Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Okanogan County Transit Authority

(TranGO)

For the period January 1, 2022 through December 31, 2023

Published April 24, 2025

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Office of the Washington State Auditor
Pat McCarthy

April 24, 2025

Board of Directors
TranGO
Okanogan, Washington

Report on Financial Statements

Please find attached our report on TranGO's financial statements.

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

Sincerely,

Pat McCarthy, State Auditor

Olympia, WA

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TranGO
January 1, 2022 through December 31, 2023

2023-001 The Authority's internal controls over preparing the financial statements and schedules were inadequate for ensuring accurate and complete reporting.

Background

State and federal agencies, the Board of Directors and the public rely on information included in the financial statements and reports to make decisions. Management is responsible for designing and following internal controls that provide reasonable assurance its financial reporting is reliable, and the financial statements are accurate.

The Authority prepares its financial statements in accordance with the cash-basis accounting method prescribed in the State Auditor's Office's *Budgeting, Accounting and Reporting System* (BARS) Manual.

Our audit found deficiencies in internal controls over accounting and financial reporting that affected the Authority's ability to produce reliable financial statements. *Government Auditing Standards* requires the State Auditor's Office to communicate material weaknesses as a finding.

Description of Condition

We identified a deficiency in internal controls over the Authority's financial statement preparation process that represents a material weakness. The Authority's controls and processes to convert from the *generally accepted accounting principles* accounting basis to the cash-basis accounting method were ineffective. Specifically, the Authority:

- Lacked an effective bank reconciliation to verify reported figures agreed to bank information
- Did not verify that it valued and reported investments in accordance with the requirements in cash-basis BARS Manual.
- Lacked effective controls over implementing new BARS Manual accounting requirements

Cause of Condition

The Authority contracted with an accounting firm to perform these duties in 2022 and its review of the firm's work was ineffective to identify and correct reporting errors. Additionally, Authority staff lacked a complete understanding of cash-basis reporting and how it applies to investments.

Effect of Condition

These deficiencies resulted in the following errors.

In 2022, the Authority:

- Understated intergovernmental revenues by $1.16 million and overstated other revenues by about $321,000
- Understated expenditures and other decreases, and ending cash and investments by about $445,000
- Misclassified about $770,000 of committed cash and investments as restricted and about $10.7 million in assigned cash and investments as committed
- Omitted about $200,000 in lease liabilities on the Schedule of Liabilities

In 2023, the Authority:

- Understated beginning cash and investments by about $710,000, expenditures and other decreases by about $80,000, and ending cash and investments by about $630,000
- Overstated beginning and ending lease liabilities by about $190,000 and $255,000, respectively

Recommendation

We recommend the Authority establish effective controls over financial statement preparation to verify that it reports all financial activity in accordance with BARS Manual requirements. This should include an effective reconciliation of financial records to underlying bank activity.

Authority's Response

Prior to January 1, 2023, OCTA contracted accounting services to a third-party CPA firm.

OCTA retained staffing and purchased new software to begin providing in-house accounting services as of January 1, 2023.

- *From 2015 through 2022, OCTA had an agreement with the same third-party accountant for accounting services. The OCTA Board of Directors directed the third-party accountant to convert from generally accepted accounting principles (accrual basis) to cash basis accounting.*

- *In July 2022, it became apparent that there were problems with past annual reports not being complete and that the changeover from accrual basis to cash basis was not being performed correctly when OCTA was preparing for an audit for 2019, 2020, and 2021.*

- *During the above-mentioned audit, in August 2022, when the third-party accountant was asked to explain the discrepancies noted in the reporting, OCTA was notified by the third-party accountant that they were terminating the agreement for accounting services effective immediately. OCTA did not have access to their electronic financial documents in the software they were using. OCTA retained a new third-party accountant for accounts payable and payroll services; OCTA did not have access to the electronic financial documents.*

- *OCTA implemented in-house financial services in January 2023. OCTA used financial statements from the best of their knowledge for ending 2022 financial ending balances to manually enter into the new financial software system; OCTA was unable to do a conversion from historical data.*

- *The $1.16 million understated from 2021 was reported in the carry-over balances in the ending balance of 2021 and in the beginning cash balance for 2022 for accrual basis accounting. Because converting to cash basis accounting, OCTA has corrected this misstatement by subtracting this from the beginning balance of 2022 and adding this as received revenue in 2022.*

Auditor's Remarks

We appreciate the Authority's commitment to resolving the issues noted and will follow up during the next audit.

