



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Snohomish Conservation District

For the period January 1, 2024 through December 31, 2024

Published September 18, 2025

Report No. 1038025



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

September 18, 2025

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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TABLE OF CONTENTS

Schedule of Findings and Questioned Costs.....	4
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	6
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance	9
Independent Auditor's Report on the Financial Statements.....	13
Financial Section.....	17
About the State Auditor's Office.....	36

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Snohomish Conservation District January 1, 2024 through December 31, 2024

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 each of its major federal programs.

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 programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
10.727	Inflation Reduction Act Urban & Community Forestry Program
11.463	Habitat Conservation
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, 2024 through December 31, 2024

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, 2024, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated September 9, 2025.

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, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

September 9, 2025

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, 2024 through December 31, 2024

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, 2024. 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

September 9, 2025

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Snohomish Conservation District January 1, 2024 through December 31, 2024

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, 2024, 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, 2024, 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, 2024, 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.

Matters of Emphasis

As discussed in Note 11 to the financial statements, in 2024, the District adopted new accounting guidance for presentation and disclosure of compensated absences, as required by the BARS Manual. Our opinion is not modified with respect to this matter.

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 9, 2025 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, reading "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

September 9, 2025

FINANCIAL SECTION

Snohomish Conservation District January 1, 2024 through December 31, 2024

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2024
Notes to Financial Statements – 2024

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2024
Schedule of Expenditures of Federal Awards – 2024
Notes to the Schedule of Expenditures of Federal Awards – 2024

Snohomish Conservation District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2024

Beginning Cash and Investments

308	Beginning Cash and Investments	3,687,866
388 / 588	Net Adjustments	-

Revenues

310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	4,395,427
340	Charges for Goods and Services	278,093
350	Fines and Penalties	-
360	Miscellaneous Revenues	2,624,897
Total Revenues:		<u>7,298,417</u>

Expenditures

510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	-
550	Natural/Economic Environment	6,740,772
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		<u>6,740,772</u>
Excess (Deficiency) Revenues over Expenditures:		<u>557,645</u>

Other Increases in Fund Resources

391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	19,962
Total Other Increases in Fund Resources:		<u>19,962</u>

Other Decreases in Fund Resources

594-595	Capital Expenditures	-
591-593, 599	Debt Service	17,582
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	861
Total Other Decreases in Fund Resources:		<u>18,443</u>

Increase (Decrease) in Cash and Investments: 559,164

Ending Cash and Investments

50821	Nonspendable	-
50831	Restricted	64,976
50841	Committed	-
50851	Assigned	-
50891	Unassigned	4,182,052
Total Ending Cash and Investments		<u>4,247,028</u>

The accompanying notes are an integral part of this statement.

Snohomish Conservation District
Notes to the Financial Statements
For the year ended December 31, 2024

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.

Snohomish Conservation District
Notes to the Financial Statements
For the year ended December 31, 2024

C. Cash and Investments

It is the District's policy to invest all temporary cash surpluses. The interest on these investments is added to the general fund. For further information see Note 3 - *Deposits and Investments*.

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 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 12/31/2024 was \$305,819.74.

F. Liabilities

See Note 5 – Long-Term Liabilities, Note 6 – Other Postemployment Benefits (OPEB Plans), and Note 7 – Pension Plans.

G. Leases and Subscription Based Information Technology Arrangements (SBITA)

Leases are reported as liabilities if the total payments over the life of the lease is more than \$0. SBITAs are reported as liabilities if the total payments over the life of the SBITA is more than \$0. For more information see Note 4 – Leases and Note 10 – SBITA.

H. 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	\$64,975.60	Grants and Donations with project-specific terms or conditions from sponsor, paid in advance rather than cost-reimbursable.
Totals	\$64,975.60	

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.

