

COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

FINANCIAL STATEMENTS  
With Independent Auditor's Report

YEARS ENDED DECEMBER 31, 2024 AND 2023

UNIFORM GUIDANCE SUPPLEMENTARY FINANCIAL REPORTS  
YEAR ENDED DECEMBER 31, 2024

COMMUNITY  
**FOUNDATION**  
of Snohomish County

COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Community Foundation of Snohomish County  
Everett, Washington

### **Opinion**

We have audited the accompanying financial statements of Community Foundation of Snohomish County (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Foundation of Snohomish County as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Foundation of Snohomish County and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Community Foundation of Snohomish County's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Foundation of Snohomish County'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 Community Foundation of Snohomish County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic 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 August 5, 2025, on our consideration of the Community Foundation of Snohomish County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community Foundation of Snohomish County'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 Community Foundation of Snohomish County's internal control over financial reporting and compliance.



Jacobson Jarvis & Co, PLLC  
Seattle, Washington  
August 5, 2025

COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
Current Assets		
Cash and cash equivalents	\$ 2,366,421	\$ 1,918,253
Investments	7,918,164	11,352,110
Investments held for others	3,758,664	3,498,333
Grants receivable	212,292	-
Promises to give	700,000	790,598
Loan receivable	600,000	-
Prepaid expenses	88,323	-
Total Current Assets	15,643,864	17,559,294
Promises to Give, net of current portion	500,000	375,000
Bequest Receivable	5,500,000	5,500,000
Loan Receivable, net of current portion	-	600,000
Assets Held in Trust	273,790	269,886
Life Insurance Cash Surrender Value	255,965	305,903
Endowment Investments	33,249,641	31,771,373
Right of Use Assets - Operating	-	211,979
Property and Equipment, net	321,004	328,918
	<u>\$ 55,744,264</u>	<u>\$ 56,922,353</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 81,472	\$ 19,866
Accrued payroll liabilities	87,358	63,213
Grant funds held for distribution	7,168	4,606
Grants payable	4,533	70,000
Current portion operating lease liabilities	-	105,944
Funds held for others	3,758,664	3,498,333
Total Current Liabilities	3,939,195	3,761,962
Long-term Operating Lease Liabilities, net of current portion	-	110,458
Total Liabilities	3,939,195	3,872,420
Net Assets		
Without donor restrictions		
Undesignated	15,302,711	18,908,696
Board-designated capital reserve	167,097	156,109
Board-designated endowment	384,726	1,006,218
Total Without Donor Restrictions	15,854,534	20,071,023
With donor restrictions	35,950,535	32,978,910
Total Net Assets	<u>51,805,069</u>	<u>53,049,933</u>
	<u>\$ 55,744,264</u>	<u>\$ 56,922,353</u>

See notes to financial statements.

COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support						
Contributions	\$ 577,487	\$ 4,226,518	\$ 4,804,005	\$ 929,107	\$ 5,587,726	\$ 6,516,833
Government grants	2,184,741		2,184,741	780,742		780,742
Fundraising events	62,700	-	62,700	33,450	-	33,450
Total Public Support	2,824,928	4,226,518	7,051,446	1,743,299	5,587,726	7,331,025
Revenue						
Investment gain/(loss)	869,217	3,531,182	4,400,399	1,452,565	3,442,616	4,895,181
Rental income	66,351	-	66,351	65,770	-	65,770
Administrative fees and other	323,734	-	323,734	417,179	-	417,179
Total Revenue	1,259,302	3,531,182	4,790,484	1,935,514	3,442,616	5,378,130
Net Assets Released from Restrictions						
Satisfaction of purpose restrictions	4,586,075	(4,586,075)	-	2,927,608	(2,927,608)	-
Satisfaction of time restrictions	200,000	(200,000)	-	200,000	(200,000)	-
	4,786,075	(4,786,075)	-	3,127,608	(3,127,608)	-
Total Public Support, Revenue, and Other Support	8,870,305	2,971,625	11,841,930	6,806,421	5,902,734	12,709,155
Expenses						
Program services	12,453,169		12,453,169	11,812,720		11,812,720
Management and general	464,648		464,648	373,744		373,744
Fundraising	168,977		168,977	190,374		190,374
Total Expenses	13,086,794		13,086,794	12,376,838		12,376,838
Total Change in Net Assets	(4,216,489)	2,971,625	(1,244,864)	(5,570,417)	5,902,734	332,317
Net Assets - Beginning of Year	20,071,023	32,978,910	53,049,933	25,641,440	27,076,176	52,717,616
Net Assets - End of Year	\$ 15,854,534	\$ 35,950,535	\$ 51,805,069	\$ 20,071,023	\$ 32,978,910	\$ 53,049,933

COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024						2023					
	Program Services <u>Operations</u>	Program Services <u>Casino Road</u>	Total Program Services	Management and <u>General</u>	<u>Fundraising</u>	<u>Total</u>	Program Services <u>Operations</u>	Program Services <u>Casino Road</u>	Total Program Services	Management and <u>General</u>	<u>Fundraising</u>	<u>Total</u>
Grants and scholarships	\$10,551,149	\$ 195,274	\$10,746,423	\$ -	\$ -	\$10,746,423	\$10,016,834	\$ 275,281	\$10,292,115	\$ -	\$ -	\$10,292,115
Salaries and wages	371,759	641,715	1,013,474	251,878	125,323	1,390,675	400,725	572,781	973,506	201,855	116,138	1,291,499
Professional services	85,559	78,289	163,848	122,737	90	286,675	38,397	24,684	63,081	96,094	2,553	161,728
Payroll taxes and benefits	70,778	123,708	194,486	40,631	19,660	254,777	58,278	93,354	151,632	28,610	19,073	199,315
Building expenses	16,936	177,953	194,889	9,722	4,704	209,315	13,259	168,094	181,353	6,509	4,339	192,201
Office expenses	28,029	39,295	67,324	16,307	7,890	91,521	33,382	39,190	72,572	16,384	10,923	99,879
Training and development	36,626	4,659	41,285	21,089	10,205	72,579	45,368	1,135	46,503	22,271	14,848	83,622
CRUT distributions	26,915	-	26,915	-	-	26,915	26,915	-	26,915	-	-	26,915
Depreciation	3,977	548	4,525	2,284	1,105	7,914	4,118	925	5,043	2,021	1,348	8,412
Marketing	-	-	-	-	-	-	-	-	-	-	21,152	21,152
Total Expenses	<u>\$11,191,728</u>	<u>\$ 1,261,441</u>	<u>\$12,453,169</u>	<u>\$ 464,648</u>	<u>\$ 168,977</u>	<u>\$13,086,794</u>	<u>\$10,637,276</u>	<u>\$ 1,175,444</u>	<u>\$11,812,720</u>	<u>\$ 373,744</u>	<u>\$ 190,374</u>	<u>\$12,376,838</u>



COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities</b>		
Cash received from:		
Donors	\$ 6,407,239	\$ 7,915,312
Investments	111,367	17,155
Other revenue	390,085	482,949
Cash paid for:		
Personnel	(1,621,307)	(1,466,830)
Grants and scholarships	(10,809,328)	(10,223,545)
Services and supplies	<u>(748,964)</u>	<u>(710,065)</u>
Net Cash Used by Operating Activities	<u>(6,270,908)</u>	<u>(3,985,024)</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(8,579,575)	(693,863)
Proceeds from sale of investments	<u>15,298,651</u>	<u>2,037,408</u>
Net Cash Provided by Investing Activities	<u>6,719,076</u>	<u>1,343,545</u>
Changes in Cash and Cash Equivalents	448,168	(2,641,479)
Cash and Cash Equivalents - beginning of year	<u>1,918,253</u>	<u>4,559,732</u>
Cash and Cash Equivalents - end of year	<u>\$ 2,366,421</u>	<u>\$ 1,918,253</u>

# COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

### NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Community Foundation of Snohomish County (the Foundation) is a nonprofit, tax-exempt organization incorporated under the laws of the State of Washington. The Foundation serves as a community foundation, supporting a broad spectrum of philanthropic interests, including arts and culture, health and welfare, education, human services, the environment, and community development.