Applicable Laws and Regulations

Government Auditing Standards, July 2018 Revision, paragraphs 6.40 and 6.41 establish reporting requirements related to significant deficiencies or material weaknesses in internal control, instances of fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its Codification of Statements on Auditing Standards, section 265, Communicating Internal Control Related Matters Identified in an Audit, paragraph 7.

RCW 43.09.200, Local government accounting – Uniform system of accounting, requires the State Auditor to prescribe the system of accounting and reporting for all local governments.

Budgeting, Accounting and Reporting System (BARS) Manual, 3.1.3, Internal Control, required each local government to establish and maintain an effective system of internal controls that provides reasonable assurance that the government will achieve its objective.

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

TranGO
January 1, 2022 through December 31, 2023

Board of Directors
TranGO
Okanogan, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of TranGO, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated March 19, 2025.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

However, we identified certain deficiencies in internal control, as described in the accompanying Schedule of Audit Findings and Responses as Finding 2023-001, that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

AUTHORITY'S RESPONSE TO FINDINGS

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying Schedule of Audit Findings and Responses. The Authority's response was not subjected to the 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Pat McCarthy

Pat McCarthy, State Auditor

Olympia, WA

March 19, 2025

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

TranGO
January 1, 2022 through December 31, 2023

Board of Directors
TranGO
Okanogan, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of TranGO, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, as listed in the financial section of our report.

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

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of TranGO, and its changes in cash and investments, for the years ended December 31, 2023 and 2022, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of TranGO, as of December 31, 2023 and 2022, or the changes in financial position or cash flows thereof for the years then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

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

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

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

Matters of Emphasis

As discussed in Note 6 to the financial statements, the Authority has elected to change its method of accounting from generally accepted accounting principles to a special purpose framework during the year ended December 31, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's financial statements. The Schedules of Liabilities are presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2025 on our consideration of the Authority's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Pat McCarthy, State Auditor

Olympia, WA

March 19, 2025

FINANCIAL SECTION

TranGO
January 1, 2022 through December 31, 2023

FINANCIAL STATEMENTS

SUPPLEMENTARY AND OTHER INFORMATION

Okanogan County Transit Authority
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

Beginning Cash and Investments		
308	Beginning Cash and Investments	12,038,835
388 / 588	Net Adjustments	-
Revenues		
310	Taxes	4,044,216
320	Licenses and Permits	-
330	Intergovernmental Revenues	719,491
340	Charges for Goods and Services	88,032
350	Fines and Penalties	-
360	Miscellaneous Revenues	203,360
Total Revenues:		5,055,099
Expenditures		
510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	2,841,361
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		2,841,361
Excess (Deficiency) Revenues over Expenditures:		2,213,738
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	986
Total Other Increases in Fund Resources:		986
Other Decreases in Fund Resources		
594-595	Capital Expenditures	814,691
591-593, 599	Debt Service	-
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		814,691
Increase (Decrease) in Cash and Investments:		**1,400,033**
Ending Cash and Investments		
50821	Nonspendable	-
50831	Restricted	-
50841	Committed	409,547
50851	Assigned	13,029,321
50891	Unassigned	-
Total Ending Cash and Investments		**13,438,868**

The accompanying notes are an integral part of this statement.

