SNOWCAP COMMUNITY SERVICES

FINANCIAL STATEMENTS AND SINGLE AUDIT INFORMATION

For the Year Ended June 30, 2025

Jones Roth
CPAs & Business Advisors

SNOWCAP COMMUNITY SERVICES
FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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Jones & Roth
CPAs & Business Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
SnowCap Community Services
Portland, Oregon

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of SnowCap Community Services (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 SnowCap Community Services as of June 30, 2025, and the changes in its net assets and its cash flows for the year 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SnowCap Community Services 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SnowCap Community Services' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with 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 SnowCap Community Services' 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 SnowCap Community Services' 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 purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2026, on our consideration of SnowCap Community Services' 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 SnowCap Community Services' 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 SnowCap Community Services' internal control over financial reporting and compliance.

Jones & Roth, P.C.
Eugene, Oregon
March 17, 2026

FINANCIAL STATEMENTS

SNOWCAP COMMUNITY SERVICES
STATEMENT OF FINANCIAL POSITION
June 30, 2025

Assets		
Current assets		
Cash and cash equivalents	$	457,770
Certificates of deposit		685,045
Inventory		359,628
Prepaid expenses		7,672
Grants receivable		58,763
Contributions receivable - land/building leases, current portion		69,002
Total current assets		1,637,880
Property and equipment, net		3,316,708
Other assets		
Beneficial interest in the assets of Oregon Community Foundation (OCF)		64,077
Finance lease right-of-use assets, net		124,779
Contributions receivable - land/building leases, net of current portion and discount		778,053
Total other assets		966,909
Total assets	$	5,921,497
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$	64,272
Accrued payroll liabilities		39,390
Finance lease obligations, current portion		23,740
Total current liabilities		127,402
Finance lease obligations, net of current portion		102,905
Total liabilities		230,307
Net assets		
Without donor restrictions:		
Board-designated		3,488,062
Undesignated		986,582
Total without donor restrictions		4,474,644
With donor restrictions		1,216,546
Total net assets		5,691,190
Total liabilities and net assets	$	5,921,497

The accompanying notes are an integral part of these statements.

SNOWCAP COMMUNITY SERVICES
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Donations	$ 1,070,562	$ 2,856	$ 1,073,418
Bequests and memoriams	169,844	-	169,844
Donated USDA food and commodities	1,228,843	104,952	1,333,795
In-kind contributions, other	3,922,753	-	3,922,753
In-kind contributions, land/building leases	85,444	80,956	166,400
Grants	1,043,873	130,930	1,174,803
Special events and other income	274,164	-	274,164
Loss on disposal of pre-development costs	(434,805)	-	(434,805)
Loss on in-kind lease termination	(1,794,002)	-	(1,794,002)
Interest income	37,170	297	37,467
Change in beneficial interest in the assets of OCF	6,573	-	6,573
Net assets released from restrictions	2,488,001	(2,488,001)	-
Total revenues, gains, and other support	8,098,420	(2,168,010)	5,930,410
Expenses			
Program services	6,366,526	-	6,366,526
Supporting services:			
General and administration	233,729	-	233,729
Fundraising and development	336,685	-	336,685
Total supporting services	570,414	-	570,414
Total expenses	6,936,940	-	6,936,940
Change in net assets	1,161,480	(2,168,010)	(1,006,530)
Net assets, beginning of year, as restated	3,313,164	3,384,556	6,697,720
Net assets, end of year	$ 4,474,644	$ 1,216,546	$ 5,691,190

The accompanying notes are an integral part of these statements.