The Foundation's mission is to strengthen community and thoughtfully change lives in greater Everett and Snohomish County. It carries out this mission by building permanent charitable funds, connecting donors to charitable causes, making effective grants, and providing leadership to address community issues. The Foundation fulfills multiple roles—as a funder, partner, and catalyst for change—and is committed to advancing equity by dismantling systemic racism and oppressive practices within both its organization and the broader community.

#### Income taxes

The Internal Revenue Service has recognized Community Foundation of Snohomish County as exempt from federal income taxes under provision of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and not as a private foundation.

#### Basis of presentation

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

The Board of Directors has designated otherwise unrestricted net assets to act as a capital reserve in anticipation of future capital replacements and improvements. Capital reserves are intended for large planned or emergency capital needs. A separate capital reserve fund was established in 2011 and is increased periodically with board approval in anticipation of future capital replacements and improvements. The board designated capital reserve balance as of December 31, 2024 and 2023 was \$167,097 and \$156,109, respectively.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net assets with donor restrictions as of December 31 are as follows:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specific purpose:		
Non-endowed grant making funds	\$ 1,012,626	\$ 855,752
Connect Casino Road	200,000	325,000
Housing and Workforce for Casino Road	7,332	50,000
Stanwood Camano Alliance for Equity	152,574	207,214
Affordable Housing Project	358,333	-
Family Resource Center	75,000	-
Future use in subsequent years	<u>750,000</u>	<u>200,000</u>
	<u>2,555,865</u>	<u>1,637,966</u>
Endowments:		
Subject to Foundation endowment spending policy and appropriation:		
Donor-advised endowment funds	9,967,250	9,855,836
General endowment funds	18,591,768	17,528,964
Community impact endowment funds	2,493,638	1,713,717
Field of interest endowment funds	675,380	605,456
Scholarship endowment funds	<u>1,136,879</u>	<u>1,061,182</u>
	<u>32,864,915</u>	<u>30,765,155</u>
Not subject to Foundation endowment spending policy and appropriation:		
Life Insurance	255,965	305,903
Assets held in trust	<u>273,790</u>	<u>269,886</u>
	<u>\$ 35,950,535</u>	<u>\$ 32,978,910</u>

The Foundation's grant distribution goal is to provide a consistent and stable flow of grants. The annual grant expenditure allowed will be four percent of the fund balances, unless otherwise stated in the fund agreement. The allocation is made in January based upon the average of the prior three year-end fund balances. A minimum of \$500 can be provided in annual grants from funds that have achieved a minimum balance of \$25,000 and have achieved four quarters of earnings.

Administrative fees are charged quarterly to individual funds at rates established in the donor fund agreements. These fees are reported as reclassifications between the applicable net asset classes at the time they are charged to donor funds.

# COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

### NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released from restriction when the assets are placed in service.

#### Cash

For the purpose of reporting cash flows, the Foundation considers all cash accounts which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with an original maturity of three months or less, to be cash equivalents. The Foundation maintains its cash and cash equivalents in bank accounts that may exceed federally insured limits at times during the year. The Foundation does business with local banks and their policy is to review the bank accounts/balances with those banks and to monitor the banks' tier 1 capital ratio annually.

#### Investments

Investments are reported at their fair values in the statement of financial position. Market risk could occur and is dependent on the future changes in market prices of the various investments held. Investment returns are allocated between funds in the investment pool, which include endowment funds and funds with donor restrictions based upon allowed uses.

