



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Thurston Regional Planning Council

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

Published July 28, 2025

Report No. 1037763



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

July 28, 2025

Council
Thurston Regional Planning Council
Olympia, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the Thurston Regional Planning Council's financial statements and compliance with federal laws and regulations.

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Thurston Regional Planning Council January 1, 2024 through December 31, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

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

Financial Statements

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

Internal Control over Financial Reporting:

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

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

Federal Awards

Internal Control over Major Programs:

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

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

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

Identification of Major Federal Programs

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

<u>ALN</u>	<u>Program or Cluster Title</u>
20.205	Highway Planning and Construction

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

INDEPENDENT AUDITOR'S REPORT

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

Thurston Regional Planning Council January 1, 2024 through December 31, 2024

Council
Thurston Regional Planning Council
Olympia, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Thurston Regional Planning Council, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Council's financial statements, and have issued our report thereon dated July 21, 2025.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Council'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 Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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 Council's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

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

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

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

Pat McCarthy, State Auditor

Olympia, WA

July 21, 2025

INDEPENDENT AUDITOR'S REPORT

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

Thurston Regional Planning Council January 1, 2024 through December 31, 2024

Council
Thurston Regional Planning Council
Olympia, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of the Thurston Regional Planning Council, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended December 31, 2024. The Council's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Council's compliance with the requirements of each major federal program as a whole.

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

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor

Olympia, WA

July 21, 2025

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Thurston Regional Planning Council January 1, 2024 through December 31, 2024

Council
Thurston Regional Planning Council
Olympia, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of the Thurston Regional Planning Council, as of and for the year ended December 31, 2024, and the related notes to the financial statements, as listed in the financial section of our report.

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

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the Thurston Regional Planning Council, and its changes in cash and investments, for the year ended December 31, 2024, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Thurston Regional Planning Council, as of December 31, 2024, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council, 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 Council 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 5 to the financial statements, in 2024, the Council adopted new accounting guidance for compensated absences as required by the BARS Manual. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council'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 Council'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 Council's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Council's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2025 on our consideration of the Council'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 Council'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 Council's internal control over financial reporting and compliance.

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

Pat McCarthy, State Auditor

Olympia, WA

July 21, 2025

FINANCIAL SECTION

Thurston Regional Planning Council January 1, 2024 through December 31, 2024

FINANCIAL STATEMENTS

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

SUPPLEMENTARY AND OTHER INFORMATION

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

Thurston Regional Planning Council
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2024

Beginning Cash and Investments

308	Beginning Cash and Investments	734,699
388 / 588	Net Adjustments	-

Revenues

310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	4,138,363
340	Charges for Goods and Services	154,434
350	Fines and Penalties	-
360	Miscellaneous Revenues	702,822
Total Revenues:		4,995,619

Expenditures

510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	-
550	Natural/Economic Environment	4,602,177
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		4,602,177
Excess (Deficiency) Revenues over Expenditures:		393,442

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	11,257
591-593, 599	Debt Service	209,902
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		221,159

Increase (Decrease) in Cash and Investments: **172,283**

Ending Cash and Investments

50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	-
50891	Unassigned	906,981
Total Ending Cash and Investments		906,981

The accompanying notes are an integral part of this statement.

Thurston Regional Planning Council Notes to the Financial Statements For the Year Ended December 31, 2024

Note 1 – Summary of Significant Accounting Policies

The Thurston Regional Planning Council (the “Council”) was incorporated on November 21, 1967 and operates under the laws of the state of Washington applicable to a Regional Planning Commission. The Council is a special purpose local government and provides county-wide planning services.

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

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

A. Fund Accounting

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

Governmental Fund Types:

General Fund

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

B. Basis of Accounting and Measurement Focus

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

In accordance with Thurston County procedures, the Council does not recognize expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

It is Thurston County's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds. For further information see Note 3 – Deposits and Investments.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of 1 year. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Alternative annual leave may be accumulated up to a maximum of 480 hours. The maximum payout for alternative annual leave upon separation or retirement is 240 hours except in case of death of the employee, in which 360 hours will be paid out to the employee's beneficiary. Sick leave can only be accrued by temporary employees at a rate of 1 hour of sick leave for every 40 hours worked. Sick leave accrued after the implementation of the alternative leave program is not paid out upon separation. Employees who converted from the traditional annual leave program to the alternative leave program on January 1, 1996, may bank any remaining sick leave hours at the time of conversion. Cash out payments for banked sick leave, upon retirement or death, is capped at 360 hours of banked sick leave. Payments are recognized as expenditures when paid.

