



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Snohomish Conservation District

For the period January 1, 2023 through December 31, 2023

Published September 19, 2024

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**Office of the Washington State Auditor
Pat McCarthy**

September 19, 2024

Board of Supervisors
Snohomish Conservation District
Lake Stevens, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the Snohomish Conservation District's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the District's financial activities and condition.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Snohomish Conservation District January 1, 2023 through December 31, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the Snohomish Conservation District are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the District’s financial statements in accordance with its regulatory basis of accounting. Separately, we issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared using a basis of accounting other than GAAP.

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the District.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the District’s compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
66.123	Geographic Programs – Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The District did not qualify as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

INDEPENDENT AUDITOR'S REPORT

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*

Snohomish Conservation District January 1, 2023 through December 31, 2023

Board of Supervisors
Snohomish Conservation District
Lake Stevens, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Snohomish Conservation District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated September 11, 2024.

We issued an unmodified opinion on the fair presentation of the District's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the District using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) Manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 above 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.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District'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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However,

this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large initial "P" and "M".

Pat McCarthy, State Auditor

Olympia, WA

September 11, 2024

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Snohomish Conservation District January 1, 2023 through December 31, 2023

Board of Supervisors
Snohomish Conservation District
Lake Stevens, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of the Snohomish Conservation District, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended December 31, 2023. The District's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District 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 (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)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District'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 a material noncompliance when it exists. The risk of not detecting a 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 judgement made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed; and
- 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 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 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. 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 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 over compliance that we consider to be material weaknesses, as defined above.

Purpose of this Report

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. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor

Olympia, WA

September 11, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Snohomish Conservation District January 1, 2023 through December 31, 2023

Board of Supervisors
Snohomish Conservation District
Lake Stevens, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of the Snohomish Conservation District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, as listed in the financial section of our report.

Unmodified Opinion on the Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the District has prepared these financial statements to meet the financial reporting requirements of state law and accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System (BARS) Manual*. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the Snohomish Conservation District, and its changes in cash and investments, for the year ended December 31, 2023, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Snohomish Conservation District, as of December 31, 2023, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit unmodified and adverse opinions.

Matter Giving Rise to Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. As described in Note 1 of the financial statements, the financial statements are prepared by the District in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of state law and the BARS Manual described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis 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* (Uniform Guidance). The Schedule of Liabilities is also presented for purposes of additional analysis, as required by the prescribed BARS Manual. These schedules are 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 11, 2024 on our consideration of the District's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, stylized initial "P".

Pat McCarthy, State Auditor

Olympia, WA

September 11, 2024

FINANCIAL SECTION

Snohomish Conservation District January 1, 2023 through December 31, 2023

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2023
Notes to Financial Statements – 2023

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2023
Schedule of Expenditures of Federal Awards – 2023
Notes to the Schedule of Expenditures of Federal Awards – 2023

**Snohomish Conservation District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023**

Beginning Cash and Investments

308	Beginning Cash and Investments	2,745,309
388 / 588	Net Adjustments	-

Revenues

310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	4,729,229
340	Charges for Goods and Services	240,849
350	Fines and Penalties	-
360	Miscellaneous Revenues	2,482,770
Total Revenues:		7,452,848

Expenditures

510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	-
550	Natural/Economic Environment	6,271,532
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		6,271,532
Excess (Deficiency) Revenues over Expenditures:		1,181,316

Other Increases in Fund Resources

391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	12,715
381, 382, 389, 395, 398	Other Resources	14,886
Total Other Increases in Fund Resources:		27,601

Other Decreases in Fund Resources

594-595	Capital Expenditures	247,086
591-593, 599	Debt Service	5,819
597	Transfers-Out	-
585	Special or Extraordinary Items	12,715
581, 582, 589	Other Uses	738
Total Other Decreases in Fund Resources:		266,358

Increase (Decrease) in Cash and Investments: 942,559

Ending Cash and Investments

50821	Nonspendable	-
50831	Restricted	10,863
50841	Committed	-
50851	Assigned	-
50891	Unassigned	3,677,003
Total Ending Cash and Investments		3,687,866

The accompanying notes are an integral part of this statement.