Snohomish Conservation District
Notes to the Financial Statements
For the year ended December 31, 2024

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	9,430,311	6,759,214	2,671,097
Total Funds	9,430,311	6,759,214	2,671,097

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 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, 2024 are as follows:

Type of Deposit or Investment	District's own deposits & investments	Total
Bank Deposits	\$3,758,907.49	\$3,758,907.49
LGIP	\$488,119.95	\$488,119.95
Totals	\$4,247,027.44	\$4,247,027.44

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.

Snohomish Conservation District
Notes to the Financial Statements
For the year ended December 31, 2024

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 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 copier/printer from Electronic Business Machines.

Initially in 2023 the District leased a Kyocera brand machine, paying \$310.88 monthly, then the cost inflated to \$317.27 monthly. The lease term for this machine was to conclude February 2025 and was renewable at that time. Until that end date, the lease was noncancelable and irrevocable.

In April 2024, the District signed a new lease with Electronic Business Machines for a replacement machine. This lease, for a Canon brand machine, was established for \$499.30 monthly. The lease term concludes March 2029 and is renewable at that time. Until that end date, the lease is noncancelable and irrevocable.

The District transitioned from the Kyocera to the Canon lease with no penalty for the unpaid balance on the prior lease. The District paid \$1,256.30 for the Kyocera lease in 2024 and the lease's remaining balance was canceled. The District then paid \$3,994.40 for the Canon lease.

The total amount paid for leases in 2024 was \$5,250.70. As of December 31, 2024, the future lease payments are as follows:

Year	Lease Payments
2025	\$6,112
2026	\$6,172
2027	\$6,172
2028	\$6,172
2029	\$2,057
Total	\$26,685

Snohomish Conservation District
Notes to the Financial Statements
For the year ended December 31, 2024

Note 5 – Long-Term Liabilities *(formerly Long-Term Debt)*

Compensated Absences

During the year ended December 31, 2024, the following changes occurred in compensated absences:

ID. No.	Description	Maturity/Payment	Beginning	Additions	Reductions	Ending Balance
		Due Date	Balance			
		__/__/20__	01/01/2024			12/31/2024
259.12	Compensated Absences		\$235,056.95	\$70,762.79		\$305,819.74

Note 6 – 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 40 active plan members and 4 retired plan members as of December 31, 2024. As of December 31, 2024, the district’s total OPEB liability was \$617,679 as calculated using the alternative measurement method. The district contributed \$20,338 to the plan for the year ended December 31, 2024.

Note 7 – Pension Plans

A. State Sponsored Pension Plans

Substantially all the 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, 2024

At June 30, 2024 (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 Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	\$82,411.91	0.013767%	\$1,776,838,000.00	\$244,617.29	
PERS 2/3	\$173,560.06	0.017633%	-\$3,296,573,000.00		-\$581,284.72
		Totals		\$244,617.29	-\$581,284.72

Note 8 - 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 District's regular rates and charges for Snohomish County for the year 2024 was \$10.00 per benefitted parcel plus \$0.10 per acre.

The District's regular rates and charges for Island County for the year 2024 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.

Washington State Constitution and Washington State law, RCW 89.08.405, limit the rate.

Snohomish Conservation District
Notes to the Financial Statements
For the year ended December 31, 2024

Note 9 – Risk Management

Snohomish Conservation District is a member of the Enduris Washington (the 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, under 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. During the Pool's fiscal year ending August 31, 2024, there were 507 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 and reported 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 some instances, the Pool may allow members to elect to participate in the programs at limits, coverage, deductibles, and co-pays specific to their needs. Enduris is responsible for payment of all covered losses above the member deductible or copay 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	\$500,000	None	\$1,000 - \$100,000

Snohomish Conservation District
Notes to the Financial Statements
For the year ended December 31, 2024