SNOWCAP COMMUNITY SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2025

		Supporting Services		
	Program Services	General and Administration	Fundraising and Development	Total
Agency transfers	$ 1,291,940	$ -	$ -	$ 1,291,940
Client assistance	204,122	-	-	204,122
Deprecation and amortization expense	74,760	4,464	4,429	83,653
Discards	9,948	-	-	9,948
Distribution of donated food/materials	3,732,502	-	-	3,732,502
Insurance	27,560	5,512	3,675	36,747
Interest expense	536	93	86	715
Maintenance and equipment	17,369	2,171	2,171	21,711
Merchant and bank fees	-	-	7,080	7,080
Miscellaneous	13,816	2,466	2,423	18,705
In-kind land/building lease expense	159,159	8,664	8,664	176,487
Utilities and maintenance	59,431	3,302	3,302	66,035
Postage	11,547	1,599	4,108	17,254
Printing and media	13,869	2,434	2,429	18,732
Professional fees and contract labor	41,819	34,263	7,670	83,752
Salaries, wages, taxes, and benefits	672,765	163,095	183,482	1,019,342
Special events and mailers	-	-	79,414	79,414
Supplies and software	4,647	1,137	21,916	27,700
Telephone	13,082	2,803	2,803	18,688
Training and conferences	2,402	879	2,186	5,467
Transportation	15,252	847	847	16,946
Total functional expenses	$ 6,366,526	$ 233,729	$ 336,685	$ 6,936,940

The accompanying notes are an integral part of these statements.

SNOWCAP COMMUNITY SERVICES
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2025

Cash flows from operating activities	
Change in net assets	$ (1,006,530)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization expense	83,653
Loss on disposal of pre-development costs	434,805
Interest earned on certificates of deposit	(28,137)
In-kind contributions, land/building leases	(166,400)
Loss on lease termination	1,794,002
Utilization of contributed land/building leases	177,180
Net change in beneficial interest in the assets of OCF	(6,573)
Donations and grants restricted for capital asset purchases	(390,563)
(Increase) decrease in:	
Grants receivables	(15,479)
Inventory	(193,755)
Prepaid expenses	3,853
Deposits	26,075
Increase (decrease) in:	
Accounts payable	37,843
Accrued payroll liabilities	8,694
Net cash provided by operating activities	758,668
Cash flows from investing activities	
Purchase of property and equipment	(2,966,014)
Purchase of certificates of deposit	(558,138)
Proceeds from certificates of deposit	1,604,995
Distributions from beneficial interest in the assets of OCF	2,411
Net cash used by investing activities	(1,916,746)
Cash flows from financing activities	
Donations and grants restricted for capital asset purchases	390,563
Principal payments made on finance lease obligations	(1,652)
Net cash used by financing activities	388,911
Net decrease in cash and cash equivalents	(769,167)
Cash and cash equivalents, beginning of year	1,226,937
Cash and cash equivalents, end of year	$ 457,770
Schedule of noncash activities	
Total finance lease right-of-use assets obtained	$ 128,297
Less finance lease obligations	(128,297)
Cash paid for finance lease right-of-use assets	$ -

1. Organization and Summary of Significant Accounting Policies

Nature of Organization

SnowCap Community Services ("SnowCap", or the "Organization") is a philanthropic and broad base community service organization in East Multnomah County that was created to provide food, clothing, advocacy and other services to those in need. SnowCap solicits a variety of in-kind donations such as food, clothing, books, toys, and seeds from the community and receives food commodities from the United States Department of Agriculture (USDA). These gifts are used to plant gardens, teach classes, and outfit children for school, but primarily to make up food boxes. SnowCap helps with food, clothing and other basic human needs and serves people who live east of 82nd Avenue and within Multnomah County:

- Currently distributing pre-packed boxes and as much fresh/frozen foods as possible. Families are welcome to come 2x per month through December, 2025.
- Clothes for the whole family, and currently it is open by appointment and families are welcome once a month.

Effective June 18, 2025, the Organization changed its name from SnowCap Community Charities to SnowCap Community Services.

Partnering Organizations

SnowCap is a founding member of the Oregon Food Bank, West Columbia Chamber of Commerce, Gresham Chamber of Commerce, East Portland Chamber of Commerce and Ecumenical Ministries of Oregon. The Organization provides additional utility assistance in partnership with Heat Oregon. SnowCap provides the administrative screening of eligible families and Heat Oregon makes the assistance payments directly to the utility companies.

Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Organization is required to report its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based on the presence or absence of donor or grantor-imposed restrictions. Net assets without donor restrictions includes amounts designated by the Board for various purposes (see Note 7).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Organization is a non-profit corporation organized under the laws of the state of Oregon. The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and exempt from state franchise or income tax under Oregon Revenue and Taxation Code.

1. Organization and Summary of Significant Accounting Policies, continued

Income Tax Status, continued

In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization files required informational returns with both the U.S. federal jurisdiction and the State of Oregon.

Cash and Cash Equivalents

The Organization considers short-term investments with initial maturities of 90 days or less to be cash equivalents. Cash and cash equivalents consist of cash on hand and deposits in banks and money market and brokerage accounts.

Certificates of Deposit

The Organization holds certificates of deposits at various financial institutions with maturities ranging from 6 to 24 months at the time of purchase. The certificates of deposit are recorded at cost, which approximates fair value.

Inventory

Inventory consists of United States Department of Agriculture (USDA) commodities received from the government, donated food, and donated clothing and household goods. USDA commodities are stated at the values provided by the USDA. Other donated food is stated at the estimated fair value for food received through Oregon Food Bank or donated by the public. Donated clothing and household goods are stated at the estimated fair value for clothing donated by the public.

Grants Receivable

Grants receivable are comprised primarily of amounts due from various grantors and are stated at the amount the Organization expects to receive. Management periodically reviews the collectability of its receivables and establishes an allowance as necessary. For the year ended June 30, 2025, all receivables were considered collectible and no allowance was deemed necessary.

Property and Equipment

Property and equipment are recorded at cost if purchased, or at estimated fair value on the date of donation. Property and equipment over $1,000 with a useful life of greater than one year are capitalized, and are depreciated using the straight-line method over the estimated useful lives of the assets, which range from three to thirty-nine years.

1. Organization and Summary of Significant Accounting Policies, continued

Leases

As required by the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC 842), *Leases*, the Organization recognizes right-of-use assets and lease liabilities for finance leases on the statement of financial position.

The Organization leases certain office equipment and assesses whether an arrangement qualifies as a lease at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the arrangement are changed.

The Organization has elected the short-term lease recognition exemption for all classes of underlying assets. Leases with an initial term of 12 months or less, that do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise, are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

The Organization has no leases with options to renew or extend the lease term. Only lease renewal options that the Organization believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities. The lease term is used for the amortization/depreciation life of lease assets unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization has lease agreements with lease and non-lease components, which are generally accounted for as separately with amounts allocated to the lease and non-lease components based on observable stand-alone prices. Management has elected to account for lease and non-lease components as a single lease for all classes of underlying assets.

As the implicit rate is not readily determinable for the Organization's leases, management has elected to use the risk-free rate at the commencement date for all classes of underlying assets in determining the present value of lease payments.

Contribution Revenue

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

1. Organization and Summary of Significant Accounting Policies, continued

In-Kind Contribution Revenue

Food donations are received through Oregon Food Bank (including USDA food and commodities), local grocery stores, and the general public.

Donated food, clothing, auction items, and household goods are reflected as in-kind contributions and are recorded at their estimated fair market value. Donated goods are generally utilized by the Organization in its programs and supporting services and are not generally monetized.

Donated government food and commodities are valued at the most recently published cost-per-pound price in the USDA donated food catalog per the USDA Food and Nutrition Service's electronic donated food ordering system. Donated government food and commodities were valued at $1.69 per pound for the year ended June 30, 2025. Other donated food is valued at a per pound estimated value that is based on values provided by the Oregon Food Bank. Other donated food was valued at $1.63 per pound for the year ended June 30, 2025. Donated clothing and household goods are valued based upon estimates of fair market value for actual clothing purchases made during the year. Donated clothing and household goods were valued at $5.40 per pound for the year ended June 30, 2025.