Snohomish Conservation District
Notes to the Financial Statements
For the year ended December 31, 2023

Note 1 - Summary of Significant Accounting Policies

The Snohomish Conservation District was incorporated on August 28th, 1941 and operates under the laws of the state of Washington applicable to a conservation district. The Snohomish Conservation District is a special purpose local government and provides natural resources and conservation services.

The district reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances for proprietary and fiduciary funds are presented using classifications that are different from the ending net position classifications in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the district also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

See Note 3 - *Deposits and Investments*.

Snohomish Conservation District
Notes to the Financial Statements
For the year ended December 31, 2023

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 1 year. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 240 hours and is 100% payable upon separation or retirement. Sick leave may be accumulated up to 480 hours and upon separation or retirement employees are paid out upon separation at 25% of the value (deposited into a VEBA account for the employee). Payments are recognized as expenditures when paid.

The total cost of Compensated Absences effective 12/31/2023 was \$235,056.95.

F. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when they are subject to restrictions on use imposed by external parties or due to internal commitments established by The Board of Supervisors. When expenditures that meet restrictions are incurred, the district intends to use the most restricted resources first.

Fund Name	Portion of Ending Balance Restricted	Reason for Restriction or Commitment
General Fund	10,862.84	Grants and Donations with project-specific terms or conditions from sponsor, paid in advance rather than cost-reimbursable.
Totals	10,862.84	

Restrictions and commitments of Ending Cash and Investments consist of restrictions on use imposed by external parties, because the funding is awarded through grants, contracts, donations, and other agreements with project-specific terms, and the funding is provided in advance rather than on a cost-reimbursement basis.

Note 2 - Budget Compliance

The Snohomish Conservation District adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
General Fund 001	8,051,803	6,537,889	1,513,914
Total Funds	8,051,803	6,537,889	1,513,914

Budgeted amounts are authorized to be transferred between departments within the General Fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized

Snohomish Conservation District
Notes to the Financial Statements
For the year ended December 31, 2023

employee positions, salary ranges, hours, or other conditions of employment must be approved by the Snohomish Conservation District’s legislative body.

Note 3 – Deposits and Investments

Investments are reported at amortized cost. Deposits and investments by type at December 31, 2023 are as follows:

Type of Deposit or Investment	District's own deposits & investments	Total
Bank Deposits	\$3,224,620.56	\$3,224,620.56
LGIP	\$463,245.71	\$463,245.71
Totals	\$3,687,866.27	\$3,687,866.27

It is the Snohomish Conservation District’s policy to invest all temporary cash surpluses. The interest on these investments is added to the general fund.

Investments in the State Local Government Investment Pool (LGIP)

The district is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the district would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The district’s deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the district or its agent in the government’s name.

Note 4 – Leases (Lessees)

The Snohomish Conservation District leases one Kyocera brand copier/printer from Electronic Business Machines. In 2023 the District initially paid \$333 monthly, then the cost inflated to \$340 monthly. The lease term will conclude February 2025 and is renewable at that time. Until that end date, the lease is noncancelable and irrevocable.

Snohomish Conservation District
Notes to the Financial Statements
For the year ended December 31, 2023

The total amount paid for leases in 2023 was \$4,064. As of December 31, 2023, the future lease payments are as follows:

Year	Lease Payments
2024	\$4,148
2025	\$694
Total	\$4,842

Note 5 – Other Postemployment Benefits (OPEB Plans)

The district is a participating employer in the state’s Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority. The plan provides medical, dental, and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately. The district had 39 active plan members and 5 retired plan members as of December 31, 2023. As of December 31, 2023, the district’s total OPEB liability was \$797,611 as calculated using the alternative measurement method. The district contributed \$19,405 to the plan for the year ended December 31, 2023.