#### Fair value measurements

In accordance with financial accounting standards, a three-tiered hierarchy of input levels is used for measuring fair value. Financial accounting standards defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques utilized to determine fair value are consistently applied. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period. The three tiers of inputs used for fair value measurements are as follows:

Level 1: Fair values are based on quoted prices in active markets for identical assets and liabilities.

Level 2: Fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets.

# COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

### NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Level 3: Fair values are calculated by the use of pricing models and/or discounted cash flow methodologies, and may require significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data.

#### Promises to give

Unconditional promises to give are stated at net realizable value. In accordance with financial accounting standards, unconditional promises to give are recognized as support in the period received. Promises to give were due as follows at December 31:

	<u>2024</u>	<u>2023</u>
Receivable in less than one year	\$ 700,000	\$ 790,598
Receivable in one to five years	<u>500,000</u>	<u>375,000</u>
	<u>\$ 1,200,000</u>	<u>\$ 1,165,598</u>

Promises to give are all considered fully collectible at December 31, 2024 and 2023. In addition, any net present value discount would be insignificant. One donor represented 94% and 69% of promises to give as of December 31, 2024 and 2023, respectively.

#### Bequests

Bequests are recognized at the time the Foundation's right to them is established by a court and the proceeds are subject to reasonable estimation.

#### Grants receivable

Grants receivable consist of revenues earned but not yet received from grants administered by various federal, state and local government agencies. Management reviews the collectibility of grants receivable on a periodic basis. Grants receivable are stated at net realizable value and are considered fully collectible.

#### Support and revenue recognition

The Foundation recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. As of December 31, 2024 and 2023, there were no conditional contributions and grants for which no amounts had been received in advance.

The Foundation recognizes revenue from space rentals in the period in which the space is occupied. The Foundation records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference.

COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment

Property and equipment are stated at cost or, if donated, at fair value at date of donation. Property and equipment with an original cost of \$5,000 or greater are capitalized. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, principally two to seven years. Property and equipment consist of the following:

	<u>2024</u>	<u>2023</u>
Building and improvements	\$ 350,128	\$ 350,128
Furniture and equipment	<u>65,797</u>	<u>65,797</u>
	415,925	415,925
Less accumulated depreciation	<u>(246,121)</u>	<u>(238,207)</u>
	169,804	177,718
Land	<u>151,200</u>	<u>151,200</u>
	<u>\$ 321,004</u>	<u>\$ 328,918</u>

Volunteer Services

In accordance with financial accounting standards, donated services are recorded as in-kind contributions and are recognized as revenue at estimated values at the date of receipt if they (a) create or enhance non-financial assets, or (b) require specialized skills and would need to be purchased if not provided by donation. However, many volunteers have donated significant amounts of their time to the Foundation. The in-kind value of these volunteer hours donated is not recognized as revenue as it does not meet the criteria for recognition.

Grants

Grants are approved by the Board of Directors of the Foundation in accordance with respective by-laws and guidelines. Grants are recorded in the financial statements when approved.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and of functional expenses. Where possible, specific expenses have been charged directly to the appropriate category. When functions are shared or costs are intermingled, expenses are allocated based on employee counts (such as facilities and portions of IT costs) or estimated percentage of effort.

Advertising

The Foundation's policy is to expense advertising costs as they are incurred.

# COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

### NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Reclassifications

Certain amounts in the 2023 financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. These reclassifications had no effect on the net assets or change in net assets as of or for the year ended December 31, 2023.

### NOTE B - LIQUIDITY

The Foundation manages its cash to meet general expenditures and grants following three guiding principles:

- Operating within a prudent range of financial soundness and stability;
- Maintaining adequate liquid assets; and
- Maintaining sufficient reserves to provide reasonable assurance that obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

General expenditures include management and general expenses, fundraising expenses and some program expenses. Administrative fees provide an ongoing source of income for general operations and programs. Fees are assessed on funds quarterly, based on fund balance and/or activity. The Foundation manages its cash available for grant purposes by examining the purpose for which the fund was established and whether the fund is endowed or not. Endowed funds are generally invested in the Foundation's Investment Pool. The amount available for granting is calculated annually according to the Foundation's spending policy. In order to protect the principal value of an endowment, no grant distributions are made that will cause the spendable balance to fall below zero.

COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE B - LIQUIDITY (Continued)

Financial assets available for general expenditure, that is, without donor or other restriction limiting their use, within one year of the statement of financial position date comprise of the following:

	<u>2024</u>	<u>2023</u>
Total financial assets	\$ 55,334,937	\$ 56,381,456
Less amounts not available to be used within one year:		
Long-term promises to give	(500,000)	(375,000)
Loan Receivable	-	(600,000)
Assets held in trust	(273,790)	(269,886)
Life Insurance Cash Surrender Value	(255,965)	(305,903)
Board-designated capital reserve	(167,097)	(156,109)
Donor restricted funds	(1,012,626)	(855,752)
Endowment investments	(33,249,641)	(31,771,373)
Bequest Receivable	(5,500,000)	(5,500,000)
	<u>\$ 14,375,818</u>	<u>\$ 16,547,433</u>

NOTE C - FAIR VALUE MEASUREMENTS

Fair value of assets measured on a recurring basis (at least annually) is as follows:

<u>At December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 3,717,076	\$ -	\$ -	\$ 3,717,076
Stocks and mutual funds	35,378,025	-	-	35,378,025
Fixed income funds	5,831,368	-	-	5,831,368
	<u>\$ 44,926,469</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,926,469</u>
 <u>At December 31, 2023</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>	 <u>Total</u>
Money market funds	\$ 4,197,363	\$ -	\$ -	\$ 4,197,363
Stocks and mutual funds	33,353,507	-	-	33,353,507
Fixed income funds	9,070,946	-	-	9,070,946
	<u>\$ 46,621,816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,621,816</u>

Assets and liabilities carried at fair value on a nonrecurring basis using level 2 inputs generally include donated goods, facilities and services. Long-term promises to give are valued on a nonrecurring basis using the net present value of future cash flows discounted at a risk-free rate of return which is a level 3 input. The Foundation also uses fair value concepts to test various long-lived assets for impairment.



## COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

### NOTES TO FINANCIAL STATEMENTS

#### YEARS ENDED DECEMBER 31, 2024 AND 2023

##### NOTE D - BEQUEST

The Foundation is the beneficiary of a bequest under a will in which clear title has been established and the proceeds are measurable. As of December 31, 2024, management is awaiting for the IRS to determine the final amount and believes that the remaining bequest receivable of \$5,500,000 is fully collectible. The bequest remains pending, and the Foundation is awaiting a determination from the Internal Revenue Service (IRS) regarding the final amount. The delay in resolution is attributed to staff transitions within the IRS.

##### NOTE E - ASSETS HELD IN TRUST

In 2010, the Foundation became the beneficiary of a charitable remainder trust. Under the terms of this split-interest agreement, the Foundation is to receive the full balance of the trust upon the death of the donor. The receivable for the split-interest agreement is carried at fair value of the underlying investments based on quoted prices in the active market, which was \$273,790 and \$269,886, respectively, as of December 31, 2024 and 2023.

##### NOTE F - IMPACT INVESTING NOTES RECEIVABLE

During 2016, the Foundation loaned HopeWorks Social Enterprises (the Company) \$300,000 and in 2018, an additional \$300,000 for Phase II. The Company purchased property and an adjacent lot to be used to house at least three of the social enterprises developed and owned by the Company. This loan will help to payback the loans that are owed to the bank, another organization, and do repairs on the property. Interest is paid annually at 2% for the first 3 years, 3% afterwards. The loan is due in 2025. The loan is secured by the property.