The Organization also receives substantial donated volunteer time which does not meet the criteria for revenue recognition and is disclosed in Note 9.

Functional Allocation of Expenses

The costs of providing the Organization's programs and other activities are reported on a functional basis in the statement of functional expenses. Expenditures that can be identified with a specific program or supporting service are allocated directly according to their purpose. Expenditures attributable to more than one program or supporting service are allocated based on the estimated usage of each program or supporting service. Salaries and benefits are allocated based on estimated time spent for each program or supporting service. Occupancy and depreciation costs are allocated based on the percentage of square feet occupied.

2. Liquidity and Availability of Resources

The Organization has a policy to manage its liquidity and reserves in order to meet its needs to fund operating expenditures. The following table reflects SnowCap's current financial assets as of June 30, 2025, reduced by amounts not available for general expenditures within one year:

Cash and cash equivalents	$ 457,770
Certificates of deposit	685,045
Grants receivable	58,763
Total financial assets	1,201,578
Less financial assets unavailable for general expenditure within one year due to:	
Board-designated fundraising fund	(107,277)
Donor restrictions	(174,251)
Financial assets available for general expenditures within one year	$ 1,020,050

3. Inventory

At June 30, 2025, inventory consisted of the following:

USDA food commodities	$ 67,918
Donated food	127,322
Total donated food and commodities	195,240
Donated clothing and household goods	164,388
Total inventory	$ 359,628

4. Property and Equipment

At June 30, 2025, property and equipment consisted of the following:

Equipment	$ 19,676
Leasehold improvements	43,841
Land	657,676
Buildings	2,301,082
Furnishings	17,485
Warehouse equipment	225,491
Vehicles	298,072
Garden improvements	8,904
Construction in process	629,773
Total property and equipment	4,202,000
Accumulated depreciation	(885,292)
Total property and equipment, net	$ 3,316,708

5. Beneficial Interest in the Assets of Oregon Community Foundation

The Board of Directors has established an account with the Oregon Community Foundation (OCF) designated as a quasi-endowment fund. The Organization has granted OCF variance power over these funds, which gives OCF's Board of Directors the power to use the funds for other purposes in certain circumstances. The beneficial interest in assets held at the OCF are valued at the fair value of the Organization's share of OCF's investment pool as of the measurement date. OCF values securities and other financial instruments at their fair values.

The estimated fair values of certain investments of OCF, which includes private placements and other securities for which prices are not readily available, are determined by the management of OCF, and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a readily available market existed for these investments.

The following schedule summarizes the activity in the funds held at OCF, reported at fair value, for the year ended June 30, 2025:

Beginning balance	$ 59,915
Investment return:	
Interest income	416
Realized gains	327
Unrealized gains	6,387
Total investment return	7,130
Distributions	(2,411)
Investment fees	(557)
Ending balance	$ 64,077

6. Concentration of Deposit and Credit Risk

Financial instruments that potentially subject SnowCap to concentrations of credit risk consist principally of cash and cash equivalents. SnowCap maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. SnowCap's cash and cash equivalent accounts have been placed with high credit quality financial institutions. SnowCap has not experienced, nor does it anticipate, any losses with respect to such accounts. Cash balances are insured by the Federal Deposit Insurance Corporation up to $250,000 per bank. At June 30, 2025, the Organization had no uninsured cash balances.

7. Net Assets

Net assets with and without donor restrictions were as follows as of June 30, 2025:

Without donor restrictions	
Board-designated:	
Invested in building and equipment	$ 3,316,708
Fundraising fund	107,277
Quasi-endowment fund	64,077
Total board-designated	3,488,062
Undesignated	986,582
Total net assets without donor restrictions	4,474,644
With donor restrictions	
Restricted for:	
Capital campaign	100,000
Food commodities	195,240
Baby food fund	10,264
Thanksgiving fund	3,628
Donated facilities available	847,055
Holiday Heroes	6,728
Back to school fund	7,918
Pet food fund	11,161
Garden fund	30,000
Other restrictions	4,552
Total net assets with donor restrictions	1,216,546
Total net assets	$ 5,691,190

8. Fair Value Measurement

Accounting principles generally accepted in the United States of America define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability; in the absence of a principal market, the most advantageous market.