Note 6 – Pension Plans

A. State Sponsored Pension Plans

Substantially all Snohomish Conservation District’s full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans PERS 1 and PERS 2/3.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

Snohomish Conservation District

Notes to the Financial Statements

For the year ended December 31, 2023

At June 30, 2023 (the measurement date of the plans), the district’s proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan Type	Employer Contribution	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	\$90,552.25	0.013289%	\$2,282,732,000.00	\$303,352.26	
PERS 2/3	\$150,823.06	0.017154%	-\$4,098,683,000.00		-\$703,088.08
Totals				\$303,352.26	-\$703,088.08

Note 7 - Property Tax

The Snohomish County Treasurer and the Island County Treasurer act as agents to collect property tax levied in the county for all taxing authorities. Collections are distributed at month end by Island County and biannually by Snohomish County.

Property Tax Calendar	
January 1	Tax is levied and becomes an enforceable lien against the properties.
February 14	Tax bills are mailed
April 30	First of two equal installment payments are due
May 31	Assessed value of property established for next year's levy at 100 percent of market value.
October 31	Second installment is due

Property tax revenues are recognized when cash is received by Snohomish Conservation District. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The Snohomish Conservation District’s regular rates and charges for Snohomish County for the year 2023 was \$10.00 per benefitted parcel plus \$0.10 per acre.

The District’s regular rates and charges for Island County for the year 2023 was \$5.00 per benefitted parcel plus \$0.05 per acre, with the exception of resource designated forest land which would range up to an amount not to exceed three dollars (\$3.00) per forest landowner plus ten percent (10%) of the weighted average of acreage charges imposed on all other land use categories.

Note 8 – Risk Management

Snohomish Conservation District is a member of the Enduris Washington (Pool). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and contract for risk management, claims, and administrative services. The Pool was formed on July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. For the Pool’s fiscal year ending August

Snohomish Conservation District
Notes to the Financial Statements
For the year ended December 31, 2023

31, 2023, there were 518 Enduris members representing a broad array of special purpose districts throughout the state.

The Enduris program provides various forms of joint self-insurance and reinsurance coverage for its members: Liability coverage, which includes General Liability, Automobile Liability, Public Officials’ Errors and Omissions liability, Terrorism liability and Employment Practices liability; Property coverage, which includes Building and Contents, Mobile Equipment, Boiler and Machinery, and Business Interruption/Extra Expense; Automobile Physical Damage coverage; Cyber coverage; Crime blanket coverage; Named Position coverage; and an Identity Fraud reimbursement policy. Pollution and Cyber coverage are provided on a claims-made coverage form. Crime coverage is provided on a discovery form. All other coverage is provided on an occurrence coverage form.

Members are responsible for a coverage deductible or co-pay on each covered loss. Each policy year members receive a Memorandum of Coverage (MOC) outlining the specific coverage, limits, and deductibles/co-pays that apply to them. In certain cases, the Pool may allow members to elect to participate in the programs at limits, coverage, deductibles, and co-pays that are specific to their needs. Enduris is responsible for payment of all covered losses above the member retention, up to the Pool self-insured retention (SIR). Enduris acquires excess/reinsurance from unrelated insurance companies to cover losses above the Pool’s SIR up to the coverage maximum limit of liability. The tables below reflect the Pool’s SIR, reinsurance limits, and member deductibles/co- pays by coverage type.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
Liability:				
General Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Automobile Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Public Officials Errors and Omissions Liability	Each Wrongful Act Member Aggregate	\$1 million	\$20 million \$20 million	\$1,000 - \$100,000
Terrorism Liability ⁽²⁾	Per Occurrence Pool Aggregate	\$500,000 \$1 million	None	\$1,000 - \$100,000
Employment Practices Liability	Per Occurrence Member Aggregate	\$1 million	\$20 million \$20 million	20% Copay ⁽³⁾

(1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible

(2) Terrorism liability is fully funded by the Pool i.e. no excess/reinsurance is procured.

(3) Members pay a 20% co-pay of costs. By meeting established guidelines, the co-pay may be waived.

