services. These distributions are recognized as contribution revenue in the period received and are classified as net assets with donor restrictions. For the years ended December 31, 2025 and 2024, there were distributions of $700. The balance of the fund as of December 31, 2025 and 2024 was $17,689 and $16,364, respectively.

NOTE 13 IN-KIND CONTRIBUTIONS

The fair market value of food donated from community contributions is valued using the estimated Food Assistance’s approved biennial value of $2.25 and $2.16 per pound, for the years ended December 31, 2025 and 2024. Contributed food is used for program services.

The fair market value of the donated use of farmland in Puyallup, Washington, was valued at the estimated price for what it would cost to rent or lease similar land in the same geographic area. The annual value of donated use of farmland in Puyallup, Washington, is included as a contribution of non-financial asset and in-kind rent expense in the financial statements for the years ended December 31, 2025 and 2024, was $-0- and $28,800, respectively.

NOTE 13 IN-KIND CONTRIBUTIONS (CONTINUED)

For the years ended December 31, 2025 and 2024, contributed nonfinancial assets recognized within the statements of activities and changes in net assets included the following:

	2025	2024
Community Contributions of Food	$ 22,914,033	$ 17,712,823
Government Grants of Food	4,013,439	5,107,750
Co-Op	2,561,187	1,502,135
Mother Earth Farm Rent	-	28,800
Donated Vehicle	34,000	-
Total Contributions of Non-Financial Assets	$ 29,522,659	$ 24,351,508

Contributed food, supplies, and advertising are valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a "like-kind" methodology considering the goods' condition and utility for use at the time of the contribution. Contributed food and supplies are used in program services and contributed advertising is used for fundraising and development. Donated auction items were valued at the sale price received during the auction on the day of the event. Donated vehicles are recorded at the fair market value on the date of donation. EFN receives contributions of food from several federal grants whose food is restricted for use. For the years ended, December 31, 2025 and 2024, EFN had a restricted ending food inventory of $1,591,965 and $796,108, respectively.

NOTE 14 EMPLOYEE BENEFITS

EFN maintains a deferred contribution plan under Section 403(b) of the Internal Revenue Code for all employees. This Plan allows employees to make contributions, and the Organization may, in its sole discretion, make contributions to the plan. For the years ended December 31, 2025 and 2024, $94,779 and $85,435, respectively, was contributed on behalf of the employees.

NOTE 15 RELATED PARTY TRANSACTIONS

A board member is the employee of a company which provides services to EFN. For the years ended December 31, 2025 and 2024, the total amount paid to the company for services was $54,929 and $507,833, respectively. EFN received related party monetary gifts and contributions for the years ended December 31, 2025 and 2024 of $86,300 and $113,536, respectively.

NOTE 16 CONCENTRATIONS

For the years ended December 31, 2025 and 2024, contributions of non-financial assets represent 73% and 75%, respectively, of total support and revenue, while community contributions represent 63% and 60%, respectively, of total support and revenue. The value of donated food from the Department of Agriculture (DOA) included as contributions of non-financial assets for the years ended December 31, 2025 and 2024, is $4,013,439 and $5,107,750, respectively. The value of food is established by the DOA, a government program that supplements the diets of some low-income Americans by providing them with emergency food and nutrition assistance at no cost. DOA donations represent 10% and 16%, respectively, of total support and revenue for the years ended December 31, 2025 and 2024.

NOTE 17 COMMITMENTS AND CONTINGENCIES

Certain amounts received or receivable under EFN's agreements with the state of Washington, the federal government, and other governmental agencies are subject to audit and adjustment. Any expenditures or claims disallowed as a result of such audits would become a liability of the EFN's unrestricted fund. In the opinion of management, any adjustments that might result from such audits would not be material to EFN's overall financial statements.