Valuation techniques that are consistent with the market, income, or cost approach are used to measure fair value.

8. Fair Value Measurement, continued

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1: Inputs are quoted prices in active markets for identical assets or liabilities for which the Organization has the ability to access at the measurement date.

Level 2: Inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025.

Certificates of deposit: Valued at cost plus interest earned which approximates fair value using inputs that are observable in an inactive market (Level 2 inputs).

Beneficial interest in the assets of OCF: Valued at the beneficial interest in assets held at the fair value of the Organization's share in the investment pool as of the measurement date. The investment pool is based on quoted net asset values of underlying investments held by the investment pool adjusted by a net asset charge. The investment pool holds investments valued with all three levels of inputs; therefore, the financial instrument is categorized within the valuation hierarchy using Level 3 inputs, the lowest level input significant to the fair value measurement (Level 3 inputs).

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following table sets forth by level, within the fair value hierarchy, SnowCap's investments at fair value as of June 30:

	Assets at Fair Value as of June 30, 2025			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	$ -	$ 685,045	$ -	$ 685,045
Beneficial interest in assets of OCF	-	-	64,077	64,077
Total assets at fair value	$ -	$ 685,045	$ 64,077	$ 749,122

9. In-Kind Contributions

For the year ended June 30, 2025, total in-kind contributions were comprised of the following:

USDA food and commodities	$	1,333,795
Emergency Food and Shelter Program food		25,901
Other donated food		1,932,710
Clothing and household goods		1,901,506
Bus tickets		34,234
Donated auction items		28,402
In-kind contributions, land/building leases		166,400
Total in-kind contributions	$	5,422,948

During the year ended June 30, 2025, 3,469 volunteers donated approximately 26,703 hours to SnowCap's program services and fundraising campaigns; However, these donated services are not reflected in the financial statements since the services do not require specialized skills.

10. In-kind Contributions, Land/Building Leases

In May 1996, the Organization entered into a lease agreement with Rockwood United Methodist Church of Portland for the use of a tract of land for operations under a 40-year lease with an annual payment of $1. In January 2014, an addendum was signed for additional space used by the organization to extend the warehouse and as a private park area for no additional rent. The discount rate used for estimating future fair value of the lease payments was 2.20% for this lease. For the year ended June 30, 2025, the Organization recognized $16,110 of in-kind contribution revenue related to this lease agreement, which is reflected on the statement of activities as in-kind contributions, land/building leases.

In July 2019, the Organization entered into a lease agreement with Covenant Presbyterian Church for the use of a tract of land under a 40-year lease with an annual payment of $1 where a multi-use building was planned to be built. The lease was terminated on September 30, 2024. For the year ended, June 30, 2025, a loss on lease termination of $1,794,002 was recognized on the statement of activities for write off of the existing lease receivable. For the year ended June 30, 2025, the Organization recognized $11,378 of in-kind contribution revenue related to this lease agreement.

In March 2025, the Organization entered into a lease agreement with Rockwood United Methodist Church of Portland for the use of a tract of land for garden space under a 10-year lease with an annual payment of $50. The discount rate used for estimating future fair value of the lease payments was 5.40% for this lease. For the year ended June 30, 2025, the Organization recognized $82,387 of in-kind contribution revenue related to this lease agreement.

As the annual payments under the lease agreements are considered to be at below-market rates, an unconditional contribution receivable (promise to give) and contribution revenue was recognized during the year the leases were entered into to reflect the difference between the fair rental value of the land/buildings and SnowCap’s stated contractual lease obligation. For the year ended June 30, 2025 the Organization recognized $166,400 of in-kind contribution revenue related to these lease agreements which is reflected on the statement of activities as in-kind contributions, land/building leases.