Snohomish Conservation District
Notes to the Financial Statements
For the year ended December 31, 2023

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays (1)
Property (2):				
Buildings and Contents	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Boiler and Machinery (3)	Per Occurrence	Varies	\$100 million	Varies
Business Interruption (BI)/ Extra Expense (EE) (4)	Per Occurrence	\$250,000	\$100 million (BI)/ \$50 million (EE)	\$1,000 - \$250,000
Sublimit (5):				
Flood	Per Occurrence	\$250,000	\$50 million (shared by Pool members)	\$1,000 - \$250,000
Earthquake	Per Occurrence	5% of indemnity, subject to a \$250,000 minimum	\$10 million (shared by Pool members)	\$1,000 - \$250,000
Terrorism Primary	Per Occurrence Pool Aggregate	\$250,000	\$100 million per occurrence \$200 million aggregate	\$1,000 - \$250,000
Terrorism Excess	Per Occurrence APIP Per Occurrence APIP Aggregate	\$500,000	\$600 million/ Pool aggregate \$1.1 billion/ per occurrence APIP program \$1.4 billion/ APIP program aggregate	\$0
Automobile Physical Damage (6)	Per Occurrence	\$25,000; \$100,000 for Emergency Vehicles; \$250,000 for Emergency Vehicles valued >\$750,000	\$1 billion	\$250 - \$1,000
Crime Blanket (7)	Per Occurrence	\$50,000	\$1 million	\$1,000
Named Position (8)	Per Occurrence	\$50,000	\$1 million	\$1,000
Cyber (9)	Each Claim APIP Aggregate	\$100,000	\$2 million \$40 million	20% Copay
Identity Fraud Expense Reimbursement (10)	Member Aggregate	\$0	\$25,000	\$0

- (1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible.
- (2) Property coverage for each member is based on a detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement according to the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP) Reinsurance carriers cover insured losses over \$250,000 to the limit of \$1 billion except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.
- (3) Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.
- (4) Business Interruption/ Extra expense coverage is based on scheduled revenue-generating locations/operations. A limited number of members are scheduled, and the rest are limited to \$500,000 of coverage with a \$2.5 million Pool maximum for undeclared exposure. The waiting period (deductible) is typically 24 hours but there are exceptions specific to the type of exposure covered.
- (5) This sub-limit list is simplified and is not all-inclusive. In addition, sub-limits are often shared or aggregated by all pool members and, in a few cases, are shared by all APIP members. Deductibles often vary by coverage sub-limit.
- (6) Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detailed vehicle schedule.
- (7) Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance" of \$2,500 is provided to each member. Members may elect to "buy up" the level of coverage from \$5,000 to \$2 million.
- (8) Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits of between \$5,000 and \$1 million.
- (9) Cyber coverage is included under the Pool's Property program. Members are subject to a 20% co-pay per loss and the Pool's SIR is tiered between \$50,000 and \$100,000 depending on the insured/member's property TIV with an 8-hour waiting period. By meeting established guidelines, the co-pay may be waived. The reinsurance maximum limit of liability is \$2 million, with various declared sub-limits.
- (10) Enduris purchases Identity Fraud Expense Reimbursement coverage. Member claims do not have a deductible. There is a \$25,000 limit per member.

Snohomish Conservation District
Notes to the Financial Statements
For the year ended December 31, 2023

Members make an annual contribution to fund the Pool. Since Enduris is a cooperative program, there is joint liability among the participating members. There were no claim settlements above the insurance coverage in any of the last three policy years.

Upon joining the Pool, members are contractually obligated to remain in the Pool for a minimum of one year. They must give notice 60 days before renewal to terminate participation. The Interlocal Governmental Agreement (formerly known as the Master Agreement) is automatically renewed each year unless provisions for withdrawal or termination are applied. Even after termination, a member is still responsible for contributing to Enduris for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Governmental Agreement.

Its member participants fully fund Enduris. Members file claims with the Pool, which determines coverage and administers the claims.

The Pool is governed by a Board of Directors comprising seven board members. The Pool's members elect the Board, and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for overseeing the business affairs of Enduris and providing policy direction to the Pool's Executive Director.

Note 9 – SBITA (Lessees)

During 2023, the district adopted guidance for the presentation and disclosure of Subscription Based Information Technology Arrangements (SBITA), as required by the BARS manual. This requirement resulted in the addition of a subscription liability reported on the Schedule of Liabilities.