##### NOTE G - LIFE INSURANCE CASH SURRENDER VALUE

In 2002, the Foundation became beneficiary of a \$2,000,000 life insurance policy. In 2018, the life insurance policy was changed to a non-bill status.

##### NOTE H - FUNDS HELD FOR OTHERS

The Foundation holds assets under agency fund agreements for the benefit of twenty-eight and twenty-nine unrelated nonprofit organizations, respectively for the years ended December 31, 2024 and 2023. These funds may be provided to the respective beneficiaries upon their request, and as such, are included in current liabilities in the Foundation's statements of financial position.

## COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

### NOTES TO FINANCIAL STATEMENTS

#### YEARS ENDED DECEMBER 31, 2024 AND 2023

##### NOTE I - ENDOWMENT

The Foundation's endowment consists of 136 individual funds for the years ended December 31, 2024 and 2023 established for a variety of purposes. The Foundation's Board has designated net assets with donor restrictions for various purposes to aid in the management of the Foundation's resources and to satisfy certain board objectives. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments.

As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

##### Interpretation of Relevant Law

The State of Washington enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) in 2009. The Board of directors and management of the Foundation have determined that requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment absent explicit donor stipulations to the contrary is appropriate. The Foundation classifies net assets with donor restrictions as (a) the original value of gifts donated to the endowment with donor restrictions, and (b) the original value of subsequent gifts to the endowment with donor restrictions. The Foundation maintains an ongoing relationship with its donors and, with donor permission, allows appropriation of endowment funds in accordance with the Foundation's grant policy.

##### Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period.

Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to provide an average rate of return of approximately six to eight percent annually. Actual returns in any given year may vary from this amount.

##### Strategies for Achieving Objectives

To satisfy its long-term rate-of-return objective, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

# COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

### NOTE I - ENDOWMENT (Continued)

#### Spending Policy and How the Investment Objectives Relate to Spending Policy

The primary investment objective of the Foundation is to earn through a combination of appreciation and income annual return net of fees of 6-8%. This return should cover the spending rate of the Foundation plus administrative fees plus the inflation rate as measured by the consumer price index.

#### Change in Endowment Net Assets for the Year Ended December 31, 2024:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Endowment Funds, beginning of year	\$ 1,006,218	\$ 30,765,155	\$ 31,771,373
Contributions	90,000	1,693,233	1,783,233
Investment gain/(loss)	98,838	3,507,483	3,606,321
Appropriation of endowment assets for expenditure	(810,330)	(3,100,956)	(3,911,286)
Endowment Funds, end of year	<u>\$ 384,726</u>	<u>\$ 32,864,915</u>	<u>\$ 33,249,641</u>

#### Change in Endowment Net Assets for the Year Ended December 31, 2023 :

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Endowment Funds, beginning of year	\$ 984,348	\$ 24,982,083	\$ 25,966,431
Contributions	155,025	4,288,503	4,443,528
Investment return	122,332	3,443,831	3,566,163
Appropriation of endowment assets for expenditure	(255,487)	(1,949,262)	(2,204,749)
Endowment Funds, end of year	<u>\$ 1,006,218</u>	<u>\$ 30,765,155</u>	<u>\$ 31,771,373</u>

### NOTE J - LEASE COMMITMENTS

During the year ended December 31, 2024, the Foundation's office lease agreement was modified from a multi-year, non-cancelable operating lease to a cancellable annual lease. As a result of this change, the Foundation concluded that the lease no longer meets the criteria for recognition under ASC 842, Leases. Accordingly, the previously recognized right-of-use (ROU) asset and corresponding lease liability were derecognized from the statement of financial position during the year.

COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE K - RELATED PARTY ACTIVITY

The Foundation provided funding to organizations that have employees who serve as board members or committee members to the Foundation. During the year ended December 31, 2024, total funding distributed totaled \$1,359,047 and funding received from related parties totaled \$1,329,641. During the year ended December 31, 2023, total funding distributed totaled \$433,863 and funding received from related parties totaled \$514,084.