10. In-kind Contributions, Land/Building Leases, continued

At June 30, 2025, the present value of the estimated future fair value of lease payments, using discount rates stated above, were treated as an unconditional contribution receivable and consisted of the following:

In-kind contributions, land/building leases, expected to be realized in:		
Less than one year	$	89,208
One to five years		356,833
More than five years		520,373
Gross contributions receivable, land/building leases		966,414
Less: discount to present value		(119,359)
Contribution receivable, land/building leases, net of discount	$	847,055

In an effort to reduce traffic at its warehouse, SnowCap started using a facility in Gresham to store clothing beginning in April 2021. The storage facilities are provided at no cost, but based on current market rates, the Organization would have paid $56,525 for the year ended June 30, 2025 for the space. This facility was leased on a short-term basis and was terminated on January 31, 2025. The value of this utilized space was recognized in the statement of activities as in-kind contributions, land/building leases.

11. Lease Obligations

The Organization entered into a 5-year finance lease for office equipment in May 2025 with $2,368 payments due monthly. As of June 30, 2025, finance lease right-of-use assets totaled $128,297, and accumulated amortization of these assets was $3,518. Amortization of assets held under finance leases is included with depreciation and amortization expense on the statement of functional expenses.

On July 1, 2024, SnowCap entered into a related party lease agreement to lease an apartment unit from an employee of the Organization. The agreement was for a twelve-month period ending June 2025 with monthly lease payments of $1,750 and no option to renew. Total expense for this lease was $21,000 for the year ended June 30, 2025.

Additional information about the Organization's lease for the year ended June 30, 2025, is as follows:

Lease cost:		
Finance lease costs:		
Amortization of right-of-use lease assets	$	3,518
Interest on lease liabilities		715
Short-term lease cost, related party		21,000
Short-term lease cost, other		23,580
Lease cost, net	$	48,813

11. Lease Obligations, continued

Cash flow information:

Cash paid for amounts included in measurement of lease liabilities:	
Operating cash flows from finance lease	$ 715
Financing cash flows from finance lease	1,653
Cash used by finance lease	$ 2,368
Weighted-average remaining lease term	4.9 years
Weighted-average discount rate	4.09%

The maturities of lease liabilities as of June 30, 2025 were as follows:

For the Year Ending June 30,	
2026	$ 28,416
2027	28,416
2028	28,416
2029	28,416
2030	26,048
Total lease payments	139,712
Less: interest	(13,067)
Present value of lease liabilities	$ 126,645

As of June 30, 2025, SnowCap did not have any additional leases that have not yet commenced.

12. Retirement Plan Contributions

The Organization has a special type of retirement plan commonly referred to as a 403(b) plan under Internal Revenue Code Section 403. Under the Organization's plan, SnowCap annually contributes five percent of the employee's gross salary. All employees that are employed halftime or more are eligible after six months of employment. During the year ended June 30, 2025, contributions of $34,354 were charged to current operations.

13. Concentrations

As of June 30, 2025, approximately 91 percent of grants receivable were due from two organizations.

During the year ended June 30, 2025, the Organization received approximately 21 percent of support and other revenue from two organizations.

The Organization receives substantial allocations of in-kind food from the USDA. Changes in funding for these governmental programs could adversely affect the Organization's ability to operate its current programs.

14. Subsequent Events

Management evaluates events and transactions that occur after the statement of financial position date as potential subsequent events. Management has performed this evaluation through the date of the independent accountant's audit report.

15. Restatement

The Organization identified and corrected errors in the classification and measurement of certain donor restricted items in the prior year financial statements. Donor-restricted food inventories totaling $90,288 at June 30, 2024 were misclassified within net assets as net assets without donor restrictions rather than net assets with donor restrictions. Additionally, net assets with donor restrictions and total net assets were overstated by $63,883 due to an overstatement of a contribution receivable for in-kind use of facilities.