The District makes subscription payments of \$1,687 annually to Kaseya for file backup software as a service. The SBITA contract is for 3 years.

The total amount paid in 2023 was \$1,687. As of December 31, 2023, the future SBITA payments are as follows:

Year	SBITA Payments
2024	\$1,687
2025	\$1,687
Total	\$3,374

**Snohomish Conservation District
Schedule of Liabilities
For the Year Ended December 31, 2023**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.56	Copy Machine Lease		8,906	-	4,064	4,842
263.56	Kaseya Software Subscription (SBITA)		-	5,061	1,687	3,374
	Total General Obligation Debt/Liabilities:		8,906	5,061	5,751	8,216
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		159,444	75,613	-	235,057
264.30	Pension Liability		298,094	5,258	-	303,352
264.40	OPEB		872,986	-	75,375	797,611
	Total Revenue and Other (non G.O.) Debt/Liabilities:		1,330,524	80,871	75,375	1,336,020
	Total Liabilities:		1,339,430	85,932	81,126	1,344,236

**Snohomish Conservation District
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
AGRICULTURAL MARKETING SERVICE, AGRICULTURE, DEPARTMENT OF (via WA State Dept Of Agriculture (WSDA))	Specialty Crop Block Grant Program - Farm Bill	10.170	K3588	56,085	-	56,085	15,791	1
NATIONAL INSTITUTE OF FOOD AND AGRICULTURE, AGRICULTURE, DEPARTMENT OF (via Center for Rural Livelihoods (CRL))	Sustainable Agriculture Research and Education	10.215	AF-01	1,247	-	1,247	-	1
NATIONAL INSTITUTE OF FOOD AND AGRICULTURE, AGRICULTURE, DEPARTMENT OF (via Montana State University (MSU))	Sustainable Agriculture Research and Education	10.215	G121-23- W9209	48,469	-	48,469	15,615	1
NATIONAL INSTITUTE OF FOOD AND AGRICULTURE, AGRICULTURE, DEPARTMENT OF (via Northwest Natural Resource Group (NNRG))	Sustainable Agriculture Research and Education	10.215	G142-23- W9216- SubtoSCD	95	-	95	-	1
NATIONAL INSTITUTE OF FOOD AND AGRICULTURE, AGRICULTURE, DEPARTMENT OF (via Raising Cane Ranch (RCR))	Sustainable Agriculture Research and Education	10.215	RCR101	5,567	-	5,567	-	1
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF	Farm to School Grant Program	10.575		-	31,917	31,917	-	1, 2, 3
Total ALN 10.215:				55,378	-	55,378	15,615	

The accompanying notes are an integral part of this schedule.

**Snohomish Conservation District
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
RURAL BUSINESS COOPERATIVE SERVICE, AGRICULTURE, DEPARTMENT OF (via Pierce County Conservation District (PCD))	Rural Energy for America Program	10.868	22-1025	322	-	322	-	1, 3
RURAL BUSINESS COOPERATIVE SERVICE, AGRICULTURE, DEPARTMENT OF	Rural Energy for America Program	10.868		-	3,219	3,219	-	1,2,3
RURAL BUSINESS COOPERATIVE SERVICE, AGRICULTURE, DEPARTMENT OF	Rural Energy for America Program	10.868		-	31,921	31,921	43,972	1, 2, 3
Total ALN 10.868:				322	35,140	35,462	43,972	
NATURAL RESOURCES CONSERVATION SERVICE, AGRICULTURE, DEPARTMENT OF (via National Association Of Conservation Districts (NACD))	Soil and Water Conservation	10.902	NACD TA 2021 COTA	22,418	-	22,418	20,670	1, 3
NATURAL RESOURCES CONSERVATION SERVICE, AGRICULTURE, DEPARTMENT OF (via National Association Of Conservation Districts (NACD))	Soil and Water Conservation	10.902	NACD TA 2022 COTA	29,825	-	29,825	-	1, 3
Total ALN 10.902:				52,243	-	52,243	20,670	
NATURAL RESOURCES CONSERVATION SERVICE, AGRICULTURE, DEPARTMENT OF (via National Association Of Conservation Districts (NACD))	Environmental Quality Incentives Program	10.912	NACD TA 2021 EQIP	18,026	-	18,026	-	1, 3

The accompanying notes are an integral part of this schedule.