F. Liabilities

See Note 4 Leases (Lessees), Note 5 – Long-Term Liabilities (Formerly Long-Term Debt), Note 6 – Other Postemployment Benefits (OPEB), Note 7 – Pension Plans and Note 9 – Subscription Based Information Technology Arrangements (SBITA) (Lessees)

G. Leases and SBITAs

Leases are reported as liabilities if the total payments over the life of the lease is more than \$0. SBITAs are reported as liabilities if the total payments over the life of the SBITA is more than

\$0. For more information see Note 4 Leases (Lessees) and Note 9 – Subscription Based Information Technology Arrangements (SBITA) (Lessees).

Note 2 – Budget Compliance

The Council adopts an annual appropriated budget for general funds. This budget is appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for the fund lapse at the fiscal year end.

The annual appropriated budget is adopted on the same basis of accounting as used for financial reporting.

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

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:	\$5,513,590	\$4,823,337	\$690,253

Budgeted amounts are authorized to be transferred between within any object classes within the fund; however, any revisions that alter the total expenditures of the general fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the Council’s legislative body.

Note 3 – Deposits and Investments

Investments are reported at fair value. Deposits and investments by type at December 31, 2024 are as follows:

Type of deposit or investment	Amount Invested	Fair Value	Fair Value Multiplier	Weighted Average Maturity
Bank deposits	\$906,981.03	\$897,273.61	0.989297	1.139 Years

Investments in Thurston County Investment Pool (TCIP)

The Council is an involuntary participant in the Thurston County Investment Pool (TCIP), an external investment pool operated by the County Treasurer. The pool is not rated or registered with the SEC. Rather, oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. Investments in the TCIP are reported at fair value, which as of 12/31/2024,

is reporting an unrealized loss from book value of 1.0703%. The TCIP does not impose any restrictions on participants withdrawals.

Custodial Credit Risk

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

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

Note 4 – Leases (Lessees)

During the year ended December 31, 2022, the Council 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.

Building

The Council leases its single office building from DM Ventures Evergreen, LLC. The lease is a triple net lease comprised of a base rent and variable operating expenses. The lease began on October 1, 2020 and ends on January 31, 2031. Dependent on non-default and adequate notification provided to the landlord, the Council may extend the lease term for two additional periods of five years. Currently, the Council has no intentions extending the lease and is anticipating ending the lease on the original term end date of January 31, 2031. Variable operating expenses are estimated by the landlord prior to the beginning of a new yearly term. The total operating expenses are paid out evenly in a twelve-month period. The total amount paid in base rent for 2024 was \$186,750.

As of December 31, 2024, the future lease payments are as follows:

Reporting Year Ending	
December 31st	Yearly Total
2025	\$ 177,000.00
2026	\$ 181,500.00
2027	\$ 186,000.00
2028	\$ 190,500.00
2029	\$ 195,000.00
2030	\$ 199,500.00
2031	\$ 16,875.00
	<u>\$ 1,146,375.00</u>

Copier

The Council has a single copier lease from Ricoh. The lease is a 48-month straight lease which ownership is not an option. The single copier lease began on June 1, 2022 and ends on July 31, 2026. The single copier lease may be cancelled by either party with a 60-day notice or 30-day notice by the participating entity. The cancellation may be in whole or in part. The lease may be extended beyond the initial terms on a month-to-month basis not to exceed 60 months. Based on historical practices, the Council does not plan on extending the lease term for the single copier beyond the initial term. The total amount of lease payments in 2024 were \$8,629.80.