The cumulative impact of these corrections has been reflected as a restatement of beginning net assets for the year ended June 30, 2025:

	As Originally Reported	Total Net Adjustment	As Restated
Net assets without donor restrictions	$ 3,403,452	$ (90,288)	$ 3,313,164
Net assets with donor restrictions	3,358,151	26,405	3,384,556
Total net assets	$ 6,761,603	$ (63,883)	$ 6,697,720

SINGLE AUDIT INFORMATION

SNOWCAP COMMUNITY SERVICES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

Federal Grantor/Pass-through Grantor/Program Title	Contract Number	Federal Assistance Listing Number	Federal Expenditures
U.S. Department of Agriculture			
Food Distribution Cluster:			
Passed through Oregon Food Bank, Inc.:			
Emergency Food Assistance Program - Food Commodities		10.569	$ 1,310,050
Total U.S. Department of Agriculture			1,310,050
U.S. Department of Treasury			
Passed through City of Gresham:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	312639	21.027	19,000
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	311768	21.027	125,000
Total U.S. Department of Treasury			144,000
U.S. Department of Homeland Security			
Passed through Oregon Food Bank, Inc.:			
Emergency Food and Shelter National Board Program		97.024	25,901
Total U.S. Department of Homeland Security			25,901
Total federal awards			$ 1,479,951

SNOWCAP COMMUNITY SERVICES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of SnowCap Community Services under programs of the federal government for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The Schedule is not intended to and does not present the financial position, changes in net assets, or cash flows of SnowCap Community Services.

2. Summary of Significant Accounting Policies

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

Nonmonetary assistance is reported on the Schedule at the fair market value of the commodities received and disbursed. The amount expended is determined based on the pounds of such commodities distributed using the per pound value provided by the federal or pass-through grantor. For the year ended June 30, 2025, the total amount of nonmonetary expenditures on the Schedule was $1,335,951. At June 30, 2025, SnowCap had food commodities totaling $67,918 in inventory.

3. Indirect Cost Rate

SnowCap Community Services has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

4. Subrecipient Awards

SnowCap Community Services did not provide any federal award funds to subrecipient organizations for the fiscal year ended June 30, 2025. Accordingly, no amounts are reported as disbursed to subrecipients in the Schedule.

Jones Roth
CPAs & Business Advisors

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

To the Board of Directors
SnowCap Community Services
Portland, Oregon

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 SnowCap Community Services (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, 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 March 17, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered SnowCap Community Services' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SnowCap Community Services' internal control. Accordingly, we do not express an opinion on the effectiveness of SnowCap Community Services' 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 the 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SnowCap Community Services' 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*.

SnowCap Community Services' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on SnowCap Community Services' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. SnowCap Community Services' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 SnowCap Community Services' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jones & Roth, P.C.
Eugene, Oregon
March 17, 2026

Jones Roth
CPAs & Business Advisors

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

To the Board of Directors
SnowCap Community Services
Portland, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited SnowCap Community Services' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of SnowCap Community Services' major federal programs for the year ended June 30, 2025. SnowCap Community Services' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, SnowCap Community Services 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 June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 SnowCap Community Services 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 SnowCap Community Services' 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 SnowCap Community Services' 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 SnowCap Community Services' 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 SnowCap Community Services' 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 SnowCap Community Services' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of SnowCap Community Services' 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 SnowCap Community Services' 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.

Jones & Roth, P.C.
Eugene, Oregon
March 17, 2026

SNOWCAP COMMUNITY SERVICES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

Summary of Auditor's Results

- The independent auditor's report expresses an unmodified opinion on the financial statements of SnowCap Community Services for the year ended June 30, 2025.
- One material weakness and no significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements.
- No instances of noncompliance material to the financial statements of SnowCap Community Services, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.
- No significant deficiencies and no material weaknesses were disclosed during the audit of the internal control over major federal award programs.
- The independent auditor's report on compliance for the major federal award programs for SnowCap Community Services expresses an unmodified opinion on the major federal program.
- The program tested as a major program was:

	Assistance Listing #
U.S. Department of Agriculture	
Food Distribution Cluster:	
Emergency Food Assistance Program – Food Commodities	10.569

- The threshold for distinguishing between Type A and B programs was $750,000.
- SnowCap Community Services did not qualify as a low-risk auditee under Title 2 CFR §200.520.