**Snohomish Conservation District
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
NATURAL RESOURCES CONSERVATION SERVICE, AGRICULTURE, DEPARTMENT OF (via National Association Of Conservation Districts (NACD))	Environmental Quality Incentives Program	10.912	NACD TA 2022 EQIP	11,024	-	11,024	-	1, 3
			Total ALN 10.912:	29,050	-	29,050	-	
NATURAL RESOURCES CONSERVATION SERVICE, AGRICULTURE, DEPARTMENT OF (via National Association Of Conservation Districts (NACD))	Conservation Stewardship Program	10.924	NACD TA 2021 CSP	15,472	-	15,472	-	1, 3
NATURAL RESOURCES CONSERVATION SERVICE, AGRICULTURE, DEPARTMENT OF (via National Association Of Conservation Districts (NACD))	Conservation Stewardship Program	10.924	NACD TA 2022 CSP	2,072	-	2,072	-	1, 3
			Total ALN 10.924:	17,544	-	17,544	-	
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via Recreation & Conservation Funding Board)	Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	21-1084	46,601	-	46,601	-	1, 3
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via WA Department Of Fish And Wildlife)	Habitat Conservation	11.463	19-15241	34,913	-	34,913	-	1, 2

The accompanying notes are an integral part of this schedule.

**Snohomish Conservation District
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via Edmonds College (EC))	Habitat Conservation	11.463	EDC-23-715	1,792	-	1,792	-	1
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via Tulalip Tribes)	Habitat Conservation	11.463	SCDILA23107	20,637	-	20,637	-	1,2
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via Snohomish County)	Habitat Conservation	11.463	SCDILA24102, 23-22747	17,398	-	17,398	-	1,3
Total ALN 11.463:				74,740	-	74,740	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Department Of Fish And Wildlife)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	21-18877	179,357	-	179,357	178,433	1,2
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Department Of Fish And Wildlife)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	23-23591	13,099	-	13,099	-	1

The accompanying notes are an integral part of this schedule.

**Snohomish Conservation District
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept Of Health)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	GVL24133	42,513	-	42,513	-	1,2
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept Of Health)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	GVL25007-0	95,141	-	95,141	32,542	1
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA State Dept Of Agriculture (WSDA))	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	K4490	5,137	-	5,137	-	1
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via City of Everett)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	SCDILA24105 (23-23154)	1,009	-	1,009	-	1
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via King County)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	WQNEP-2020- KCWLRD- 00058	33,984	-	33,984	-	1,2

The accompanying notes are an integral part of this schedule.

**Snohomish Conservation District
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Department Of Ecology (DOE))	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	WQNEP-2020- SnohCD-00065	66,947	-	66,947	-	1, 2
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Department Of Ecology (DOE))	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	WQNEP-2020- SnohCD-00069	70,272	-	70,272	-	1, 2
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Department Of Ecology (DOE))	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	WQNEP-2020- SnohCD-00071	42,765	-	42,765	3,515	1, 2
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Department Of Ecology (DOE))	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	WQNEP-2020- SnohCD-00074	49,263	-	49,263	-	1, 2
Total ALN 66.123:				599,487	-	599,487	214,491	
Total Federal Awards Expended:				931,450	67,057	998,507	310,538	

The accompanying notes are an integral part of this schedule.

Snohomish Conservation District

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2023

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting as the Snohomish Conservation District's financial statements. The Snohomish Conservation District uses the cash basis accounting method.

Note 2 – Federal Indirect Cost Rate

The Snohomish Conservation District has negotiated indirect rates for some of its Federal awards with pass-through agencies and therefore does not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance

The amount expended includes \$61,838.10 claimed as an indirect cost recovery using approved indirect cost rates ranging from 5% to 29.47%.

Note 3 – Program Costs

The amounts shown as current year expenditures represent only the federal award portion of the program costs. Entire program costs, including the Snohomish Conservation District's portion, are more than shown. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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