Okanogan County Transit Authority
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

Beginning Cash and Investments		
308	Beginning Cash and Investments	10,318,819
388 / 588	Net Adjustments	-
Revenues		
310	Taxes	3,925,468
320	Licenses and Permits	-
330	Intergovernmental Revenues	1,157,013
340	Charges for Goods and Services	69,299
350	Fines and Penalties	-
360	Miscellaneous Revenues	210,030
Total Revenues:		5,361,810
Expenditures		
510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	2,792,012
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		2,792,012
Excess (Deficiency) Revenues over Expenditures:		2,569,798
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	-
Total Other Increases in Fund Resources:		-
Other Decreases in Fund Resources		
594-595	Capital Expenditures	849,782
591-593, 599	Debt Service	-
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		849,782
Increase (Decrease) in Cash and Investments:		**1,720,016**
Ending Cash and Investments		
50821	Nonspendable	-
50831	Restricted	-
50841	Committed	767,283
50851	Assigned	11,271,552
50891	Unassigned	-
Total Ending Cash and Investments		**12,038,835**

The accompanying notes are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Okanogan County Transit Authority (OCTA) dba TranGO was incorporated on November 2013 and operates under the laws of the state of Washington applicable to a Transportation Authority. OCTA is a special purpose local government and provides fixed route transportation services within the Transportation Benefit Area of Okanogan County, Washington.

OCTA is governed by a nine-member board, one member must be an Okanogan County Commissioner; all other positions are appointed from the 10 incorporated towns and cities within Okanogan County. Currently the Board consists of one elected official from each of the following municipalities: Oroville, Tonasket, Omak, Okanogan, Pateros, Brewster, Twisp, and Winthrop.

OCTA is considered a primary government and does not have any component unit relationships. Conversely, OCTA is not considered a component unit of any primary government.

OCTA is supported primarily through local sales tax revenue. In addition, OCTA receives funding from federal, state, and local agencies and through fare collection.

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

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

A. Fund Accounting

OCTA's financial transactions are reported in one fund containing five departments: Administrative, Vehicle Maintenance, Operations, Vanpool, and Capital. This fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues, and expenditures. Each fund is reported as a separate column in the financial statements.

Governmental Fund Types:

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

B. Basis of Accounting and Measurement Focus

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

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

C. Cash and Investments

See Note 2 – *Deposits and Investments*.

D. Capital Assets

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

E. Compensated Absences

Vacation leave may be accumulated up to 160 hours and is payable upon separation or retirement at 100% the total dollar value.

Sick leave may be accumulated up to 360 hours and is payable upon separation or retirement at 25% the total dollar value.

Payments are recognized as expenditures when paid.

F. Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as committed due to internal commitments established by Resolution. When expenditures that meet restrictions are incurred, OCTA intends to use the most restricted resources first.

Commitments of Ending Cash and Investments consist of the Vehicle Replacement Reserve Account. By Resolution, the Board of Directors directed the Finance/HR Director to transfer from the checking account the sum of $25,575 per month into the reserve account for the purpose of the purchase of new buses.

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits and investments by type at December 31, 2023, are as follows:

Deposits		
	Cash and Cash Equivalents	$247,946.36
	Petty Cash	$250.00
	Total Deposits	$248,196.36
Investments		
	US Bank - Tax Cost	$7,030,729.26
	Local Government Investment Pool – Primary Account	$5,750,395.58
	Local Government Investment Pool – Vehicle Reserve Account	$409,547.38
	Total Investments	$13,190,672.22

Investments are reported at the amortized cost.

Investments in the State Local Government Investment Pool (LGIP)

It is OCTA's policy to invest all temporary cash surpluses. All interest is recorded in one line item; no proration is necessary.

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

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, OCTA would not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. OCTA's deposits and certificates of deposit are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

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

OCTA does not have a policy that addresses limitations on the amount that can be invested in any one issuer.