Findings – Financial Statements Audit

2025-001 Financial Close and Reporting

Type of Finding: Material weakness in internal control over financial reporting.

Criteria: Financial Accounting Standards Board Accounting Standards Codification section 958-605-30-2 requires an entity measure contributions received at fair value, including in-kind donations of goods and donated use of facilities.

Condition: During the course of our audit procedures, we noted that in-kind donations of clothing and household goods, and the corresponding donations held in inventory as of June 30, 2025 were not recorded based on current estimated fair values. The estimated value used for in-kind donations of clothing and household goods had not been updated in several years, and did not reflect the fair values for the year ended June 30, 2025. We also noted donated auction items for which no in-kind contribution revenue or expense had been recognized. Additionally, we noted a contribution of donated use of facilities during the year for which the in-kind contribution revenue and receivable had not been recognized.

Findings – Financial Statements Audit, continued

Cause: The Organization lacks adequate internal controls to evaluate and record in-kind donations of goods and donated use of facilities in accordance with U.S. generally accepted accounting principles. There is no documented policy or process in place to ensure that all in-kind donations are identified and the proper estimated fair values of such contributions are applied.

Context: This is a systematic internal control deficiency. Failure to recognize contributions of in-kind donations or the failure to properly estimate fair values can result in material misstatement of the financial statements**.**

Effect: Before audit adjustments, the balance of total assets was understated by approximately $175,252, revenue was understated by approximately $707,915, and expenses were understated by approximately $468,780.

Repeat finding: No.

Recommendation: SnowCap Community Services should develop and implement formal policies and procedures to ensure all in-kind donations are identified and recognized using the proper estimated fair values as of the respective contribution dates. Further, documentation supporting the fair value determinations should be retained by the Organization for a reasonable period of time.

Views of Responsible Officials: Management is in agreement with the finding. See corrective action plan.

Findings and Questioned Costs – Major Federal Award Program Audit

None.

SNOWCAP COMMUNITY SERVICES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2025

Prior Year Findings – Financial Statements Audit

None.

Prior Year Findings and Questioned Costs– Major Federal Award Program Audit

None.

Mailing Address:
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Phone: 503-674-8785
www.snowcap.org
kirsten@snowcap.org

SNOWCAP
COMMUNITY SERVICES

For donations deliver to
17788 SE Pine St
For Client Services:
Behind 17805 Se Stark St

CORRECTIVE ACTION PLAN

SnowCap Community Services respectfully submits the following corrective action plan for the year ended June 30, 2025.

Finding 2025-001

Recommendation:

SnowCap Community Services should develop and implement formal policies and procedures to ensure all in-kind donations are identified and recognized using the proper estimated fair values as of the respective contribution dates. Further, documentation supporting the fair value determinations should be retained by the Organization for a reasonable period of time.

Corrective action planned:

SnowCap Community Services will take the following steps to update values of in-kind donations. For USDA foods, we will continue to use the specific purchase prices from Oregon Food Bank. For other food donations, we will check with Oregon Food Bank, for their value derived from the charts from Feeding America and adjust valuations annually. For clothing we will purchase a small sample of used clothing from three different shops to compare price per pound and use the average, unless an alternative is determined and documented by the Executive Director and Finance Manager. For the auction items donated, we will book the amount from the auction software.

We will maintain these rules and evidence of compliance with the inventory binders.

Persons responsible for corrective action:

Kirsten Wageman, Executive Director
Louise Burt, Finance Manager

Date by which the corrective action will be completed:

April 30, 2026