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
	Pool Aggregate	\$1 million		
Employment Practices Liability	Per Occurrence Member Aggregate	\$1 million	\$20 million \$20 million	20% Copay ⁽³⁾
Property ⁽⁴⁾:				
Buildings and Contents	Per Occurrence	\$500,000	\$1 billion	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$500,000	\$1 billion	\$1,000 - \$250,000
Boiler and Machinery	Per Occurrence	\$500,000	\$100 million	\$1,000 - \$250,000
Business Interruption (BI)/ Extra Expense (EE) ⁽⁵⁾	Per Occurrence	\$500,000	\$100 million (BI)/ \$50 million (EE)	\$1,000 - \$250,000
Sublimit ⁽⁶⁾:				
Flood	Per Occurrence	\$500,000	\$50 million (shared by Pool members)	\$1,000 - \$250,000
Earthquake	Per Occurrence	5% of indemnity, subject to a \$500,000 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 ⁽⁷⁾	Per Occurrence	\$500,000 with exceptions	\$1 billion	\$250 - \$1,000
Cyber ⁽⁸⁾	Each Claim APIP Aggregate	\$50,000 to \$100,000 with waiting period	\$2 million \$45 million	20% Copay
Pollution ⁽⁹⁾	Each Claim APIP Aggregate	\$250,000 with exceptions	\$2 million \$25 million	\$1,000 - \$250,000
Crime Blanket ⁽¹⁰⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Named Position ⁽¹¹⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Identity Fraud Expense Reimbursement ⁽¹²⁾	Member Aggregate	\$0	\$25,000	\$0

Snohomish Conservation District
Notes to the Financial Statements
For the year ended December 31, 2024

- (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 are responsible for a 20% co-pay for Employment Practices Liability coverage claim costs. However, the co-pay may be waived if they meet established guidelines.
- (4) 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 \$500,000 to the limit of \$1 billion, except for certain types of sub-limited property losses such as floods, earthquakes, and terrorism.
- (5) Business Interruption (BI) / Extra Expense (EE) coverage is based on scheduled revenue-generating locations/operations. A limited number of members are scheduled; 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.
- (6) This Property Program 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.
- (7) Auto Physical Damage coverage includes comprehensive, collision, and additional coverage (i.e., rental reimbursement, towing, and personal property). Each member's coverage is based on a detailed vehicle schedule. The Pool's Auto Physical Damage coverage deductible is \$500,000 per occurrence with certain exceptions: \$25,000 for on-premises comprehensive and collision; a \$100,000 minimum for emergency vehicles and all other vehicles with an RCV of \$250,000 to \$750,000; \$250,000 for all vehicles with an RCV above \$750,000.
- (8) Cyber coverage is included under the Pool's Property program on an optional basis. 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.
- (9) Pollution coverage is included under the Pool's Property program on an optional basis. Members are subject to a 20% co-pay per loss. The Pool's SIR is \$250,000, with certain specific deductibles ranging from \$250,000 to \$1 million. The reinsurance maximum limit of liability is \$2 million, with various declared sub-limits.
- (10) Each member is provided with \$2,500 of Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance"). Members may elect to "buy up" the coverage from \$2,500 to \$1 million.
- (11) 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.
- (12) Enduris purchases Identity Fraud Expense Reimbursement coverage. Member claims are not subject to a deductible; the limit is \$25,000 per member.

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

Upon joining the Pool, members are contractually obligated to remain for at least 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. Any Member terminated or withdrawing from the Pool shall be liable pro-rata for any assessments levied against Members for any year in which that Member belonged to the Pool as if they were still a Member.

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

A seven-member Board of Directors governs the Pool. The Pool's members elect the Board, and the positions are filled on a rotating basis. The Board meets quarterly, oversees Enduris' business affairs, and provides policy direction to the Pool's Executive Director.

Snohomish Conservation District
Notes to the Financial Statements
For the year ended December 31, 2024

Note 10 – 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 to Kaseya for file backup software as a service. The 3-year SBITA term concludes April 2026 and is renewable at that time. Until that end date, the agreement is noncancelable and irrevocable. Initially in 2024 the annual cost was \$1,543.50. Mid-2024, the District added additional services to the contract, under the same terms including contract end date. The annual cost of the additional services is \$1,080, which was pro-rated in 2024 for the partial year.