EMERGENCY FOOD NETWORK OF TACOMA AND PIERCE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Contract Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Passed through Washington State Department of Agriculture				
Food Distribution Cluster:				
Emergency Food Assistance Program:				
Administrative Costs	10.568	K4745/ K5705	$ -	$ 273,312
Food Commodities	10.569	K5705	-	4,142,770
Commodity Supplemental Food Program:				
Administrative Costs	10.565	K4731/ K5722	-	31,823
Food Commodities	10.565	K4731/ K5722	-	100,018
Total ALN 10.565			-	131,841
Total Food Distribution Cluster			-	4,547,923
Emergency Food Assistance Program:				
Commodity Credit Corporation (Admin)	10.187	K5101	-	26,096
Commodity Supplemental Food Program:				
Administrative Costs	10.194	K5664	-	2,318
Food Commodities	10.194	K5664	-	10,870
Total ALN 10.194				13,188
Local Food Purchasing Assistance:				
Administrative	10.182	K4291	-	31,481
Food Commodities	10.182	K4291	-	95,086
Food Commodities - Plus	10.182	K4291	-	587,391
Total ALN 10.182			-	713,958
Total U.S. Department of Agriculture			-	5,301,165
Department of Treasury				
Passed through State of Washington Department of Agriculture:				
Emergency Food Assistance Program GAP:				
Administrative Costs	21.027	K4776	-	112,894
Passed through Pierce County:				
COVID-19 - Coronavirus State Fiscal Recovery Fund	21.027	SC-111503	551,322	1,733,718
Total ALN 21.027			551,322	1,846,612
Total Department of Treasury			551,322	1,846,612
Department of Housing and Urban Development				
Direct Funding				
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251	B-23-CP-WA-1557	-	161,625
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants (Capital Expenditures)	14.251	B-23-CP-WA-1557	-	259,945
Total Department of Housing and Urban Development			-	421,570
Total Expenditures of Federal Awards			$ 551,322	$ 7,569,347

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Emergency Food Network of Tacoma and Pierce County (EFN) under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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 EFN, it is not intended to, and does not, present the financial position, changes in net assets or cash flows of EFN.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

EFN has elected to use the 15 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

Board of Directors
Emergency Food Network of Tacoma and Pierce County
Lakewood, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Emergency Food Network of Tacoma and Pierce County (EFN), (a Washington nonprofit corporation), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 16, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered EFN's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of EFN's internal control. Accordingly, we do not express an opinion on the effectiveness of the EFN'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Directors
Emergency Food Network of Tacoma and Pierce County

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Bellevue, Washington
July 16, 2026

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Directors
Emergency Food Network of Tacoma and Pierce County
Lakewood, Washington

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Emergency Food Network of Tacoma and Pierce County's, (EFN), (a Washington nonprofit corporation), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of EFN's major federal programs for the year ended December 31, 2025. EFN's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, EFN complied, in all material respects, with the 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, 2025.

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 (GAAS); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of EFN 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 EFN's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to EFN's federal programs.

Auditors' 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 EFN'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 GAAS, *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 EFN's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 EFN'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 EFN'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 EFN'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.

Board of Directors
Emergency Food Network of Tacoma and Pierce County

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 Auditors' 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Bellevue, Washington
July 16, 2026

EMERGENCY FOOD NETWORK OF TACOMA AND PIERCE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? ______ yes __x__ no
   - Significant deficiency(ies) identified? ______ yes __x__ none reported

3. Noncompliance material to financial statements noted? ______ yes __x__ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? ______ yes __x__ no
   - Significant deficiency(ies) identified? ______ yes __x__ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ______ yes __x__ no

Identification of Major Programs

Assistance Listing Number	Name of Federal Program or Cluster
10.565, 10.568, 10.569	Food Distribution Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $ 1,000,000

Auditee qualified as low-risk auditee? ______ yes __x__ no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards.*

Section III – Federal Award Findings and Questioned Costs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

EMERGENCY FOOD NETWORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2025

United States Department of Agriculture

Emergency Food Network of Tacoma and Pierce County respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2025.

Audit period: January 01, 2024 to December 31, 2024

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

2024-001

Condition: Grant hours are not consistently tracked on employees' timesheets. Wages charged to the program are based on budgeted estimates. Per 2 CFR 200.430(i)(1)(viii), this is not allowed without additional steps to ensure accuracy, allowability and proper allocation. Insufficient evidence was presented to support a reasonable reflection of employee federal and non-federal activity. EFN does not have a written policy nor system of internal controls to review and true-up grant wages to actual.

Status: Corrective action was taken.

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