NOTE 3 LEASES (LESSEES)

2023	Beginning Balance	Amount Paid in 2023	Additions	Ending Balance
Bus Lot	$ 30,600	$ 10,200	$ -	$ 20,400
Copier	$ 9,765	$ 2,604	$ -	$ 7,161
Building Lease	$ 114,372	$ 38,124	$ -	$ 76,248
Bus Lot	$ -	$ 2,010	$ 8,040	$ 6,030
Total	$ 154,737	$ 52,938	$ 8,040	$ 109,839

OCTA leases land for the purpose of parking buses from the following lessors:

- Ground Lease for Parking Buses - $150 per month. The term of this lease is 1 year. This lease shall automatically renew for successive one year periods, subject to the termination provisions. Either party may terminate this Lease at any time, with or without cause, upon 60 days' written notice. In the event of a breach in the terms of this Lease by OCTA, Lessor may terminate this Lease after 15 days' written notice.
- Ground Lease for Parking Buses - $250 per month (January-June 2023) and $335 per month (July-December 2023). The scheduled termination of this lease is June 30, 2025; Lessee has no option to terminate.
- Ground Lease for Parking Buses - $850 per month. The scheduled termination date of the agreement is December 31, 2025; Lessee has no option to terminate.

OCTA leases a building for $3,685 per month. The building serves as both office space and transit hub. The scheduled termination date of the agreement is December 31, 2025. A 90-day written notice of termination upon sale of premises from the Lessor is required; Lessee has no option to terminate.

OCTA entered into a Master Agreement for a Xerox copier in December of 2021. The term is for 60 months at a fee of $217 per month.

NOTE 4 OTHER DISCLOSURES

Demand Response Agreement

In August of 2014, OCTA entered into an agreement with the for services to those people with Special Transportation needs. Our current agreement is for twenty-four months commencing on 07/01/2023 and terminating on 06/30/2025; the provider is compensated $34,685 per month.

NOTE 5 PENSION PLANS

A. State Sponsored Pension Plans

Substantially all OCTA's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement

Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans Public Employees' Retirement System (PERS).

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

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

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

On June 30, 2023 (*the measurement date of the plans*), the OCTA proportionate share of the collective net pension liabilities (assets), was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	$ 33,119	0.004860%	$ 110,941
PERS 2/3	$ 55,015	0.006257%	$ (256,455)

NOTE 6 RISK MANAGEMENT

The Okanogan County Transit Authority is a member of Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1988, when 34 cities in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of November 30, 2023, membership includes 196 members in the program.

The program provides the following forms of joint self-insurance and reinsurance coverage for its members: Property, including Automobile Comprehensive and Collision, Equipment Breakdown, Crime Protection and Liability, including General, Automobile, Wrongful Acts, and Cyber, which are included to fit the member's various needs.

The program acquires reinsurance through their administrator, Clear Risk Solutions. Liability coverage is purchased to a group aggregate limit of $50,000,000 with a self-insured retention (SIR) of $750,000. Members are responsible for a $1,000 to $50,000 deductible for each claim (can vary by member), while the program is responsible for the $750,000 SIR. Since the program is a cooperative program, there is joint liability among the participating members toward the sharing of the $750,000 SIR, in addition to the deductible. The program also purchases a Stop

Loss Policy as another layer of protection to its membership, with an attachment point of $8,347,047, which is fully funded in its annual budget.

Property insurance is subject to a per occurrence SIR of $750,000. Members are responsible for a $1,000 deductible for each claim (some member deductibles vary). The program bears the $750,000 SIR, in addition to the deductible.

Crime insurance is subject to a per occurrence SIR of $25,000. Members are responsible for a $1,000 deductible for each claim (some member deductibles vary). The program bears the $25,000 SIR, in addition to the deductible.

Equipment Breakdown insurance is subject to a per occurrence deductible of $2,500 (cities and special districts) and $500 (fire districts), which may vary per member, with the exception of Pumps & Motors, which is $10,000. Members are responsible for the deductible amount of each claim. There is no program SIR on this coverage, with the exception of Pumps & Motors, which is $15,000 and is covered by CIAW.

Cyber liability insurance is subject to a per-occurrence SIR of $50,000. Members are responsible for a $10,000 deductible for each claim, while the program is responsible for the remaining $40,000 SIR.