The Kaseya SBITA expenditures were miscalculated in 2023 to include sales tax. In 2024 this was corrected, such that the beginning balance in the 2024 report does not match the 2023 ending balance.

In 2024 the District entered a new agreement with Agosto for email backup and data storage software as a service. The SBITA term concludes August 2027 and is renewable at that time. Until that end date, the agreement is noncancelable and irrevocable. The annual cost will be \$10,209.60 for each future year.

The total amount paid for SBITAs in 2024 was \$12,330.92. As of December 31, 2024, the future SBITA payments are as follows:

Year	SBITA Payments
2025	\$12,833
2026	\$10,210
Total	\$23,043

Note 11 – Accounting Changes & Error Corrections

During fiscal year 2024, the District implemented GASB 101 resulting in a change in accounting estimate for sick leave liability. GASB 101 required the District to estimate the value of employee sick leave accrual balances that would be used in the subsequent year (which would be paid at 100% value, including employer paid benefits relevant to the use of the accrued benefit). In prior years sick leave accrual balance liability had been calculated solely on the basis of its separation payout value (25%). Implementation of the accounting standard resulted in an increase of \$65,279.97 liability reported on the Schedule of Long-Term Liabilities.

**Snohomish Conservation District
Schedule of Liabilities
For the Year Ended December 31, 2024**

ID. No.	Debt ID Title	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities							
263.56	Leases, SBITA, and PPPs	Copy Machine Lease - Kyocera		4,429	-	4,429	-
263.56	Leases, SBITA, and PPPs	Copy Machine Lease - Canon		-	30,679	3,994	26,685
263.56	Leases, SBITA, and PPPs	Kaseya Backup SaaS Subscription (SBITA)		3,087	1,754	2,218	2,623
263.56	Leases, SBITA, and PPPs	Agosto Google Backup SaaS Subscription (SBITA)		-	30,532	10,113	20,419
Total General Obligation Debt/Liabilities:				7,516	62,965	20,754	49,727
Revenue and Other (non G.O.) Debt/Liabilities							
259.12	Compensated Absences	Compensated Absences		235,057	70,763	-	305,820
264.30	Pension Liabilities	Pension Liability		303,352	-	58,735	244,617
264.40	OPEB Liabilities	OPEB		797,611	-	179,932	617,679
Total Revenue and Other (non G.O.) Debt/Liabilities:				1,336,020	70,763	238,667	1,168,116
Total Liabilities:				1,343,536	133,728	259,421	1,217,843