NOTE L - RETIREMENT PLAN

The Foundation sponsors a 403(b) retirement plan covering all employees and provides a 5% matching provision. During the years ended December 31, 2024 and 2023, the Foundation contributed \$59,089 and \$69,642, respectively, to the retirement plan for eligible employees.

NOTE M - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to December 31, 2024 through August 5, 2025, which is the date the financial statements were available to be issued and has recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at December 31, 2024, including the estimates inherent in the processing of financial statements.

## SUPPLEMENTARY INFORMATION

COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2024

<b>Federal Grantor</b>				
<i>Pass-through Grantor</i>	Contract	Assistance	Passed Through	Federal
"Program Title"	Number	Listing #	to Subrecipients	Expenditures
<b>Department of Treasury</b>				
<i>Snohomish County Human Service Department</i>				
COVID-19 "Coronavirus State and Local Fiscal Recovery Funds"	EL-23-AR-44-379		\$ -	\$ 119,274
COVID-19 "Coronavirus State and Local Fiscal Recovery Funds"	EL-22-AR-38-379		-	193,820
COVID-19 "Coronavirus State and Local Fiscal Recovery Funds"	EL-24-AR-50-379		750,000	808,616
COVID-19 "Coronavirus State and Local Fiscal Recovery Funds"	EL-24-AR-51-379		400,000	440,521
<i>City of Everett</i>				
COVID-19 "Coronavirus State and Local Fiscal Recovery Funds"	SLFR0152		-	28,326
		21.027*	<u>1,150,000</u>	<u>1,590,557</u>
Total Expenditures of Federal Awards			<u>\$ 1,150,000</u>	<u>\$ 1,590,557</u>

\* Denotes major program

COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Community Foundation of Snohomish County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the Requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - INDIRECT COST RATE

Community Foundation of Snohomish County does not have a negotiated indirect cost rate for use on federal grants and contracts. As such, Community Foundation of Snohomish County is eligible to elect use of the 10% de minimus indirect cost rate.

INDEPENDENT AUDITOR'S REPORT  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Community Foundation of Snohomish County  
Everett, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Foundation of Snohomish County, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 5, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Community Foundation of Snohomish County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the effectiveness of Community Foundation of Snohomish County's internal control. Accordingly, we do not express an opinion on the effectiveness of Community Foundation of Snohomish County's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



**Report on Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community Foundation of Snohomish County'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 Community Foundation of Snohomish County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Jacobson Jarvis & Co, PLLC  
Seattle, Washington  
August 5, 2025

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

Board of Directors  
Community Foundation of Snohomish County  
Everett, Washington

**Report on Compliance with Each Major Federal Program**

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

**Opinion on Each Major Federal Program**

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

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Community Foundation of Snohomish County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Community Foundation of Snohomish County'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 Community Foundation of Snohomish County'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 Community Foundation of Snohomish County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Community Foundation of Snohomish County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Community Foundation of Snohomish County'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 Community Foundation of Snohomish County'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 Community Foundation of Snohomish County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Jacobson Jarvis & Co, PLLC  
Seattle, Washington  
August 5, 2025

COMMUNITY FOUNDATION OF SNOHOMISH COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2024

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Community Foundation of Snohomish County.
2. No material weaknesses relating to the financial statements are reported in the "Independent Auditor's Report Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."
3. No instances of noncompliance material to the financial statements of Community Foundation of Snohomish County were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal award programs are reported in the "Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance as Required by the Uniform Guidance."
5. The auditor's report on compliance for the major federal award program for Community Foundation of Snohomish County expresses an unmodified opinion.
6. Audit findings relative to the major federal award program for Community Foundation of Snohomish County are reported in Part C of this Schedule.
7. The program tested as major was "Coronavirus State and Local Fiscal Recovery Funds", Assistance Listing #21.027.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Community Foundation of Snohomish County was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None