Members contract to remain in the program for a minimum of one year and must give notice before December 1 to terminate participation the following December 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

The program has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who have been contracted to perform program administration, underwriting, claims adjustment, and loss prevention for the program. Fees paid to the third-party administrator under this arrangement for the year ending December 1, 2023, were $3,172,937.

A board of ten members is selected by the membership from three geographic areas of the state on a staggered-term basis and the Board is responsible for conducting the business affairs of the program.

NOTE 7 SBTIA (Lessees)

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

OCTA makes subscription payments $2,400 annually for website software. The SBITA contract is for 5 years and includes the option to extend the contract for another 5 years.

The total amount paid for SBITAs in 2023 was $2,400. As of December 31, 2023, the future SBITA payments are as follows:

Year ended December 31	Total
2024	$ 2,400
2025	$ 2,400
2026	$ 2,400
Total	$ 7,200

NOTE 8 HEALTH AND WELFARE

The is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014, when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents, and other beneficiaries through a designated account within the Trust.

As of December 31, 2023, 264 cities/towns/non-city entities participate and have enrollment in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members.

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members.

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, Willamette Dental Group, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-city entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2023, the AWC Trust HCP purchased medical stop loss insurance for Regence/Asuris and Kaiser plans at an Individual Stop Loss (ISL) of $2 million through United States Fire Insurance Company. The aggregate policy is for 200% of expected medical claims.

Participating employers' contract to remain in the AWC Trust HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the AWC Trust HCP. Similarly, the terminating member forfeits all rights and interest to the AWC Trust HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW, and Chapter 200-110-WAC.

The accounting records of the AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided under the Revised Code of Washington (RCW) 36.57 applicable to a regional transit authority, the Okanogan County Transit Authority Benefit Area dba: TranGO was authorized in November 2013 and operates under the laws of the state of Washington applicable to a Public Transportation Benefit Area (PTBA). OCTA provides public transportation services within the transportation benefit area of Okanogan County, Washington.

Reporting Entity

OCTA is a special purpose government supported primarily through local sales tax revenue. In addition, OCTA receives capital funding from federal, state, and local agencies.

OCTA is governed by a nine-member board, appointed from the 10 incorporated towns and cities within Okanogan County; one member must be an Okanogan County Commissioner. Currently the Board consists of one elected official from each of the following municipalities: Oroville, Tonasket, Omak, Okanogan, Pateros, Brewster, Twisp, and Winthrop.

OCTA is considered a primary government and does not have any component unit relationships. Conversely, OCTA is not considered a component unit of any primary government.

Basis of Accounting and Reporting

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

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- All funds are presented, rather than a focus on major funds.
- The schedule of liabilities is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

Fund Accounting
Financial transactions of OCTA are reported in a single enterprise fund, which accounts for all financial resources for operations providing goods or services to the general public and are supported primarily through user charges.

Sales tax revenues include taxes on retail sales of goods and services. This tax is levied within the benefit area at a rate of 0.4% of retail sales. These taxes are collected on OCTA’s behalf by the Department of Revenue and are recorded when received. Operating revenues consist primarily of passenger fares, local sales tax revenue, and state and federal funding, which are recognized in the period in which they are paid.

Basis of Accounting and Measurement Focus

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

Cash and Investments

See Note 2, Deposits and Investments

Capital Assets

Capital assets are assets with an initial individual cost of more than $2,500 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as capital expenditure when paid.

Compensated Absences/Employee Leave Benefits

Compensated absences are absences for which employees will be paid, such as vacation and sick leave.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Vacation leave may be accumulated up to 160 hours and 100% is payable upon separation or retirement

Sick leave my be accumulated up to 360 hours and 25% is payable upon separation or retirement.

Assigned and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as committed due to internal commitments established by Resolution. When expenditures that meet restrictions are incurred, OCTA intends to use the most restricted resources first.

Commitments of Ending Cash and Investments consist of the Vehicle Replacement Reserve Account. By Resolution, the Board of Directors directed the Finance/HR Director to transfer from the checking account the sum of $25,575 per month into the reserve account for the purpose of the purchase of new buses.