**Snohomish Conservation District
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Total	Passed through to Subrecipients
AGRICULTURAL MARKETING SERVICE, AGRICULTURE, DEPARTMENT OF (via WA State Dept Of Agriculture (WSDA))	Specialty Crop Block Grant Program - Farm Bill	10.170	K3588	132,252	-	132,252	19,954 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	3,345	-	3,345	- 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	82,509	-	82,509	55,151 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	851	-	851	- 1
Total ALN 10.215:				86,705	-	86,705	55,151
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF	Farm to School Grant Program	10.575	-	-	30,699	30,699	- 1,2,3
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF	Inflation Reduction Act Urban & Community Forestry Program	10.727	-	-	129,000	129,000	- 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, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Expenditures				Passed through to Subrecipients	Note
			Other Award Number	From Pass- Through Awards	From Direct Awards	Total		
RURAL BUSINESS COOPERATIVE SERVICE, AGRICULTURE, DEPARTMENT OF	Rural Energy for America Program	10.868	-	-	91,832	91,832	70,016	1,2,3
NATURAL RESOURCES CONSERVATION SERVICE, AGRICULTURE, DEPARTMENT OF (via National Association Of Conservation Districts (NACD))	Soil and Water Conservation	10.902	NACD TA 2022 COTA	90,175	-	90,175	-	1,3
NATURAL RESOURCES CONSERVATION SERVICE, AGRICULTURE, DEPARTMENT OF (via National Association Of Conservation Districts (NACD))	Soil and Water Conservation	10.902	NACD TA 2023 COTA	18,483	-	18,483	-	1,3
NATURAL RESOURCES CONSERVATION SERVICE, AGRICULTURE, DEPARTMENT OF (via Skagit Conservation District (Skagit CD))	Soil and Water Conservation	10.902	NR243A750003 C055-Sub 01	4,893	-	4,893	-	1
NATURAL RESOURCES CONSERVATION SERVICE, AGRICULTURE, DEPARTMENT OF (via National Association Of Conservation Districts (NACD))	Soil and Water Conservation	10.902	UAC-FY2024- MOA-WA-SCD	5,895	-	5,895	-	1,3
			Total ALN 10.902:	119,446	-	119,446	-	
NATURAL RESOURCES CONSERVATION SERVICE, AGRICULTURE, DEPARTMENT OF (via National Association Of Conservation Districts (NACD))	Environmental Quality Incentives Program	10.912	NACD TA 2022 EQIP	28,976	-	28,976	-	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, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Expenditures				Passed through to Subrecipients	Note
			Other Award Number	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 2023 EQIP	3,202	-	3,202	-	1,3
			Total ALN 10.912:	32,178	-	32,178	-	
NATURAL RESOURCES CONSERVATION SERVICE, AGRICULTURE, DEPARTMENT OF (via National Association Of Conservation Districts (NACD))	Conservation Stewardship Program	10.924	NACD TA 2022 CSP	37,929	-	37,929	8,165	1,3
NATURAL RESOURCES CONSERVATION SERVICE, AGRICULTURE, DEPARTMENT OF (via National Association Of Conservation Districts (NACD))	Conservation Stewardship Program	10.924	NACD TA 2023 CSP	2,236	-	2,236	-	1,3
			Total ALN 10.924:	40,165	-	40,165	8,165	
NATURAL RESOURCES CONSERVATION SERVICE, AGRICULTURE, DEPARTMENT OF	Agricultural Conservation Easement Program	10.931		-	24,699	24,699	-	1,2
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via Recreation and Conservation Funding Board)	Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	21-1084	44,957	-	44,957	-	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, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Expenditures				Passed through to Subrecipients	Note
			Other Award Number	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	53,650	-	53,650	-	1
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via Tulalip Tribes)	Habitat Conservation	11.463	SCDILA23107	47,803	-	47,803	-	1,2,3
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via Snohomish County)	Habitat Conservation	11.463	SCDILA24102, 23-22747	98,361	-	98,361	-	1,3
			Total ALN 11.463:	199,814	-	199,814	-	
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	102,313	-	102,313	53,086	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	22,209	-	22,209	-	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, 2024**

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 City of Everett)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	SCDILA24105 (23-23154)	5,830	-	5,830	-	1
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Snohomish County)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	SCDILA24113	11,358	-	11,358	-	1
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	38,548	-	38,548	-	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	87,154	-	87,154	-	1,2
Total ALN 66.123:				267,412	-	267,412	53,086	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA Military Department (WMD))	State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program	97.137	E24-359	86,491	-	86,491	-	1
Total Federal Awards Expended:				1,009,420	276,230	1,285,650	206,371	

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, 2024

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

Initially in 2024, the Snohomish Conservation District had negotiated indirect rates for some of its Federal awards with pass-through agencies. Indirect cost recovery was based on using approved indirect cost rates ranging from 5% to 29.35%.

Effective 10/1/2024, the Snohomish Conservation District discontinued use of any negotiated indirect rates. As of that date, all indirect cost recovery was based on the de minimis indirect cost rate (which was 10% for grants executed prior to 10/1 and 15% for those executed following), other than cases where the District unilaterally elected to apply an indirect cost rate less than the de minimis rate.

The amount expended includes \$21,440 claimed as an indirect cost recovery using an approved indirect cost rate of 5 to 29.35 percent.

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.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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