As of December 31, 2024, the future lease payments for the single copier are as follows:

Reporting Year Ending	
December 31st	Yearly Total
2025	\$ 8,629.80
2026	\$ 5,033.40
	<u>\$ 13,663.20</u>

Note 5 – Long-Term Liabilities (Formerly Long-Term Debt)

Compensated Absences

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

	Beginning Balance 01/01/2024	Additions	Reductions	Ending Balance 12/31/2024
Compensated Absences*	\$199,852	\$2,687		\$202,539

*additions and reductions are reported as a net change

Note 6 – Other Postemployment Benefits (OPEB)

During the year ended December 31, 2020, the Council adopted guidance for the presentation and disclosure of postemployment benefits other than pensions, as required by the BARS manual. This requirement resulted in the addition of a postemployment benefit liability reported on the Schedule of Liabilities.

The Council is a participating employer in the state's Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority. The plan provides medical, dental, and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Part A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately.

Fiscal Year 2024	
Number of Active Plan Members	19
Number of Retired Plan Members	9
Contributions made	\$ 14,578
*Total OPEB Liability	\$955,826

**Measured using the alternative measurement method*

Note 7 – Pension Plans

A. State Sponsored Pension Plans

Substantially all the Council'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

At June 30, 2024 (*the measurement date of the plans*), the Council's proportionate share of the collective net pension liabilities (assets), was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$ 57,323	0.009576%	\$ 170,150
PERS 2/3	\$122,033	0.012398%	(\$408,709)

Only the net pension liabilities are reported on the Schedule of Liabilities.

Note 8 – Risk Management

The Council is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 168 members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

All Members are provided a separate cyber risk policy and premises pollution liability coverage group purchased by WCIA. The cyber risk policy provides coverage and separate limits for security & privacy, event management, and cyber extortion, with limits up to \$1 million and subject to member deductibles, sublimits, and a \$5 million pool aggregate. Premises pollution liability provides Members with a \$2 million incident limit and \$10 million pool aggregate subject to a \$100,000 per incident Member deductible.

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown coverage are purchased on a group basis. Various deductibles apply by type of

coverage. Property coverage is self-funded from the members' deductible to \$1,000,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, reinsurance and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA.

Note 9 – Subscription Based Information Technology Arrangements (SBITA) (Lessees)

During the year ended December 31, 2023, the Council adopted guidance for the presentation and disclosure of Subscription Based Information Technology Arrangements (SBITA), as required by the BARS manual. This arrangement resulted in the addition of a subscription liability reported on the Schedule of Liabilities.

SHI Microsoft

The Council entered into a 36 month contract with Microsoft in 2022. The total cost of the agreement was \$40,379.76. The agreement has the option to extend for one additional term of 36 months at the conclusion of the original agreement.

The total amount paid for SBITAs in 2024 was \$14,522.21. As of December 31, 2024, the future SBITA payments are as follows:

Reporting Year Ending December 31st	Yearly Total
2025	\$ 13,065.70
2026	\$ 13,065.70
2027	\$ 13,065.70
	<u>\$ 39,197.10</u>

Thurston Regional Planning Council
Schedule of Liabilities
For the Year Ended December 31, 2024

ID. No.	Debt ID Title	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
Revenue and Other (non G.O.) Debt/Liabilities							
259.12	Compensated Absences	Compensated Absences		199,851	2,688	-	202,539
263.52	Installment Purchases	Dell	10/1/2024	3,252	-	3,252	-
263.52	Installment Purchases	Conference AV	4/30/2024	8,005	-	8,005	-
264.30	Pension Liabilities	Net Pension Liability		252,653	-	82,503	170,150
264.40	OPEB Liabilities	OPEB Liabilities		484,669	471,157	-	955,826
263.57	Leases, SBITA, and PPPs	Building	1/31/2031	1,333,125	-	186,750	1,146,375
263.57	Leases, SBITA, and PPPs	Copier	7/31/2026	22,293	-	8,630	13,663
263.57	Leases, SBITA, and PPPs	SHI Microsoft	6/1/2027	53,719	-	14,522	39,197
Total Revenue and Other (non G.O.) Debt/Liabilities:				2,357,567	473,845	303,662	2,527,750
Total Liabilities:				2,357,567	473,845	303,662	2,527,750

Thurston Regional Planning Council
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Passed through to Subrecipients	
					Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	GCB 3868	531,338	-	531,338	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	GCB 3868	276,464	-	276,464	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	GCB 3868	750,000	-	750,000	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-10127	15,870	-	15,870	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-10130	3,242	-	3,242	1

The accompanying notes are an integral part of this schedule.