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits

OCTA's bank balance was $4,104,738.21 on December 31, 2022.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, OCTA would not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. OCTA's deposits and certificates of deposit are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

Investments

OCTA investments are managed by a third-party, serving as Financial Advisor and another third-party, serving as Broker.

OCTA does not have a policy that addresses limitations on the amount that can be invested in any one issuer.

As of December 31, 2022, OCTA had $7.933,847.02 invested with Charles Schwab.

Deposits		
	Cash and Cash Equivalents	$167,858.30
	Petty Cash	$250.00
	Total Deposits	$168,108.30
Investments		
	Charles Schwab - Tax Cost	$7,933,847.02
	NCB Savings	$3,169,596.42
	NCB Vehicle Reserve	$767,283.49
	Total Investments	$11,870,726.93

NOTE 3 PENSION PLANS

State Sponsored Pension Plans

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

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

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

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

June 30, 2022 (the measurement date of the plans), the OCTA's proportionate share of the collective net pension liabilities (assets), was as follows:

	Employer Contributions	Allocation%	Liability (Asset)
PERS 1	$31,702.79	0.005173%	$144,035
PERS 2/3	$53,853.17	0.006703%	$(248,600)

NOTE 4 RISK MANAGEMENT

OCTA is a member of Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1988, when 34 cities in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of November 30, 2022, membership includes 195 members in the program.

The program provides the following forms of joint self-insurance and reinsurance coverage for its members: Property, including Automobile Comprehensive and Collision, Equipment Breakdown, Crime Protection and Liability, including General, Automobile, Wrongful Acts, and Cyber, which are included to fit the member's various needs.

The program acquires reinsurance through their administrator, Clear Risk Solutions. Liability coverage is purchased to an aggregate limit of $50,000,000 with a self-insured retention (SIR) of $500,000. Members are responsible for a $1,000 to $50,000 deductible for each claim (can vary by member), while the program is responsible for the $500,000 SIR. Since the program is a cooperative program, there is joint liability among the participating members toward the sharing of the $500,000 SIR, in addition to the deductible. The program also purchases a Stop Loss Policy as another layer of protection to its membership, with an attachment point of $7,110,058, which is fully funded in its annual budget.

Property insurance is subject to a per occurrence SIR of $500,000. Members are responsible for a $1,000 deductible for each claim (some member deductibles vary). The program bears the $500,000 SIR, in addition to the deductible.

Crime insurance is subject to a per occurrence SIR of $25,000. Members are responsible for a $1,000 deductible for each claim (some member deductibles vary). The program bears the $25,000 SIR, in addition to the deductible.

Equipment Breakdown insurance is subject to a per occurrence deductible of $2,500 (cities and special districts) and $500 (fire districts), which may vary per member, with the exception of Pumps & Motors, which is $10,000.

NOTE 4 RISK MANAGEMENT - continued

Members are responsible for the deductible amount of each claim. There is no program SIR on this coverage, with the exception of Pumps & Motors, which is $15,000 and is covered by CIAW.

Cyber liability insurance is subject to a per-occurrence SIR of $50,000. Members are responsible for a $10,000 deductible for each claim, while the program is responsible for the remaining $40,000 SIR.

Members contract to remain in the program for a minimum of one year and must give notice before December 1 to terminate participation the following December 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the program for any unresolved,

unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

The program has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who have been contracted to perform program administration, underwriting, claims adjustment, and loss prevention for the program. Fees paid to the third-party administrator under this arrangement for the year ending December 1, 2022, were $2,747,183.56.

A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program.

NOTE 5 HEALTH AND WELFARE

OCTA is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014, when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents, and other beneficiaries through a designated account within the Trust.

As of December 31, 2022, 262 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members.

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run out for all current members.

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In

NOTE 5 HEALTH AND WELFARE - continued

2022, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris and Kaiser plans at an Individual Stop Loss (ISL) of $1.5 million through United States Fire Insurance Company. The aggregate policy is for 200% of expected medical claims.

Participating employers' contract to remain in the AWC Trust HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the AWC Trust HCP. Similarly, the terminating member forfeits all rights and interest to the AWC Trust HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW, and Chapter 200-110-WAC.

The accounting records of the AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

NOTE 6 CHANGE IN ACCOUNTING BASIS

Starting in 2022 the OCTA Board of Directors changed the Basis of Accounting from Accrual (GAAP) to BARS Cash Basis.

NOTE 7

LEASES (LESSEES)

During the year ended 2022, OCTA adopted guidance for the presentation and disclosure of leases, as required by the BARS manual. This requirement resulted in the addition of a lease liability reported on the Schedule of Liabilities.

	Beginning Balance	Amount Paid in 2022	Ending Balance
Bus Lot, Okanogan	$ 40,800.00	$ 10,200.00	$ 30,600.00
Copier	$ 12,369.00	$ 2,604.00	$ 9,765.00
Marquis Holding - Building Lease	$ 152,496.00	$ 38,124.00	$ 114,372.00
	$ 205,665.00	**$ 50,928.00**	**$ 154,737.00**

OCTA leases land for the purpose of parking buses from the following lessors:

- 203 South 2nd Ave, LLC (Lessor's Agent is Big Valley Realty) - $850 per month. The term of this agreement is January 1, 2021, through December 31, 2025;
- OCTA leases a building from Marquis Holdings LLC for $3,177 per month. The building serves as both office space and transit hub. The term of this agreement is January 1, 2021, through December 31, 2025;
- OCTA entered into a Master Agreement with Kelley Connect for a Xerox copier in December of 2021. The term is for 60 months at a fee of $217 per month.

Okanogan County Transit Authority
Schedule of Liabilities
For the Year Ended December 31, 2023

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.56	Town of Twisp Lot Lease	12/31/2025	-	8,040	2,010	6,030
263.56	SBITA	12/31/2026	9,600	-	2,400	7,200
263.56	Big Valley Bus Lot Lease	12/31/2025	30,600	-	10,200	20,400
263.56	Marquis Building Lease	12/31/2025	114,372	-	38,124	76,248
	Total General Obligation Debt/Liabilities:		**154,572**	**8,040**	**52,734**	**109,878**
Revenue and Other (non G.O.) Debt/Liabilities						
263.52	Copy Machine		9,765	-	2,604	7,161
259.12	Compensated Absenses		54,628	5,797	-	60,425
264.30	Pension Liabilities		144,035	-	33,119	110,916
	Total Revenue and Other (non G.O.) Debt/Liabilities:		**208,428**	**5,797**	**35,723**	**178,502**
		Total Liabilities:	**363,000**	**13,837**	**88,457**	**288,380**

Okanogan County Transit Authority
Schedule of Liabilities
For the Year Ended December 31, 2022

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.56	Big Valley Realty - Bus Lot	12/31/2025	40,800	-	10,200	30,600
263.56	Marquis Holding, LLC - Office Building	12/31/2025	152,496	-	38,124	114,372
263.56	Copier		12,369	-	2,604	9,765
	Total General Obligation Debt/Liabilities:		**205,665**	**-**	**50,928**	**154,737**
Revenue and Other (non G.O.) Debt/Liabilities						
264.30	Pension Liabilities		58,131	85,904	-	144,035
259.12	Compensated Absences		40,445	14,183	-	54,628
	Total Revenue and Other (non G.O.) Debt/Liabilities:		**98,576**	**100,087**	**-**	**198,663**
		Total Liabilities:	**304,241**	**100,087**	**50,928**	**353,400**

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

Stay connected at sao.wa.gov

- Find your audit team
- Request public records
- Search BARS Manuals (GAAP and cash), and find reporting templates
- Learn about our training workshops and on-demand videos
- Discover which governments serve you — enter an address on our map
- Explore public financial data with the Financial Intelligence Tool

Other ways to stay in touch

- Main telephone: (564) 999-0950
- Toll-free Citizen Hotline: (866) 902-3900
- Email: webmaster@sao.wa.gov