**Thurston Regional Planning Council
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	GCB 3687	29,388	-	29,388	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	GCB 3954	12,479	-	12,479	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	GCB 3952	43,742	-	43,742	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	GCB 3953	1,618	-	1,618	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9578	1,259	-	1,259	-	1

The accompanying notes are an integral part of this schedule.

**Thurston Regional Planning Council
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9801	7,759	-	7,759	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	GCB 3890	10,695	-	10,695	-	1
Total ALN 20.205:				1,683,854	-	1,683,854	-	
FEDERAL TRANSIT ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research	20.505	PTD0965	6,394	-	6,394	-	1
FEDERAL TRANSIT ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research	20.505	PTD0966	6,393	-	6,393	-	1
Total ALN 20.505:				12,787	-	12,787	-	

The accompanying notes are an integral part of this schedule.

Thurston Regional Planning Council
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

	Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
					From Pass- Through Awards	From Direct Awards	Total		
	FEDERAL TRANSIT ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Formula Grants for Rural Areas and Tribal Transit Program	20.509	PTD0739	298,235	-	298,235	-	1
	ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Washington State Department of Ecology)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	WQNEPSW- 2023-ThRePC- 00005	50,089	-	50,089	-	1
Total Federal Awards Expended:					2,044,965	-	2,044,965	-	

The accompanying notes are an integral part of this schedule.

Thurston Regional Planning Council

Notes to the Schedule of Expenditures of Federal Awards (SEFA) For the Year Ended December 31, 2024

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting as the Council's financial statements. The Council uses the cash basis of accounting.

Note 2 – Federal Indirect Cost Rate

The Council has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The amount expended includes \$15,506.61 claimed as an indirect cost recovery using an approved indirect cost rate of 47 percent for the following projects:

ALN #	Other Award I.D. #	Project Name	Amount
20.205	LA-10127	High Capacity Transportation I	\$5,074.02
20.205	LA-10130	Capitol Campus	\$1,036.51
20.205	GCB 3687	State Route and Interstate Emergency Detour Route	\$9,396.08

The amount expended includes \$3,517.08 claimed as an indirect cost recovery using an approved indirect cost rate of 49 percent for the following project:

ALN #	Other Award I.D. #	Project Name	Amount
20.205	GCB 3890	I5 Marvin PEL	\$3,517.08

The amount expended includes \$419.54 claimed as an indirect cost recovery using an approved indirect cost rate of 50 percent for the following project:

ALN #	Other Award I.D. #	Project Name	Amount
20.205	LA-9578	Martin Way	\$419.54

The amount expended includes \$258,193.32 claimed as an indirect cost recovery using an approved indirect cost rate of 53 percent for the following projects:

ALN #	Other Award I.D. #	Project Name	Amount
20.205	GCB 3868	UPWP FHWA - Regional Transportation Planning	\$81,211.54
20.205	GCB 3868	UPWP FTA - Regional Transportation Planning	\$47,079.82
20.205	GCB 3868	UPWP STBG - Regional Transportation Planning	\$129,901.96

The amount expended includes \$434,510.80 claimed as an indirect cost recovery using an approved indirect cost rate of 54 percent for the following projects:

ALN #	Other Award I.D. #	Project Name	Amount
20.205	GCB 3868	UPWP FHWA - Regional Transportation Planning	\$104,106.76
20.205	GCB 3868	UPWP FTA - Regional Transportation Planning	\$49,285.30
20.205	GCB 3868	UPWP STBG - Regional Transportation Planning	\$131,493.51
66.123	WQNEPSW-2023-ThRePC-00005	Stormwater Road Retrofit	\$17,563.55
20.205	GCB 3954	Bicycle Connectivity Strategy	\$4,375.72
20.205	GCB 3952	Regional Multimodal LOS	\$15,338.09
20.205	GCB 3953	Freight Goods Strategy	\$567.47
20.509	PTD0739	WSDOT: Rural Transit	\$104,575.85
20.205	LA-9801	Bike Map	\$2,720.70
20.505	PTD0965	WSDOT: Rural Transit Deviation	\$2,241.98
20.505	PTD0966	WSDOT: Rural Transit Flag	\$2,241.87

Note 3 – Program Costs

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

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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.

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